

A History of the Banks of the City of Hudson, New York

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This article is the third in a series on the history of banking in Columbia County in New York state. It deals with banking in the largest community, the county seat, of Columbia County.

EARLY HISTORY OF HUDSON

THE CITY OF HUDSON derives its name from Henry Hudson, the Dutch explorer who discovered the river in 1609 that also bears his name. Originally, the area of land from which the future city would be a part, was named Claverack Landing by the original Dutch settlers.

The circumstances that resulted in the establishment of the city involved a pair of brothers, Seth and Thomas Jenkins, who had moved west from Providence, Rhode Island in order to create a new profitable seafaring community. The brothers purchased a tract of land on the east bank of the Hudson River from descendants of the first Dutch settlers and named the area Hudson in November 1784. They proceeded to lay out a street plan for the city and were given a charter by Governor George Clinton on April 22, 1785 with Seth Jenkins appointed the first mayor. By 1786 the population had reached 1,500 and included 18 inns and 150 houses.

Whaling, sealing, fishing and shipbuilding were among the early industries and contributed to the success of the new community. In 1805, Hudson became the county seat of Columbia County and by 1810, the population had reached nearly 5,000.

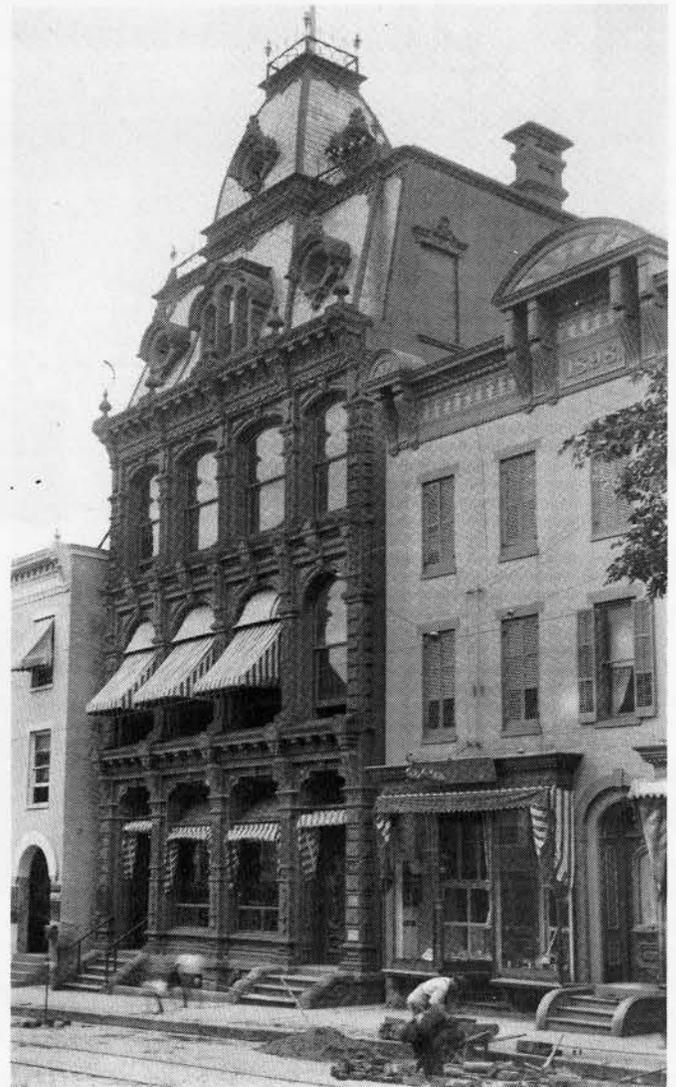
EARLY BANKS

Hudson's first bank, the Bank of Columbia, got its start in 1793, opening for business near the foot of Warren Street (the then and still "main street" of Hudson) in a building later known as the Hosmer House. The first president was Seth Jenkin's brother, Thomas. The bank's capital stock was initially paid in Spanish Milled Dollars; the U.S. Mint was still two years away from minting sizeable quantities of large-denomination coins. The bank moved in 1803 to the corner of Second and Warren Streets and later to 231 Warren Street.

The economic growth of Hudson soon spawned a banking competitor. The Bank of Hudson opened in 1808 with John C. Hogeboom as president. He was succeeded shortly thereafter by Seth Jenkins. Initially, both banks did well, but the recession and decline in shipping caused by the War of 1812 was to prove their undoing. The Bank of Hudson went under in 1819. Many local businesses failed, causing a severe depression in the Hudson area in the early 1820s. As a result of the bad economic times, Hudson suffered its only population decline of the nineteenth century. The Bank of Columbia hung on for several more years but, in 1829, it too closed its doors.

A RESURGENCE OF BANKING

The City of Hudson found itself with no banking facilities as the 1830s began. The revived whaling industry, along with new economic growth, required a new local bank. Accordingly, a group of local businessmen headed by Oliver Wiswall, who also served as Mayor of Hudson in 1827 and 1828, formed the Hudson River Bank on June 30, 1830 and for \$3,000 purchased the building at 231 Warren Street from the receiver of the Bank of Columbia. Mr. Wiswall was to eventually serve as president of the bank for 30 years.



The Farmers National Bank building was built in 1872; it was destroyed by fire in November 1926.

Not burdened by the many bad debts of the old banks, the new Hudson River Bank flourished and, as would be expected, another competitor came along.

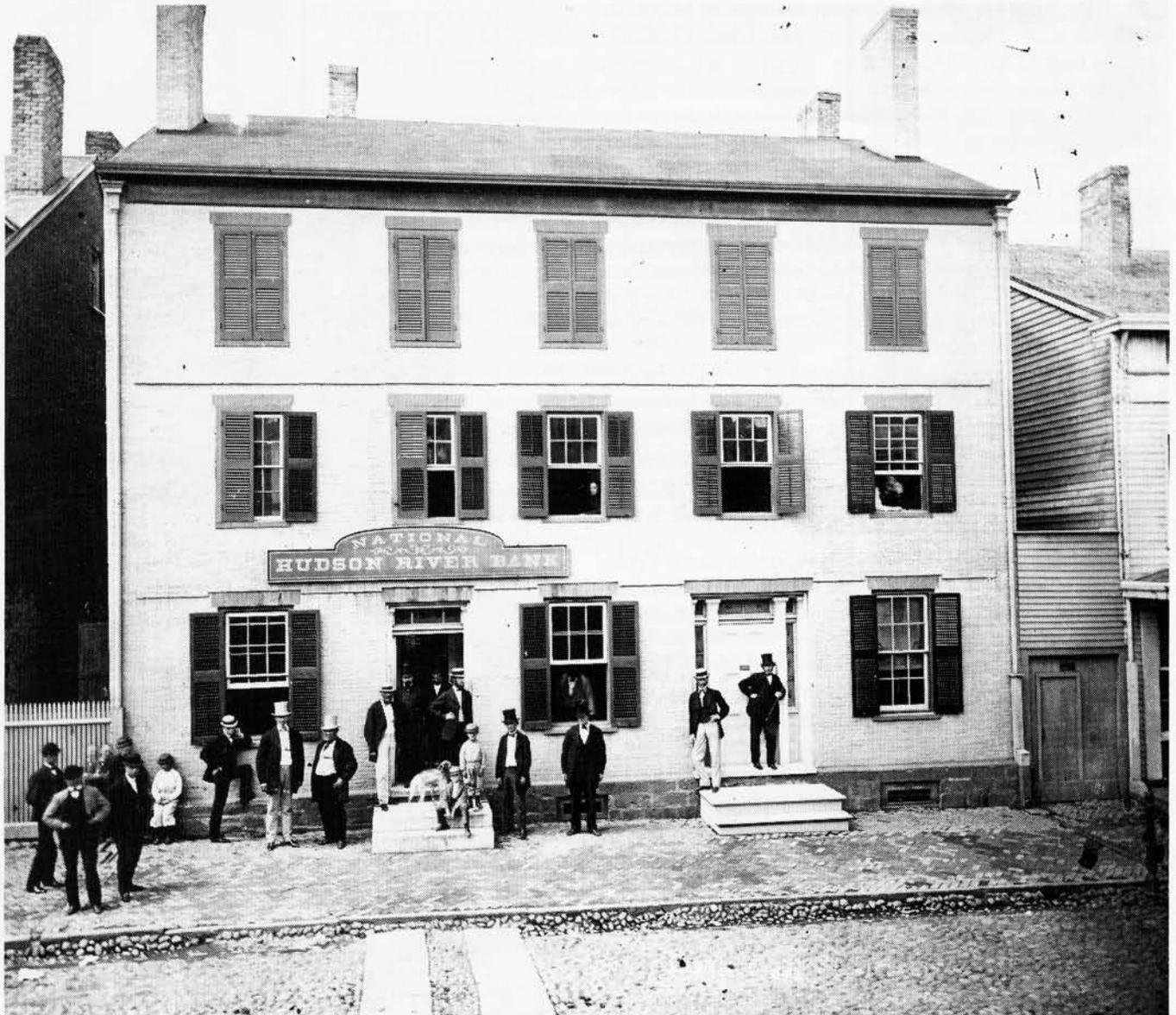
On January 26, 1839, the Farmers Bank of Hudson opened for business with Elihu Gifford as the first president. One of the original members of the Board of Directors was Jacob Ten Broeck, the first of several members of the Ten Broeck family who eventually would serve on the bank's board over the next 120 years.

These two banks were commercial banks, however, and the growth in the community produced conditions that were ripe for a savings bank. Preliminary work began in 1849 and a special act was introduced in the New York State Legislature the following year to incorporate a bank known as the "Hudson City Savings Institution." The act was passed and signed by the governor on April 4, 1850. The first president was Robert A. Barnard, who had been a founder of the Hudson River Bank twenty years earlier. The first secretary-treasurer was Josiah W. Fairfield in whose offices the bank first opened for business at 234 Warren Street. It finally moved into its own building at 230 Warren Street in 1866.

Opening day for the new savings bank had been October 7, 1850 but an interesting event occurred three weeks later on October 28. On that day, Account No. 8 was opened by Mrs. Mary M. Bliss, described as a farmer's wife. This transaction had more significance than would appear on the surface, as it had been only a short time previously that women had been legally entitled to the absolute ownership and possession of money and property. Under a state law passed in 1848, women and children were granted the right to the "full and exclusive enjoyment" of bank accounts and other property. Prior to that time, if a woman opened an account in a bank, she was aware of the fact that the money could be claimed at any time by her father if she were single or by her husband after marriage.

At the time of the organization of the savings bank, the word "institution" was adopted instead of the word "bank" because considerable suspicion was attached to the latter name. Many savings banks prior to the Civil War took this same action. Interestingly, all savings banks in New York state have since changed their names with one exception—the Hudson City Savings Institution.

One of the reasons for this distrust of banks was the paper money situation. With many of the bank notes in circulation at



The National Hudson River Bank building ca. 1870. Stephen DuBois, president of the bank between 1868 and 1872, is standing at the far right.

that time of dubious value or authenticity, a natural wariness of banks was to be expected. This situation, along with the financial demands of the Civil War, led the federal government to create the national banking system.

THE NATIONAL BANKING ERA

Surprisingly, the first bank in Hudson to take advantage of the new National Banking Act was not an existing bank but a new organization. The First National Bank of Hudson applied for and received Charter 396 in March of 1864. The first president was Josiah W. Fairfield who was also secretary-treasurer of the Hudson City Savings Institution. It was not uncommon in those

days for an individual to be an officer in more than one bank at the same time. Mr. Fairfield would serve as president until shortly before his death in 1877. The first cashier was Peter S. Wynkoop who received a salary of \$1,200 per year. The bank's first office was located in the City Hall Building at the corner of Warren Street and City Hall Place.

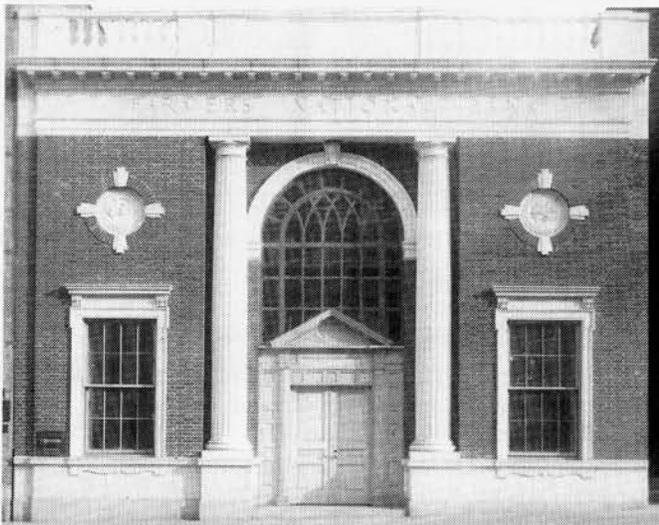
In 1865 Hudson's two existing commercial banks became the Farmers National Bank with Charter 990 and the National Hudson River Bank with Charter 1091. The local residents really did not notice much of a change except that the value of paper currency was certainly of less concern and that the banks were subject to more stringent requirements under federal laws.



Well-worn but rare. Original Series \$2 note. Only 3,000 \$2 notes were issued by the Farmers National and fewer than 24 remained by the mid-1880s.



Series of 1902, Date Back \$10 note signed by Cashier Jordan Philip and President Charles W. Macy.



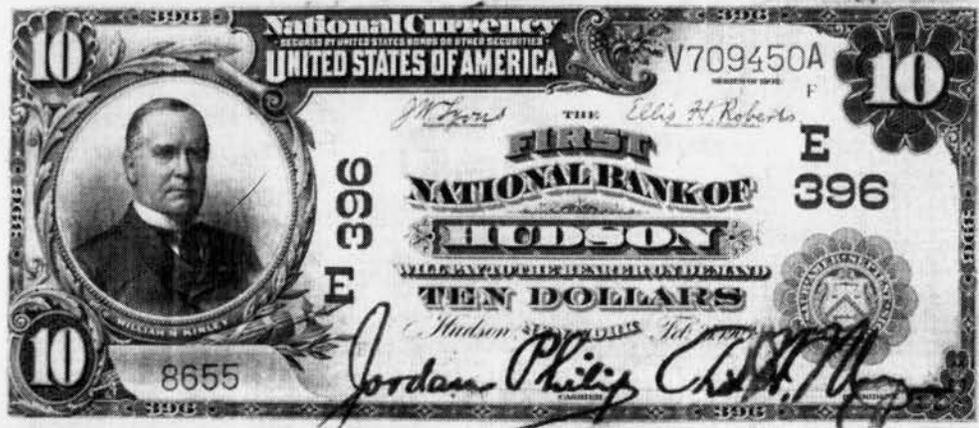
The New Farmers National Bank building erected in 1927-28. It now houses the Hudson office of Key Bank N.A.

A PERIOD OF CALM

The commercial banks and one savings bank in Hudson took up a relatively stable existence for the next fifty years. The Farmers National Bank moved into a new building at 544 Warren Street in 1872. The new structure was one of the tallest buildings in Hudson and an electrical light display on the roof would be used as a beacon during the Hudson-Fulton celebration of 1909. The National Hudson River Bank remodeled its facilities at 231 Warren Street, but then moved to a new building at 520 Warren Street in 1907. The Hudson City Savings Institution continued this "uptown" trend by moving to its own new building at 560 Warren Street in 1909 and would be followed in 1922 by the First National Bank when it, too, moved into a new building across the street from Hudson City Savings.



Original Series \$1 note signed by Cashier Aaron B. Scott and President Henry A. DuBois.



Series of 1902, Date Back \$10 note signed by Cashier Jordan Philip and President Charles W. Macy.

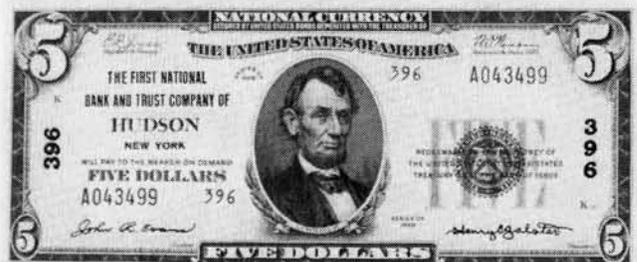
A NEW ADDITION

Before the First National Bank's move, however, in 1911 Hudson added a fifth banking facility. The impetus behind this addition was the substantial cement industry in the Hudson area. Because of the large limestone deposits nearby, cement plants had been set up on the outskirts of Hudson in the nineteenth century. With the taking over in 1909 of the Hudson Portland Cement Company by the New York & New England Cement and Lime Company, a subsidiary of the Atlas Portland Cement Company, a great influx of new citizens descended upon Hudson requiring an increase in housing. W. E. Miner, who was treasurer of the New York & New England Co., met with Henry R. Bryan, publisher of the *Hudson Republican* newspaper and the local postmaster, to discuss the idea of forming a Savings and Loan Company to help these new people finance their homes. Miner and Bryan met with several other people and, in the spring of 1911, the Hudson Savings and Loan Association was formed. Delbert Dinehart, who was also president of the National Hudson River Bank at that time, was the first president and the first office was opened in the quarters of the *Hudson Republican*.

ANOTHER CHANGE

Mr. Dinehart's Hudson River Bank was undergoing changes at this time. In the early part of this century trust powers were not available to nationally-chartered banking institutions. The bank's board of directors felt that they could enhance their position in the community by access to these powers and so, in April 1912, gave up their national charter and became the state-chartered Hudson River Trust Co. The board had also asked the Farmers National Bank to join them in forming the trust company but was turned down. Mr. Dinehart remained as the president and,

aside from a name change, customers of the bank noticed no other differences. A few years later, national banks were allowed to form trust companies and in 1928, the First National Bank became the First National Bank and Trust Company. One other event of note during the 1920s occurred in November of 1926. On the night of the 24th, the Farmers National Bank building was destroyed in a spectacular fire. However, a temporary office was opened within 24 hours in the old quarters of the First National Bank and was used until a new building was completed at the old site in January 1928.



Series of 1929, Type II \$5 note signed by Cashier John R. Evans and President Henry Galster.

DEPRESSION ERA TURMOIL

Perhaps the fire was a harbinger of things to come; the Great Depression was just around the corner and the banking industry in Hudson would not emerge unscathed. While the Farmers National Bank and the two savings banks would suffer very little, the First National Bank and the Hudson River Trust Co. were particularly hard hit. The first incident occurred in 1932. During early January of that year, a rumor circulated throughout the city that a large customer of the First National Bank was unable to



Post card view of the First National Bank of Hudson building shortly after its completion in 1922.

meet its mortgage payment. A church had taken out a sizeable mortgage during the 1920s which was to be paid back from the parishioners' offerings. Since many of the parishioners had been laid off from their jobs, it was assumed that offerings would be down and therefore the mortgage payment would not be met. Considering the climate of the time, people felt that if this large loan went bad the bank would be in trouble, and so would their deposits. Accordingly, a run started on the bank. The rumor proved to be unfounded, but only assistance from the Federal Reserve Bank kept the First National Bank from running out of funds to pay depositors. The first National Bank escaped this time, but another problem followed a year later.

In April 1933 President Roosevelt declared the bank holiday—closing all of the banks in the country. While most of the banks around the country were given quick approval to reopen, one bank in Hudson was not. The First National Bank was found by the national bank examiners to be in some difficulty and would have to go through a period of reorganization before it could open its doors again. When the bank finally reopened in October 1933, a few changes had been made. Jordan Philip, president of the bank since 1915, had been replaced by Dr. Henry Galster. Edward L. Tanner, cashier of the bank also since 1915, had been replaced by John R. Evans, who had been brought in from outside the area to stabilize the bank. The depositors, however, suffered the biggest change. In July of that year they had to agree to give up immediate access to 38% of their money and received, instead, a Certificate of Participation. Without this agreement the bank would have been forced to close altogether. Over the next thirteen years the depositors were gradually reimbursed from the so-called "38% fund" (without interest) as money was realized from the bank's assets that had been placed in the "doubtful" category. By 1946, the depositors had received most of their money.

A similar fate was to strike the Hudson River Trust Co. In late 1933 all local banks in Hudson filed for approval to be covered by the new FDIC insurance, which would take effect on January 1, 1934. When the Hudson River Trust failed to get approval, the State Banking Department closed the bank on January 2, 1934, and their depositors went through the same situation that the First National's customers had endured the year before. The Trust Co. reopened on February 26, 1934, but its depositors had to give up the right to withdraw 40% of their money and received their own Certificates of Participation. As with the First National, the depositors had to wait a while before seeing the rest of their money.

The other three banks in Hudson managed to weather the storm. The Farmers National Bank under Henry James, a former state assemblyman and long-time publisher of the *Hudson Daily Star*, who became bank president in 1932, grew to become the largest commercial bank in the county. The Hudson Savings and Loan Association, which moved into its own building at 419 Warren Street in 1935, and the Hudson City Savings Institution also made it through these trying times with little difficulty.

THE MERGER ERA

The 1940s, with the war effort in effect, was a quiet period for Hudson banks, but the booming post-war economy and the move into branch banking were to permanently change the financial landscape in the 1950s. The first local bank to pass from the scene was the Hudson River Trust Co. when it became the 11th branch of the National Commercial Bank and Trust Co. of Albany on August 4, 1952. Both National Commercial and the State Bank of Albany, the two "big banks" from the state capital, then set their sights on Hudson's other two commercial banks. Of course, this wasn't just a case of two predators stalking their prey. There were decided advantages for a small independent bank to merge with a much larger entity. For instance, the employees of the smaller bank were usually allowed to count their accumulated time toward the larger bank's pension plan. Since most of these independents gave little or no pensions beyond the proverbial gold watch, this was definitely a good arrangement. More specifically, in the case of the Hudson area, the expanding economy required banks to have larger resources than those at hand. When the local hospital embarked on an expansion in the early 1950s, three of the local banks had

No. 7306 Sarah Cuss
 IN ACCOUNT WITH John Cuss PAYABLE TO EITHER OR SURVIVOR

DATE	WITHDRAWAL	DEPOSIT	BALANCE	ACCOUNT NO.	TRAN.
1		** 124.85		B	
2	7-5-29	** 15.00	**5,689.52	A B	7306
3	Jul. Int.	** 128.00		B	
4	1-3-30	** 20.00	**5,837.52	A B	7306
5	Jul. Int.	** 131.33		B	
6	7-3-30	** 30.00	**5,998.85	A B	7306
7	Jan. Int.	** 134.95		B	
8	1-2-31	** 20.00	**6,153.80	A B	7306
9	7-8-31	** 138.44	**6,292.24	B	
10	1-4-32	** 133.70	**6,425.94	B	
11	Jan. Int.	** 128.50		B	
12	7-1-32	** 128.50	**6,425.94	B	7306
13	1-4-33	Jan. Int.	** 128.50	B	7306
14	7-3-33	July Int.	** 98.31	B	
15	1-27-34	Jan. Int.	** 99.78	B	
16					
17	2-27-34	+2,701.01	**4,051.52	B	
18	7-6-34	July Int.	** 73.14	B	
19	10-15-34		** 270.10	A B	7306
20	1-3-35	Jan. Int.	** 63.21	B	
21		Apr. Int.	** 27.85	B	
22	6-1-35		** 270.10	A B	7306
23	7-3-35	July Int.	** 28.03	B	
24	10-7-35	Oct. Int.	** 29.89	B	

HUDSON RIVER TRUST CO., HUDSON, N.Y.
 PLEASE MAKE OUT A DEPOSIT TICKET

A personal side to the depositor's troubles during the Depression. The passbook of the author's great, great uncle showing 40% of the money removed on February 27, 1934. Note the first two installments of 10% each returned to the depositor on October 15, 1934 and June 1, 1935.

to combine their funds in order to finance the undertaking. One of the Albany banks would have had no trouble putting the package together by itself.

While being courted by the suitors from Albany, the First National and the Farmers National began branch banking of their own. The First National Bank established a branch in Germantown in the southern part of Columbia County in February 1955. This was the first banking facility in Germantown since the closing in January 1932 of the controversial and short-lived Germantown National Bank. The Farmers National Bank established a branch in Copake in the southeastern corner of the County in December 1953 and then purchased the Philmont National Bank in February 1955. However, the two "independents" would not be around for long. In December 1955 the First National Bank became part of the State Bank of Albany which picked up First National's office in Hudson and the new one in Germantown. The Farmers National Bank lasted a little longer. In March 1959 its stockholders voted to become part of National Commercial Bank. National Commercial then faced a slight dilemma in that it now had offices at both 520 Warren Street and 544 Warren Street (less than 150 feet apart!). The problem was solved by constructing a new building in the adjacent town of Greenport and transferring the old Hudson River Trust Co. office there in 1961. The old office at 520 Warren Street is now the Hudson City Hall. After corporate reorganizations in the 1980s, National Commercial Bank is now known as Key Bank N.A. and the State Bank of Albany is now Norstar Bank of Upstate New York.

The Hudson Savings and Loan Association, which had moved to 507 Warren Street around 1950, was the next local bank to go when it merged with Home Savings Bank of Albany in 1974, which in 1981 became Home and City Savings Bank. Hudson was then left with one local bank, the Hudson City Savings Institution, which, after a brief flirtation with Dime Savings Bank of New York in the early 1980s, remains the only independent bank in Hudson and now has six offices of its own.

SYNGRAPHIC ANALYSIS OF THE NATIONAL BANKS OF HUDSON

The availability of national currency from the banks of Hudson runs from rare to fairly well known. Understandably, the National Hudson River Bank, which ceased issuing notes in 1912 when it gave up its national charter, is the scarcest Hudson bank when it comes to locating an example. So far, the existence of only four notes from the bank has been confirmed—two Original Series Aces, one of which appeared as both lots 2267 and 3396 in the Grinnell sale and the other, pictured here, an Original Series \$10 (S/N 1440-C), and according to John Hickman, a Series 1902 Date Back \$10 (S/N 697). Because of the outstanding balance of \$30,374, even in October 1912, a few more examples should turn up but these four are the only specimens that are known to the general collecting fraternity.

The story is a bit different regarding the First National and the Farmers National. Both banks issued notes virtually throughout the national currency era and they had reasonably healthy outstanding balances in 1935 (the First National with \$200,000 and the Farmers National with \$50,000). While Hickman & Oakes' *Standard Catalog of National Bank Notes* classifies both large- and small-size notes from the Farmers National Bank in the R5 (three to five notes known) category, enough new specimens have come to light since the book's publication in 1982 to change both sizes to the R4 (six to eleven known notes) rating. One of the new notes from this bank is a First Charter Deuce, which surfaced in early 1988. What is remarkable about

this new find is that not only did the Farmers National Bank issue just 3,000 Lazy 2s between 1866 and 1874 but, according to the Currency and Bond Ledgers held at the National Archives, less than 25 were still outstanding as long ago as 1886.

Hickman and Oakes classify the First National Bank in the R3 (12 to 24 notes known) category for both large- and small-size notes. There are at least 15 notes each of large-size and small-size, so the notes from this bank are definitely not rare. There are a couple of worthwhile observations to note, however. Despite a large number of notes issued during the First and Second Charter periods, none of these have surfaced. All of the approximately 15 large-size notes known are Third Charter with one Red Seal (a \$20 with S/N 2687, which appeared as Lot 164 in Donlon's 10th Mail Bid Sale). One other type of First National note also appears to be rare. In April of 1928, the bank changed its name to the First National Bank and Trust Company and issued large-size \$5s with this title for just one year, until mid-1929, when the new small-size notes were introduced. Just one of these large-size notes with the second title is known so far and is pictured in this article. As mentioned before, there are at least 15 small-size notes known and they are fairly available in the marketplace.

ACKNOWLEDGMENTS

My appreciation is extended to the following individuals: John Hickman for sharing his census data on Hudson banks with me; Terry Matchette of the National Archives for her assistance in my research through the Currency and Bond Ledgers; Charles Brewer, manager and vice-president of Norstar Bancorp in Hudson; Raymond Kennedy, publisher emeritus of the *Hudson Register-Star*; Stanley Rushkoski, manager of Key Bank in Copake; and Rowles Studio of Hudson for providing the early photographs for this article.

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CORRECTION

(No. 135, May/June 1988, p. 76)

An incorrect assumption was made in the editorial addenda to Ron Horstman's "Greenbacks"

After reexamination of the photograph—the \$50 note was not available—there is faint evidence of an overprint. An absence of an overprint was thought to represent notes made from old plates. In addition, Walter Breen's "Promises, Promises" in *Numismatic News Weekly*, 26 February 1974, was reread. Consequently, old and new plates probably apply to plates with and without "For the" (U.S. Treasury officials) engraved into the plate.