

## Rhode Island Nationals

# Cashier's Pocket Piece?

by STEVEN WHITFIELD

**M**Y family and I take an annual trip to New England, where we visit relatives and friends, eat seafood and enjoy the beaches. I always leave some time to get around to favorite stamp and coin dealers, junk shops and book stores, in order to renew friendships and look for interesting paper items.

My principal collecting interest for many years has been the obsolete notes of Kansas, although it has been a long time since I have turned up any Kansas items in New England. However, since I was born in Rhode Island, while I am there I always keep an eye out for any interesting paper from my "home state". Therefore, on one of my recent trips up north, when I saw two nice Rhode Island Hospital National Bank notes at the coin shop of R.J. Balbaton in North Attleboro, I was immediately interested. (I can usually count on Dick and his lovely wife to have something that will stir my collector interest and take a load off my wallet.) As soon as I heard the story that went with the notes, I knew that I had to have them.

The notes were originally part of the estate of George H. Capron, who was cashier of the bank during its note-issuing period from 1934 to 1935. The bills had been stored in a bank box since 1940 and were still in the original envelope that had held them for more than forty years. The envelope itself is interesting in that it contains Mr. Capron's signature in two places, matching his signature on the notes, in addition to his handwritten notations concerning the bills. Therefore, the envelope adds a sort of pedigree to the notes.



Figure 1. This five dollar bill was probably the cashier's pocket piece.

The \$5 note was obviously put away first since its notation is at the top of the envelope and made in different ink than the notation for the \$10 bill. The five has a low serial number, being the ninth of its issue, and grades a nice V.F. Because of the low serial number and the "used" condition of this note, it appears likely that Mr. Capron carried it as a pocket piece for several years before stashing it away. The \$10 note was added to the envelope at a later date, as

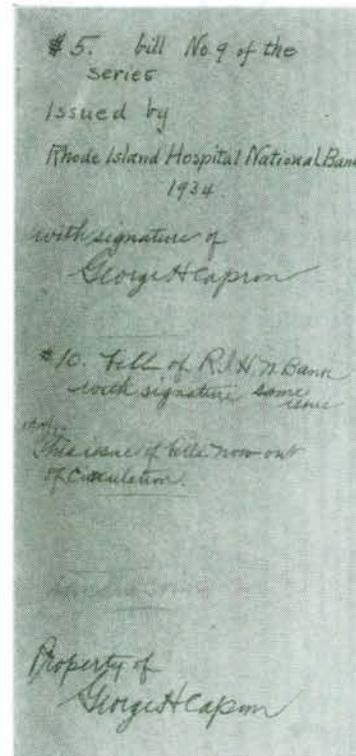


Figure 2. The bills were stored in this envelope for forty years.

previously mentioned. The ten is crisp uncirculated and was obviously preserved as soon as it was cut from the sheet. (The bank still holds several uncut sheets.) Thus, the envelope with its recorded history and the notes taken together were all the more desirable to this collector. Finally, after some give and take, an agreement was reached and the notes changed hands.

Several years ago, while on a similar trip, I was fortunate to find a book on the history of the Rhode Island Hospital Trust Company. Unfortunately, there is nothing in this book about cashier Capron, but it does contain the following information which may be of interest to other collectors:

The Rhode Island Hospital Trust Company was established on October 24, 1867 as the first trust company in New England to manage the funds then being subscribed for building the Rhode Island Hospital. The financial association between the hospital and the trust company was eventually terminated in 1880 by a transfer of trust company stock to the hospital.



Figure 3. Early check of the Rhode Island Hospital Trust Company.

Over the years the Rhode Island Hospital Trust Company established a commercial banking department and became a member of the Federal Reserve System. After the nationwide banking crisis of 1932-1933, the trust company directors decided it would be desirable to separate the commercial banking activity from the trust department by establishing a separate national bank. There was real concern at the time that the Federal Government might "nationalize" all banks in the country and stringently regulate even the very profitable trust activities. Therefore, it appeared wise to placate the government by placing the commercial banking function under the control of the existing national banking system.

The stockholders approved and on January 1st, 1934, the commercial banking activity of the Rhode Island Hospital Trust became the Rhode Island Hospital National Bank with charter #13901. The National Bank was located on one side of the lobby and the trust company operated from the other. Thomas H. West, Jr., who had been president of the trust company since 1917, served in the same capacity for the new National Bank; therefore, his signature appears on the notes as president. Mr. West served as president during the entire note-issuing period of the bank, passing away in office on January 17, 1936. As previously mentioned, George H. Capron served as cashier.

The bank had a large circulation of Type II notes in denominations of \$5, \$10, \$20, \$50, and \$100. It has been this collector's experience that circulated \$10s are relatively common but that other denominations seldom surface. (See Table 1 for a list of recorded serial numbers.)

In 1948, the Rhode Island Hospital National Bank purchased all the stock of the National Bank of Commerce and Trust Company of Providence, charter #1366, and absorbed that bank as a branch. The Commerce National was an old Providence bank, established in 1852, that had also issued the 1929 series notes. The Rhode Island Hospital National acquired another old Rhode Island bank in 1950 when it took over the Aquidneck National Bank of Newport, charter #1546. The offices of the Aquidneck National also became branches of the Hospital National.

In 1951, a decision was made by the bank management that the parent organization, the Rhode Island Hospital Trust Company, would absorb its wholly-owned subsidiary, the National Bank. This action was completed on November



Figure 4. Early view of the bank building where the trust company and the National Bank operated from opposite sides of the lobby. The bank is the large building in the background, seen here from College Hill in 1919.



Figure 5. The National Bank of Commerce was absorbed in 1948.

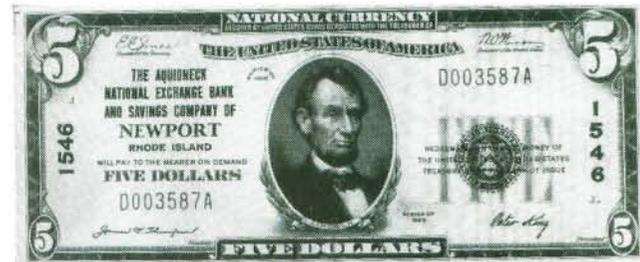


Figure 6. The old Aquidneck National became part of the Hospital National in 1950.

1, 1951, and the national charter was forfeited. The reason for giving up the national charter was to improve efficiency and cost effectiveness by eliminating duplicate functions of the two separate banks. It was also true that the original reason behind establishment of the National Bank, i.e. the economic conditions of 1933 with their unknown and possibly severe Federal regulations, were no longer factors in 1951.



Figure 7. The Phenix National was merged by the Hospital Trust Company in 1953, after the National Bank charter had been forfeited.



Figure 8. The last of the Rhode Island note-issuing banks was purchased by the Hospital National in 1982.



Figure 9. A crisp new \$10 was also stored in the envelope.

On October 31, 1953, the Rhode Island Hospital Trust Company consolidated with and absorbed the Phenix National Bank, charter #948. The Phenix had a long history going back to origins in Pawtucket, Rhode Island, and it too had issued the 1929 series Nationals. This consolidation brought a great deal of new management talent into the trust company.

The Rhode Island Hospital Trust continued to grow and establish new branches throughout the state. In 1962, the historical link between the trust company and the Rhode Island Hospital came full circle with the establishment of a branch banking office of the trust company inside the hospital to serve the staff and patients.

In 1969, the Rhode Island Hospital Trust Company re-assumed national charter, #15723, thereby changing its name back to the "Rhode Island Hospital National Bank". And, in 1982, the new/old National Bank purchased a controlling interest in the Columbus National Bank of Providence, the last of the 1929 note issuing banks in the state.

References

- *The First Hundred Years*, Florence Parker Simister, Rhode Island Hospital Trust Co., 1967.
- Correspondence, Comptroller of the Currency, National Banking Division.
- John Hickman note files.
- Several prominent collections of Rhode Island notes.

TABLE 1

1929 TYPE II

NOTES ISSUED AND SERIAL #'s RECORDED  
RHODE ISLAND HOSPITAL N.B., CH. #13901

- \$5.00 - Issued serial # A000001 - A054450
    - Recorded # A000009, A000037-42 (cut sheet), A011231, A040566
    - Total 9 notes
  - \$10.00 - Issued serial # A000001 - A142690
    - Recorded # A000013-18 (sheet), A000879, A002103, A008455, A009032, A023841, A024245, A050498, A051788, A079196, A105952, A136000
    - Total - 17 notes
  - \$20.00 - Issued serial # A000001 - A021858
    - Recorded # A000007-12 (sheet), A001160, A001597, A002986, A004166, A006169, A010418
    - Total - 12 notes
  - \$50.00 - issued serial # A000001 - A001690
    - Recorded # A000231
    - Total - 1 note
  - \$100.00 - Issued serial # A000001 - A001611
    - Recorded # A000001-6 (sheet), A000028, A000757, A000952,\* A001030, A001569
    - Total - 11 notes
- \* \$100.00 note #A000952 may actually be A000932.

Anyone owning or having knowledge of notes on #13901 with serial numbers not recorded here is requested to report them to the writer in care of this magazine.

Arizona Banking History Related

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