

The Bandera PROPHECY

October 21, 2021

Today in Texas History

By Bandera Spirits of Texas

On this day in 1822, the Banco Nacional de Texas, or Texas National Bank, was established as a bank of issue--the first in Texas--by Governor José Félix Trespalacios in San Antonio.

Shortly after arriving in Texas in August, Trespalacios hit upon the idea of issuing paper money, to be backed by the specie due from the central government, as wages to the province's demoralized soldiers. Members of the city council were made officers in the bank, and four soldiers were given the task of hand-producing the notes. Just under 12,000 pesos was issued in two installments on Nov. 1 and Dec. 1, 1822, before the bank was suspended.

The short-lived experiment in emergency financing proved costly to most noteholders, who had to wait until 1830 for redemption of the Texas money by the Mexican government. Despite its failure, this institution claims the title of the "first chartered bank west of the Mississippi."