faith are now in the celestial kingdom of God” (TPJS, p. 359).

The Prophet indicated some of his concerns: threats on his life, his love of the Saints, the loneliness of leadership (“You never knew my heart”), the wonderment he felt in retrospect (“I don’t blame anyone for not believing my history. If I had not experienced what I have, I could not have believed it myself” [TPJS, p. 361]). He finished with a plea for peace and invoked God’s blessing on the assembly.

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KING JAMES VERSION

See: Bible: King James Version

KIRTLAND ECONOMY

[This article reports the main facts and points of interest regarding the economic events in Kirtland in the 1830s and the significance of this historical development in the overall growth of the Church.]

In early 1830, Kirtland, Ohio, was a small rural trading center of approximately 1,000 people, none of whom was LDS (see HISTORY OF THE CHURCH: c. 1831–1844). Six years later, it was a bustling community of 3,000, with commercial, mercantile, and small manufacturing firms, and a temple serving the 2,000 Latter-day Saints in the town. Despite its rapid growth and apparent prosperity, within another two years Joseph Smith departed Kirtland, leaving behind disgruntled creditors, warrants for his arrest, a failed banking experiment, and a divided Mormon population preparing to leave the temple and their homes. By 1840, only 200 Latter-day Saints remained in Kirtland.

The study of the Kirtland economy between 1830 and 1840 continues to generate controversy among historians. One question has to do with the precipitous increases in the land prices between 1832 and 1837. Were they the result of “reckless land speculation” by Joseph Smith and other Church leaders? The average price per acre of land sold in Kirtland rose from approximately $7 in 1832 to $44 in 1837, only to fall back to $17.50 in 1839. These dramatic changes, however, were related to movements in the general price level, trends in the value of land in neighboring communities, and the impact of population growth. Probably between 25 and 40 percent of the change in the nominal price of land was associated with generalized inflation during this period. As much as 84 percent of the remaining change in the real price of land was correlated with the rise and fall in population. Joseph Smith was primarily responsible for the call to gather to Kirtland; naturally, the newcomers needed land. An examination of land transactions reveals nothing in the buying, selling, or subdividing of land that was unusual for a frontier community.

Another question has to do with Joseph Smith’s debts. Was his use of credit “irresponsible”? Early studies of the economic difficulties in Kirtland emphasized debts and ignored assets. Actually, Joseph Smith’s potential cumulative indebtedness during this period, including all purchases of land and merchandise, totaled a little over $100,000, considerably below earlier estimates by some historians. At least $60,000 of this debt was eventually settled, and probably much more, since the remainder produced no lawsuits and primarily represented debt for land, which would likely have been paid for or the land reclaimed. At the same time, because of the increase in prices, President Smith and his associates held almost $60,000 equity in land. In the environment of rapid population growth from 1830 to 1837, many New York, Buffalo, and Cleveland merchants willingly extended Joseph Smith credit. His position of leadership in an expanding community, the value of his current assets, and the expectation of continued growth made these transactions reasonable at the time.

The financial problems of Church leaders arose from two circumstances. First, their debts were largely in the form of 90-to-180-day notes, while their assets were primarily in nonliquid land. Second, Joseph Smith found it very difficult to
demand cash from the sale of land or goods to his followers, many of whom were impoverished by the costly migration to Kirtland. The resulting cash-flow problem, common in frontier communities, could have been alleviated by a bank with the capacity to transfer long-term assets into short-term liquidity.

In the fall of 1836, Joseph Smith and his associates drew up a charter for such a bank, the Kirtland Safety Society. The question of fraud has long hovered over the Society. Its timing was unfortunate. During 1836 and 1837, the Ohio legislature, dominated by the hard-money wing of the Democratic party, refused all applications for bank charters. Within a week of realizing the hopelessness of their request for a charter, Church leaders, probably with legal counsel judging from the language of the document, formed a joint stock company and began issuing notes sometimes stamped “anti-banking” notes.

Because an 1816 Ohio law forbade the issuance of unauthorized money, some have thought that the Kirtland Safety Society notes were illegal. But the definition of what constituted “unauthorized” money remained controversial as late as 1873. Several other commercial institutions in Ohio issued notes or scrip, including the Ohio Railroad Company, which issued almost $100,000 of scrip during the same year as the Kirtland Safety Society. Whigs, soft-money Democrats, and several newspapers encouraged such action in opposition to what they considered the unlawful and unconstitutional behavior of the hard-money majority in the legislature.

Heavy demand for redemption of the Kirtland Safety Society’s notes led to the suspension of specie payments within its first month of operation. Thereafter, the notes were backed by land values, rather than specie, and almost immediately its notes circulated at a heavy discount. It was further buffeted by the nationwide banking panic of May 1837, when all Ohio banks suspended specie payment. The tenacious Kirtland bank, or anti-bank, continued its faltering operations until November, when it closed its doors for the last time.

The Kirtland Safety Society’s first note issue during January 1837 was probably not for more than $15,000. Subsequent note issues may have totaled as much as $85,000 in face value, but the increasing discounts against these issues probably kept the real value of outstanding notes at about the January level or lower. At the time of the initial issue, paid-in subscriptions were also approximately $15,000. That amount, plus the unusual loyalty of the LDS community and a $3,000 loan from the Bank of Geauga, might have provided resources sufficient for a legally chartered bank in Kirtland to experience modest success.

Whatever might have been, the institution did not have a bank charter and did not survive, thereby adding substantially to Joseph Smith’s financial woes. He bought more stock, paid more per share than 85 percent of the other investors, and continued to add his own money to the assets of the bank as late as April 1837, well after it had suspended specie payments. After the banking panic of May, Joseph Smith transferred his interests in the bank and other financial assets to Oliver Granger and Jared Carter, who continued to attempt to settle Joseph’s financial obligations as late as 1843.

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**KIRTLAND, OHIO**

[This entry presents the history of LDS settlement in Kirtland and gives an idea of what it would have been like to have lived among the Saints in this community in the 1830s.]

During most of the 1830s there were two gathering places for Latter-day Saints, one in western Missouri and the other in northeastern Ohio. Although more members gathered to the Missouri frontier, Kirtland, Ohio, was the principal administrative headquarters of the Church and the major base for directing missionary work from 1831 until early 1838.