

Chapter XII

BANKS AND BANKING

Banks which have done business in Fall River include banks which were organized under the federal law and banks which were organized under state law. In the latter class are banks which were organized either under the laws of Massachusetts or of Rhode Island. Again these banks are divided into two classes: those which are operated by stockholders and those which are controlled by depositors. The profits of a national bank or a trust company belong to the stockholders and are divided among the stockholders in the form of dividends. Banks known as savings banks or co-operative banks are operated by and for the benefit of the persons who deposit their money for investment. The profits are divided in accordance with the amount of money with which these depositors are credited in their pass books. Inasmuch as national banks and trust companies are always seeking to secure and control deposits which are subject to check, the money earned depends largely upon the amount of deposits. One of the means of securing substantial deposits was to secure the accounts of savings and co-operative banks, because these usually carried large deposits and the depository could earn money on a proper investment of the deposits. In carrying out this idea it was quite usual, until a comparatively recent date, for national banks and trust companies to reserve a space in their counting rooms at which the business of savings or co-operative banks could be conducted. Of late years, it has been contrary to the policy of the bank commissioner of Massachusetts to allow any two banks to do business in the same quarters and this has tended in some instances to consolidate banks. Savings banks and co-operative banks have moved into quarters reserved solely for their own use. In this way several of the banks which formerly did business here have been consolidated with others. The First National Bank was consolidated with the B. M. C. Durfee Trust Company, and the Massasoit-Pocasset National Bank and the Metacomet National Bank were also consolidated with the B. M. C. Durfee Trust Company in 1928.

National banks and trust companies are "Commercial banks". Savings banks and co-operative banks will be treated separately.

The National Bank

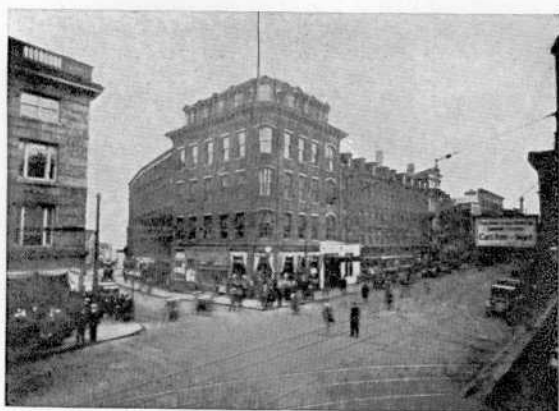
There is only one national bank in Fall River at the present time, viz.: The Fall River National Bank.

The Fall River National Bank, then known as the Fall River Bank, was organized on January 18, 1825 at the law office of James Ford, Esq. After receiving a charter from the Massachusetts legislature, they conducted business for one year at the corner of North Main and Central Streets; then they purchased the lot at the southeast corner of North Main and Bank Streets where the bank is now located. The building on this property was a cider house, which was torn down when the first brick building was erected. This building was destroyed by the fire of 1843 but was rebuilt the same year. It was enlarged and modernized in 1890, at which time the bank purchased the adjoining property on Bank Street which formerly belonged to the St. Paul's Methodist Episcopal Church and also acquired from Oliver Chace heirs, the adjoining land on Main Street where the Davis and Fish market had been.

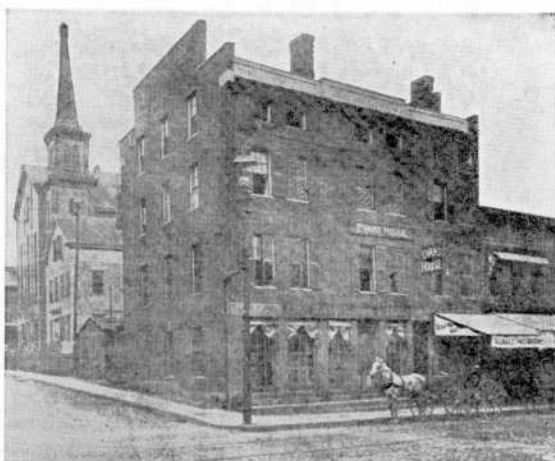
For twenty years the Fall River Bank was the only bank of discount in the village of Fall River. It was chartered as a National Bank in 1864 with a capital of one hundred thousand dollars. Its presidents in the order of their service were David Anthony, Col. Richard Borden, Guilford H. Hathaway, Ferdinand H. Gifford, Wendell E. Turner, Oliver S. Hawes and John C. Batchelder. Its cashiers were Matthew C. Durfee until 1836; since then Henry H. Fish, George R. Fiske, Ferdinand H. Gifford, George H. Eddy, Frederick E. Bemis, and now Arthur R. Derbyshire. On the first of January 1940 the resources of The Fall River National Bank were \$8,309,000 of which \$7,700,000 represent deposits and \$685,000 was capital and surplus. The bank is authorized to manage trust funds and these amount to approximately five and a half millions of dollars at this time. They are not shown in the financial statement.

TRUST COMPANIES

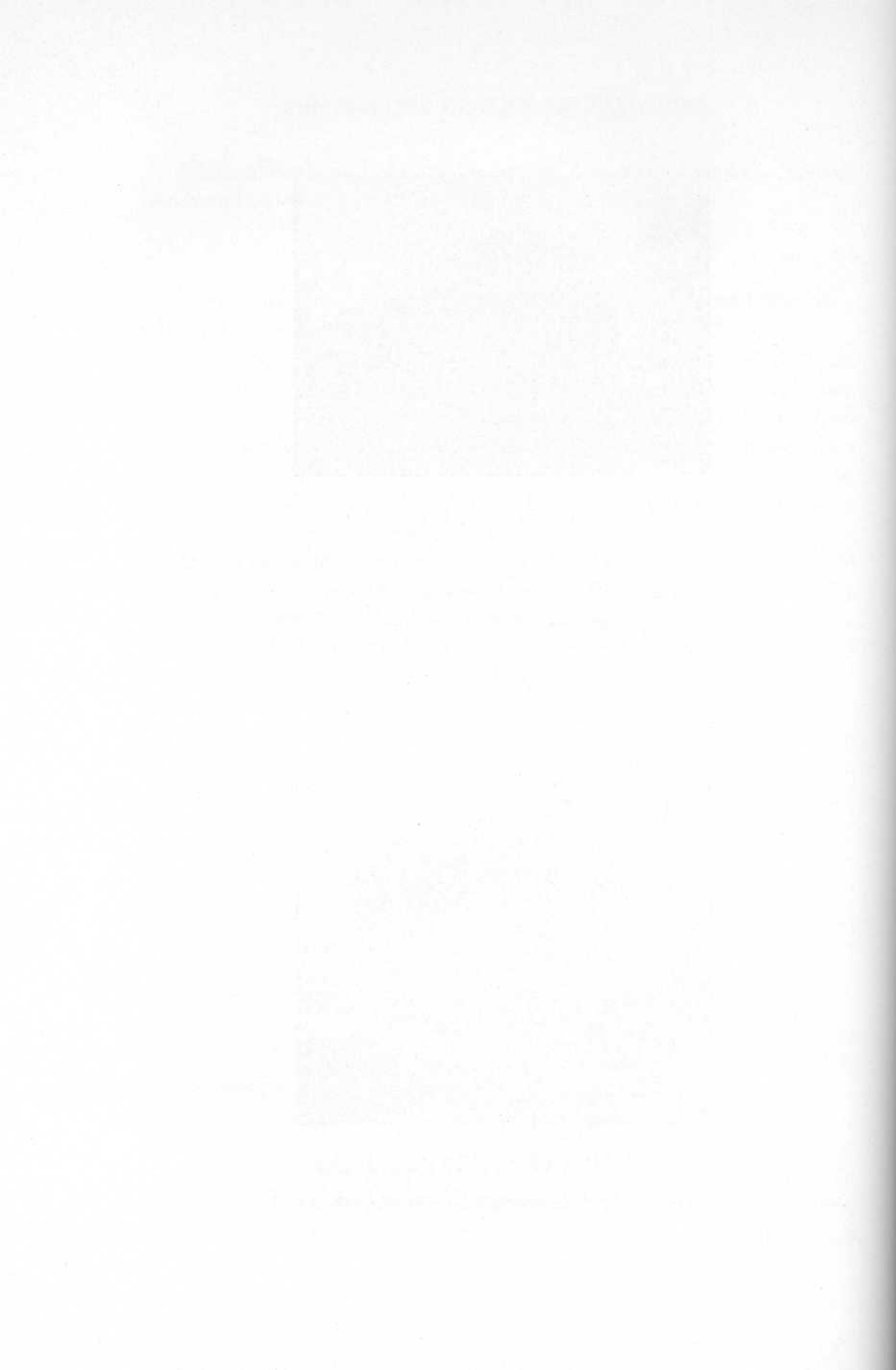
There are two trust companies in Fall River, the B. M. C. Durfee Trust Company which was organized under the laws of Massachusetts in 1888, and the Fall River Trust Company which was similarly organized in 1919.



DURFEE BLOCK



OLD FALL RIVER NATIONAL BANK
St. Paul's Methodist Episcopal Church in Background



B. M. C. Durfee Trust Company

In 1870 a private banking house called B. M. C. Durfee & Co. was organized by John S. Brayton and his sister Mary B. Young. Bradford M. C. Durfee, whose name was used in this title, was the son of Bradford Durfee and Mary B. Durfee, she having married Jeremiah Young after the death of Mr. Durfee. He was a prominent business man and banker of Andover, Massachusetts, and had held important political and business positions. Bradford M. C. Durfee was born in 1843 and died in 1872, but he was never connected with the banking house. It was owned and controlled by John S. Brayton and his sister. Three John S. Braytons, in three successive generations, have been in control of the Brayton banks, consisting originally of this banking house; secondly of the First National Bank, which was incorporated in 1864 and the B. M. C. Durfee Trust Company, which was chartered in 1887, at which time it absorbed the business of the private banking house.

In 1925 the B. M. C. Durfee Trust Company absorbed the First National Bank; in 1928 it absorbed the Massasoit-Pocasset National Bank and the Metacomet National Bank. In turn the Massasoit-Pocasset National Bank was a consolidation in 1904 of the old Massasoit National Bank, the Pocasset National Bank and of the National Union Bank. The Metacomet National Bank had merged in 1903 with the Second National Bank which had been organized in 1856, under the name of Wamsutta Bank and which had been absorbed by the Second National Bank when that was incorporated as a national bank in 1864.

The three generations of men named John S. Brayton were distinguished in popular parlance as John S., Summerfield and John, the latter being now the president of the consolidated banks.

November 31, 1886 Arthur W. Allen¹ entered the employ of the banking house of B. M. C. Durfee & Co. as ledger bookkeeper. He retired, because of poor eyesight, but with an active and accurate memory. He is the only surviving official who had any connection with this early banking house and he has furnished most of the details which enter into this sketch.

In the spring of 1887 he became the general bookkeeper and when the trust company was organized John S. Brayton made him its treasurer. The trust company charter was most liberal. There is no other like it today. The new bank building was immediately constructed at the northwest corner of North Main and Bank Streets and until the building was com-

¹ Arthur W. Allen died August 25, 1942.

pleted the First National Bank and the B. M. C. Durfee Trust Company transacted their business over the same counter, in their banking rooms at the north end of the old Granite Block. At that time Everett M. Cook was the teller of the First National Bank and C. E. Hendrickson of New Bedford was the cashier. John S. Brayton was president until his death in September 1904.

The banks moved into their new building in May 1888. In June 1888 Mr. Allen became treasurer and clerk of the B. M. C. Durfee Trust Company. Thomas E. Brayton was vice president; the board of directors was composed of very prominent citizens, including James M. Morton, Sr., David A. Brayton, Jr., Hezekiah A. Brayton, Andrew Borden, Andrew J. Borden, George A. Ballard, Edward L. Anthony, Byron W. Anthony, Sr., and Philip D. Borden, Sr., who was then treasurer of the American Linen Company. The trust company began to function on July 9, 1888 with a capital of one hundred thousand dollars; in 1890 it was doubled and during the panic of 1893 it was doubled again.

In 1925 it absorbed the First National Bank and when after the big fire of February 2nd, 1928 it absorbed the Massasoit Pocasset and the Metacommet banks, the directors of each of these banks became directors in the B. M. C. Durfee Trust Company. At one time there were thirty-eight directors. They are now reduced to nineteen.

John Summerfield Brayton died on April 20, 1923, one day only after the death of Hon. James M. Morton. Not knowing that he was suffering from any serious ailment, Summerfield announced that he was going home. It seems that on his way home, he called to see Dr. Learned, who was not in his office. He drove home, drove his automobile in the garage and called for Dr. Buck, who, after examination, declared that he was very ill with "angina". In the evening Dr. Buck was called again. Before he arrived Mr. Brayton was dead. The funerals of Hon. James M. Morton and John Summerfield Brayton were held on the same day. The third John S. Brayton (John Brayton) became president of these banks and still holds the office.

The law which was passed in 1902 and which compelled the separation of the banking quarters of the various banks did not seriously affect the B. M. C. Durfee Trust Company and the First National Bank because their banking rooms were very commodious with counters and separate safe facilities on each side. In January 1904 the First National Bank and the B. M. C. Durfee Trust Company were separated. In Mr. Allen's

words "I took my trust company, bag and baggage and went over on the north side of the building; we were under the same roof but not functioning from the same counter".

At the time of the defalcations which seriously affected the business industries of Fall River, the commercial paper and the pledged capital stock of the Union Mill and of the Sagamore Manufacturing Company were held by both the B. M. C. Durfee Trust Company and the First National Bank to a larger extent than any other banks. The banks continued to hold these securities and participated in the corporate reorganizations. While the personal notes of S. Angier Chace and George T. Hathaway were necessarily charged off as losses, the collateral given to secure them was held "through thick and thin, for years and years, until the stock became very valuable", and, as Mr. Allen says, "we made a raft of money".

The financial depression which involved all the banks began in June 1893. It was due to a shortage of currency. People who had bank credits became suddenly aware of the fact that they wanted their credits in cash. There was not enough money to go around. This bank suffered least of any because John S. Brayton was clerk and director of the Old Colony Steamboat Company and interested in the railroad and he was able to go to Boston every day to bring back a satchel filled with the necessary currency. Director Edward L. Anthony, Treasurer of the Border City Mills, had connections in New York through which money came every day by express to the bank, so the First National Bank was the only national bank in Fall River which was able to furnish actual cash for the mill operatives. All other banks in Fall River issued their own currency, printed in the form of bills which were passed through the clearing house from the operatives, the same as checks had been. The Brayton banks also had currency of their own, but none of it was used. The box containing it was never opened until it was shovelled into the furnace. The panic lasted thirteen months. When the public brought back their money to be re-deposited a large part of it was still strapped up in the original packages in which it was turned over to them when they withdrew it.

The financial depression of 1907 had no effect upon the banks in Fall River.

There was another financial depression in 1932 which was caused by "a slump in stocks". The public became frightened, began to sell their stocks for what they could get for them and the market was over-loaded and bank deposits fell off.

Fall River Trust Company

The Fall River Trust Company was chartered March 6, 1919 and was opened for business January 9, 1920. The bank is managed by local men and is not connected with any other bank. The banking rooms occupy the first floor of what was formerly the building owned by the "Fall River Daily Globe". This property has recently been acquired by the trust company. The bank also maintains a branch in the eastern section of the city. The following were the officers of the bank when it opened in 1920. President, Walter E. McLane; Vice-Presidents, James Sinclair and Michael Sweeney; Treasurer, Samuel E. Robinson; Directors, Walter E. McLane, Thomas C. McGuire, James Sinclair, Michael Sweeney, William A. Prosser, Edwin J. Cole, Frank M. Silvia, Fred L. Hervey, Charles T. Slack and Stanislaus Boivin. The bank has attained a prominent place in the business life of the community which is reflected in its assets and the value of its stock. At the present time (1940), James Buffington is President; Norman C. Small is Vice-President;² Samuel E. Robinson, Executive Vice-President and Treasurer; William F. Howard and Anthony Perry, Assistant Treasurers.

SAVINGS BANKS

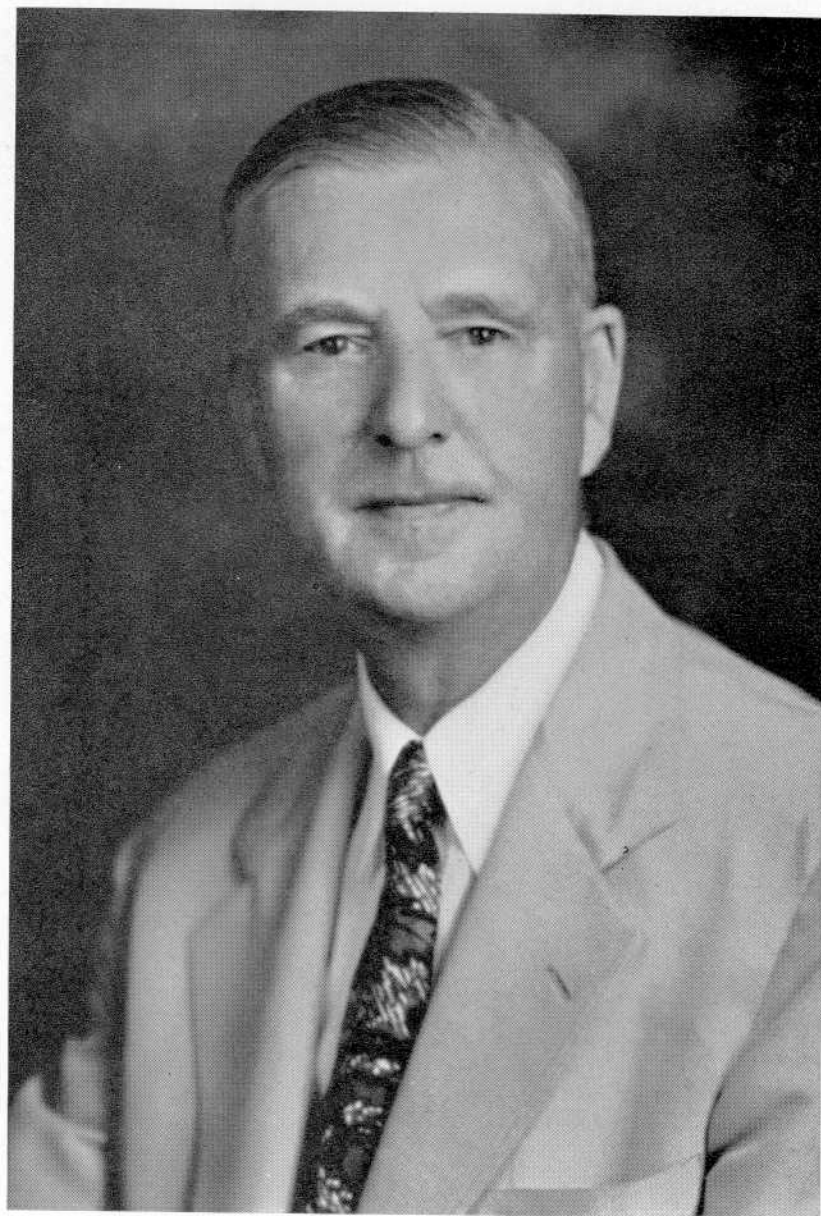
There are four savings banks in Fall River. They are treated in the order of their incorporation.

Fall River Savings Bank³

Fall River Savings Bank was incorporated in 1828 for a term of twenty years under the name of Fall River Institution for Savings. In 1847 incorporation was continued without limitation. In 1855 its name was changed to Fall River Savings Bank. In 1830 the bank was located in the store of Hawkins and Fish at the southeast corner of Main and Bedford Streets and it remained there until 1841. The bank was then moved to Pocasset Street, in the rear of the Post Office; then it was located in the house of Dr. Nathan Durfee on North Main Street until his house was destroyed by fire. It was then moved to the southwest corner of the Mount Hope Block and remained there until its present building on North Main Street was completed in 1867. In the financial troubles of 1879, depositors lost four and one-half per cent of their investments but this was repaid in 1882 in the form of an extra dividend.

² Norman C. Small died October 28, 1940.

³ "The Centenary of the Fall River Savings Bank." Privately printed March, 1928.



SAMUEL E. ROBINSON





Courtesy Fall River Historical Society

NATIONAL UNION BANK
South Main Street corner Rodman Street

Micah Ruggles was the first president. James Ford was the first treasurer. Joseph F. Lindsey was treasurer from 1836 to 1877 and Charles A. Bassett from 1877 to 1916. Cornelius S. Hawkins is the present treasurer.

Citizens Savings Bank

The Citizens Savings Bank was organized as "The Savings Bank" by act of the Rhode Island General Assembly. It began its business on December 1st, 1851 in Tiverton and in the banking rooms of the Union Bank at the northeast corner of South Main and Rodman Streets. The act which changed the boundary line between Massachusetts and Rhode Island and added Fall River, R. I., to Fall River, Mass. provided that the corporations legally existing in the annexed territory should continue to exist in Massachusetts under the same charter, on account of which the Citizens Savings Bank is the only bank operating in Massachusetts under an original Rhode Island charter.

In 1862 this bank joined with the Pocasset National Bank and moved into the banking rooms at the northwest corner of the Market House which was at the location of the present City Hall in Fall River. In January 1873, the Pocasset National Bank erected a new building on the southeast corner of Main and Bedford Streets and both banks moved to that location. It is interesting to know that this land was then purchased for \$15,000. In 1862 the name of the bank was changed to the Citizens Savings Bank and in 1903 it purchased from the Pocasset National Bank its business location. The present building is the third building occupied by the bank on the same site. It enlarged and rebuilt its banking house in 1923 and when it was destroyed by fire on February 2, 1928 its present structure was erected.

When John T. Swift became the treasurer of this bank in 1919 its deposits were \$6,850,000 and its total assets were \$7,800,000. In 1930 John T. Swift became president of the bank and on January 1, 1940 deposits had increased to \$13,946,000 and the total assets to \$16,530,000; this showing the most remarkable increase of assets by any savings bank in the city. Leeds Burchard is now president.

Fall River Five Cents Savings Bank

The Fall River Five Cents Savings Bank was incorporated April 10, 1855 by several public spirited persons who desired to encourage savings by those who were attracted to the city by its industrial activities and who

were untaught in New England thrift. It was believed that those who were spending substantially all their earnings each week might be induced to save a little if a bank for small savings was established in their midst. The bank was established in an economical manner. Three citizens supplied furnishings including the safe and books. Another offered free use of convenient banking rooms. Charles J. Holmes, then only twenty-one years of age, was elected treasurer and opened the bank January 1, 1856. It accepted deposits from five cents to one thousand dollars and paid its first dividend in June 1856. Mr. Holmes was also the cashier of the Wamsutta Bank which was renamed the Second National Bank in 1864. Both institutions occupied the same banking room until the law prohibiting such use was passed in 1902. It then became necessary for the Second National Bank to move because the Five Cents Savings Bank owned the building. The Second National Bank accepted the offer of the Metacomet National Bank to purchase its assets and to liquidate, with the result that the stockholders of the Second National Bank received approximately \$175.00 per share. The Five Cents Savings Bank built its new building on the same site in 1915. The bank has been successful from the beginning. Charles L. Holmes followed his father as treasurer in 1930. During this period there have been seven presidents. Charles L. Holmes⁴ has been president since 1930.

Union Savings Bank

The Union Savings Bank was incorporated April 24, 1869 and opened its quarters in the banking rooms of the National Bank which was then in the City Hall. The first president, Augustus Chace, served until March 1886. Benjamin Covell was the second president and Andrew J. Borden was the third serving from 1888 to 1892. Daniel A. Chapin, the first treasurer, was succeeded by Jerome C. Borden in 1888. In 1892 Jerome C. Borden became president and the present president, Adam W. Gifford succeeded him. Adam Gifford had been treasurer since the death of Abraham G. Hart in 1907. Mr. Hart had served for sixteen years. The present treasurer is James P. Hart, who is a grandson of Abraham G. Hart.

In 1872 the Union Savings Bank bought a building on the east side of Main Street midway between Bedford and Market Streets. This building was destroyed in the fire of 1928 and its present quarters, extending to Market Street, was built at that time.

⁴ Mr. Holmes retired in 1941 and was succeeded by Nathan Durfee. Frederick W. Watts is a Vice-President and Treasurer.

CO-OPERATIVE BANKS

There are four co-operative banks in Fall River. These banks have been of inestimable value to the citizenry. Not only have they offered a safe means for systematic saving and investment; they have encouraged and enabled many families to construct and maintain homes of their own. Mrs. Spencer Borden, Sr. should be given credit for the establishment of co-operative banks in Fall River. While on a visit in Philadelphia, she learned of the value of this system of banking and on her return she prevailed upon Mr. Borden to establish such a bank here.

The Troy Co-operative Bank

The Troy Co-operative Bank was organized in the office of Buffington and Hood on July 10, 1880, with Henry T. Buffington as treasurer. There have been only four presidents: Spencer Borden was the first and Andrew J. Borden the second. Jerome C. Borden was president from 1887 to the time of his death in January 1930 and was succeeded by George H. Eddy, Jr. The bank at one time had quarters in the rooms of The Fall River National Bank. Later it moved to the old Opera House Building which was destroyed by the fire of 1928. After the fire the bank erected a building of its own on the same site on Purchase Street. Edward W. Bertenshaw is the present treasurer and William C. Harrison⁵ the assistant treasurer.

The Peoples Co-operative Bank

The Peoples Co-operative Bank was established on February 18, 1882 as the Peoples Co-operative Bank and Loan Association. The name was changed to comply with a State law. Milton Reed was the first president and Samuel W. Brown the treasurer. The first meeting of the bank was held in the office of Milton Reed and subsequent meetings were held in G. A. R. Hall, then on Bedford Street, and in the offices of F. O. Dodge and Samuel Hadfield. In 1895 the bank was opened in its present quarters at No. 60 Bedford Street, also occupied at that time by George N. Durfee, now under the firm name of C. H. & N. B. Durfee. Charles H. Durfee has been the Treasurer from that time to the present. The following have held the office of president: Milton Reed, John H. Estes, Abner P. Davol and Frank P. Coolidge.

⁵ Mr. Bertenshaw resigned in 1943 and Mr. Harrison became Treasurer.

The Fall River Co-operative Bank

The Fall River Co-operative Bank was organized December 1, 1888. John Barlow was its first president. Rodolphus N. Allen was one of the organizers of the bank. He was elected the first treasurer and filled the office for over fifty years. He died October 4, 1940. The bank carried on business in the offices of Lincoln and Hood and in the Massasoit, later the Massasoit-Pocasset National Bank, until the fire of 1928. The bank then used the basement of the Masonic Temple until its new building on Bedford Street was completed. Eric Borden, Col. B. D. Davol and George O. Lathrop each served long terms as president. M. Richard Brown is now president and Sydney H. Borden is treasurer.

The Lafayette Co-operative Bank

The Lafayette Co-operative Bank was established in May 1894. Its first president was Pierre F. Peloquin. Edmond Cote is now President and Samuel E. Robinson is treasurer. Arthur S. Phillips acted as attorney for the bank from the time of its organization until his death. The bank is located in the rooms of the Fall River Trust Company.

DISCONTINUED BANKS

The following banks which heretofore existed have been discontinued or merged with others. A law passed in 1902 under Governor W. Murray Crane, compelling the separation of banking quarters, resulted in the liquidation or consolidation of several Fall River banks.

National Union Bank

The National Union Bank, originally known as the Bristol Union Bank of Bristol, Rhode Island, had its charter from the Rhode Island legislature in 1823. Its authorized capital was \$50,000 but when it began business only \$10,000 had been paid in. After two years its paid in capital had increased to \$40,000 and then the bank moved to Fall River, Rhode Island and changed its name to Fall River Union Bank.

In 1837 the bank erected a brick building at the northeast corner of South Main and Rodman Streets and it carried on business there until 1862 when it moved into the southwest corner of the City Hall building. It received its charter as a national bank in June 1865 and in 1872 it moved to number 3 Market Square,^o at which time Jesse Eddy was president and

^o Main Street from Bedford to Market Street was then called Market Square.

Daniel A. Chapin was cashier. In 1888 John T. Burrell was made cashier and in 1903 the bank was consolidated with the Massasoit-Pocasset National Bank.

Pocasset Bank

The Pocasset Bank was incorporated in Rhode Island in 1854. Oliver Chace was the first president. The bank started business at the corner of South Main and Rodman Streets, which location was then in Tiverton. In 1862, when the boundary line was moved south, the bank was in Fall River, Massachusetts. The bank became a Massachusetts institution and the bank moved to the northwest corner of the City Hall. February 1, 1865 it was organized as a National Bank and soon after bought the land on the southeast corner of Main and Bedford Streets where, in 1872, it erected a fine granite building providing quarters for itself and the Citizens Savings Bank. It occupied these quarters until the law was passed which prevented savings banks and national banks from occupying the same quarters. It then merged with the Union and Massasoit Banks. After Oliver Chace, the first president, came Samuel Hathaway, Weaver Osborn, Joseph Healy and George W. Slade. The cashiers were William H. Brackett and Edward E. Hathaway.

The Massasoit-Pocasset National Bank

The Massasoit Bank was organized in 1846 with an authorized capital of one hundred thousand dollars (one-half paid in). In 1854 the capital was increased to two hundred thousand dollars. The first cashier of the bank was Leander Borden. He was succeeded, in 1883, by his son Eric W. Borden. He served until his death in 1921 when Frank E. Westgate was elected cashier. Augustus J. Wood was cashier at the time of the fire of 1928 and the consolidation of the bank with the B. M. C. Durfee Trust Company.

The first location of the bank was in Mount Hope Block; then on the corner of North Main and Franklin Streets. In 1864 it became the Massasoit National Bank and in 1876 it moved its quarters to the northeast corner of Main and Bedford Streets. In 1889 it established banking rooms in the building on the corner of Bedford and Second Streets. Upon the consolidation of the Union, Pocasset and Massasoit banks a new building was erected on the site. It was destroyed in the fire of 1928.

Metacomet Bank

The Metacomet Bank was incorporated as a state bank in 1852 with a capital of four hundred thousand dollars. It was first located on the east side of Water Street opposite the American Print Works. It became the Metacomet National Bank in 1865. In 1876 it moved its location to the Borden Block with rooms on the corner of South Main and Pleasant Streets. In 1888 it moved to the corner of Bedford and Rock Streets where later the building and banking rooms were remodelled. The building was destroyed in the fire of 1928. In 1903 it had taken over the Second National Bank. After the fire it merged with the B. M. C. Durfee Trust Company. The presidents included Jefferson Borden, William Lindsey, Walter C. Durfee, Frank S. Stevens, Thomas J. Borden, Simeon B. Chase and John C. Batchelder. Azariah S. Tripp was cashier from 1853 to 1888. He was followed by George H. Borden, Charles B. Cook, Frank H. Borden and James D. Dearden.

Wamsutta (Second National Bank)

The Wamsutta Bank was first organized as a state bank in 1856 with S. Angier Chace as president and Charles J. Holmes as cashier. It became a national bank in 1864 and the name was changed to the Second National Bank. Charles J. Holmes remained as cashier of the bank until its merger with the Metacomet National Bank in 1903.