

The Little Androscoggin Company “Bank” of Danville, Maine

by Q. David Bowers

A Bit of History

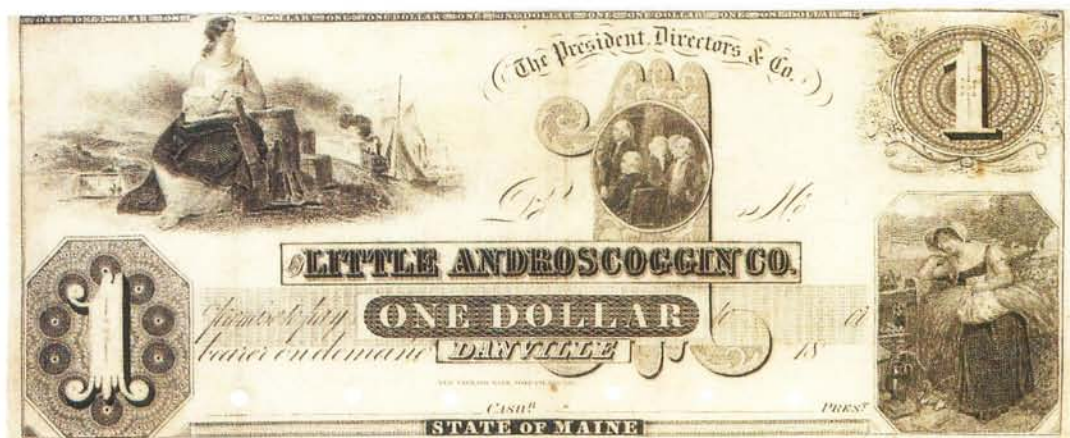
Was the Little Androscoggin Company a “bank,” or was it something else? The enterprise was incorporated in Danville, Maine in 1853. The town is south-southeast of Auburn. The name was taken from the Little Androscoggin River, a well-known Maine waterway, near which a certain impressive venture was to be laid out. Within a short time it attracted unwanted attention. *Banker's Magazine* printed this in May 1854:

Early in June, information was received that a manufacturing company, called the Little Androscoggin Company, located opposite Lewiston Falls, in the state of Maine, had employed a well-known bank-note engraving establishment of this city, to engrave a large quantity of notes, of the customary denominations, and in the same style as ordinary bank notes. It was ascertained that they claimed the right of issuing bills, under a special clause in their charter, and having satisfied the scruples of the engraver, with a properly attested copy of the same, the bills were printed, and were shortly to be delivered to the agent of the company. Steps were now taken to prevent the delivery of the bills, and to ascertain the nature of the clause in the company's charter.

The secretary of that state denied any intention of the Legislature to grant banking privileges, although the clause, of which the following is a copy, might be so construed.

“The business of said company shall be managed by a board of directors, and in the absence of a majority of said board, by the president and treasurer. And said board of directors, or president and treasurer, shall have power to create, and discharge in the name of the company, notes, bills, and other evidences of debt, for the use and purposes of said company.”

It being apparent that bills issued upon so questionable authority, would be considered spurious, and occasion loss to the holders, and create prejudice against our paper currency, the engravers were urged to suppress them. This was finally done by them, but not without claiming of the association a partial remuneration, for the expense of engraving dies, and for paper and printing. This has not been granted although we think the New-England Bank Note Company, the engravers referred to, highly deserving of consideration, by the banks in New England, for their correct and manly course, when their suspicions became excited as to the questionable character of the undertaking. They had, at considerable cost of time and money, prepared dies for these bills, furnished paper, and printed a large amount of them, and they could reasonably expect to print, from time to time, a further and large number of impressions; and although it may be said, that the very wording of the clause, as recited, should excite suspicion in the mind of a bank-note engraver in Massachusetts, it must also be borne in mind that, in some of the states, various kinds of corporations exercise the right of issuing bills resembling bank bills, and that an engraver, called upon to do such a thing, the parties apparently respectable,



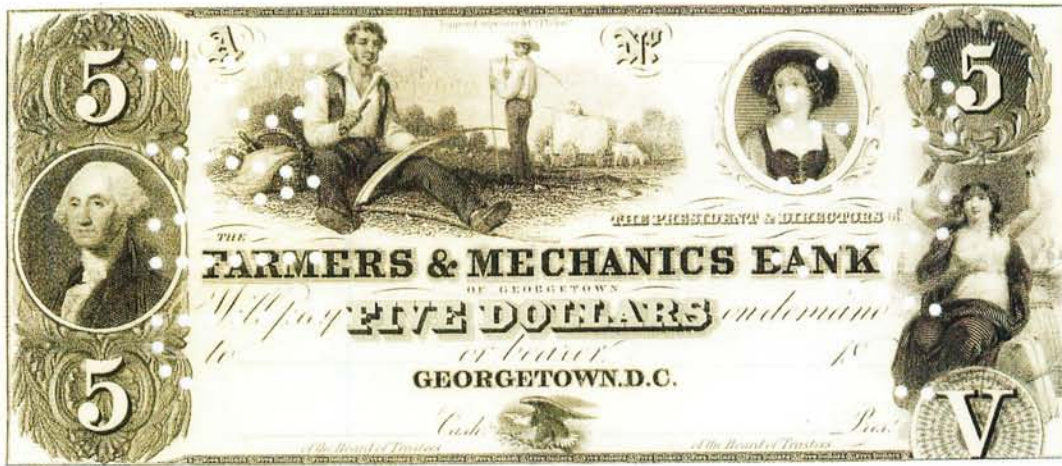
from a neighboring state, might, under the circumstances, consider himself reasonably well justified in proceeding to comply with their wishes.

It is evident, we think, that the dies were prepared, and the bills printed, in good faith, by the New-England Bank Note Company; that they would not have been prepared, if their suspicions had been aroused at the commencement; and that they have been, in a very praiseworthy and manly manner, suppressed, at a loss to themselves, upon a belief that that was the best course for the community, and the honest one for themselves. This association of banks, formed for the protection of their customers, the community, and themselves, against the circulation of altered, counterfeit, and fraudulent issues of currency, would, therefore, cordially recommend to the patronage of the banks of New-England, the New-England Bank Note Company, of Boston, hoping that by an increased patronage on their part, any loss which the company may have suffered, by their noble conduct in the present instance, may be made up to them fourfold. At a session of the Legislature of Maine, since the occurrence of the foregoing, the subject was brought before that body, upon a motion to repeal the charter of the company. Its friends, in order to retain the charter, offered to give up the objectionable clause, and denied that they had attempted to issue bills. In reply, the bills were produced, and having been read and held up to the view of the members, the immediate repeal of the entire charter was carried, without a dissenting voice. The matter has been presented in detail, in the belief that it affords a note of warning, worthy the attention of the banks.

Million-Dollar Ideas

The Little Androscoggin Company was a scheme of Charles B. Huntington, a New York City broker and speculator, who engaged in many different forgeries, establishment of sham companies, and the like.

Huntington was born in Geneva, New York, in 1822. His ancestors went back to the landing of the *Mayflower*. In 1843 he came to New York City and found employment as a clerk with William B. Humphreys, Chatham Street, a furniture establishment, where he stayed until 1845, after which he went into the furniture business with a partner. He then moved to Syracuse where he and other members of his family kept a seminary for the learning of young ladies. Then he became a broker with his own office on Wall Street, but with little capital or experience. He became known as a promoter and schemer, with little success for investors who succumbed to his beguiling offers. One involved setting up a steam laundry in Panama for the convenience of travelers to and from California, estimating income of \$800 per day, but it did not work out. After the company failed, or was about to, he issued stock in the Panama Steam Laundry Company, and apparently sold some shares. A million-dollar-profit cemetery projected for Buffalo did not materialize, nor did a similar real estate venture in Baltimore.



In 1852 he had paper money printed for the non-existent Farmers and Mechanics Bank of Georgetown in the District of Columbia. Notes were signed by Huntington using the names of two of his brothers-in-law (from a large family of eight brothers-in-law), these being F. Barry and S.D.C. Barry. These were sold in New York City at a 10% discount to speculators, who then set about spending them for various products and services. In the meantime, to assure the public the bills were good, Huntington arranged to have friendly brokers agree to redeem them in gold or silver coins at a nominal charge of three-quarters of one percent, hoping that only a few bills would be tendered. Several hundred were, and prompt payment was made, after which the bills were circulated again. The caper worked well for about a week, when the deception was discovered, and the bills became worthless. Richardson was indicted for fraud in connection with the Farmers and Mechanics Bank, arrested and let out on bail, but no trial ever took place.

In the same year Richardson created the fictitious Citizens Bank of Georgetown, D.C. Bills were signed with H. Freeman as president and G.H. Smith as cashier. The Citizens Bank scheme seems to have been sold to a Mr. Seely, who endeavored to continue the deception. No legal proceedings have been located concerning the Citizens Bank or its perpetrators. Setting up fake banks in Washington and having leading engraving firms print quantities of bank notes for them was a popular fraud in that era. Washington was a city of seeming importance, but it had very little in the way of oversight on local banking matters. Only the state of Michigan outranked it in such paper money schemes.

A New Bank in Maine

In 1853 Huntington desired to establish a bank in Maine, and traveled to the state for this purpose. He soon learned that bank charters were difficult to obtain, but permission to set up a manufacturing company was easily enough secured, as such would benefit employment and industry. He laid preparations for the Little Androscoggin Company at Lewiston Falls, stating that its main purpose was to manufacture paper from straw, to make linen, and to engage in related activities. After spending \$800 in fees and other expenses he returned to Wall Street with charter in hand, and held discussions with his friends in the brokerage and stock trade. Plans were drawn up, with a factory building as the center of a development with many lots to be sold for housing. Capital was set at \$500,000. Excitement prevailed with the prospect of gulling buyers for shares. Investors were told that a million dollars' profit was in the offing. A fair amount of stock was peddled in this manner as eager investors rushed to get in on the ground floor. No mention was made of any banking activity.

In the meantime, Huntington had no intention of ever setting up such a

Unissued \$5 note of the non-existent Farmers & Mechanics Bank of Georgetown, District of Columbia. Apparently, its notes circulated for only a week or so!



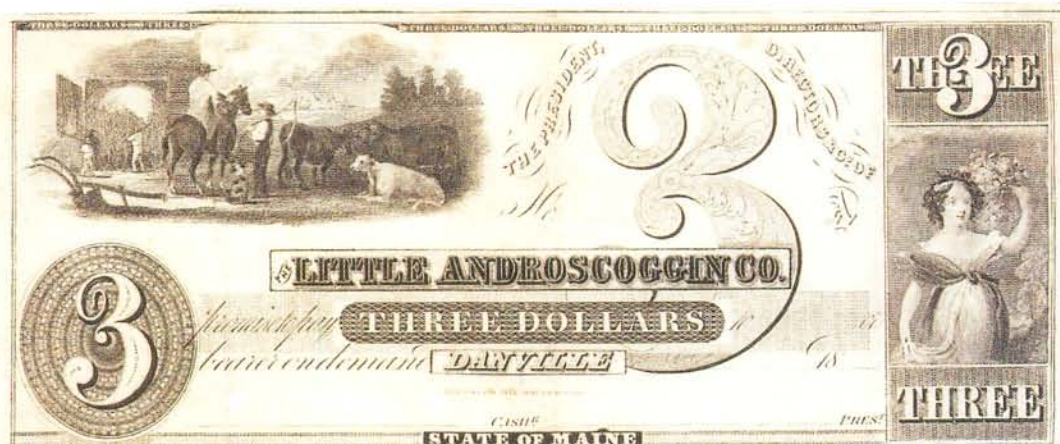
factory. He sent an associate in the venture, Samuel Randel, to the New England Bank Note Company in Boston, who informed them that the Little Androscoggin Company had banking privileges. All was found to be in good order, and Randel ordered \$50,000 worth of bank notes in the denominations of \$1, \$2, and \$3, these imprinted with Danville, Maine, as the location. These low denominations were a logical choice as they were always easier to distribute than bills of high values, as recipients would often take them in without question, then routinely pass them along in another transaction. In contrast, a \$10, \$20, or \$50 note might provoke second glance and perhaps even checking with a bank-note reporter. A meeting was held with the Globe Bank in Boston, and \$2,000 was deposited as security, after which the bank stated it would serve as agent to redeem the bills at par, less a small service charge.

On a subsequent visit to Boston to see the work in progress and approve of the currency designs, Randel was told that an officer from a Maine bank had visited, saw the "Little Androscoggin Co." name on the bank bills, and told the engraver that there was no such company. Randel produced a copy of the charter and pointed out the banking provision. The bank-note maker was in a quandary. The Association of Banks for the Suppression of Counterfeiting, based in Boston and with 110 banks as members, learned of the impending distribution of bills and registered a protest. Some Boston banks said they would stop doing business with New England Bank Note if such bills were printed. Accordingly, with all of this unwanted negative publicity, it seems that only proofs were made.

"Moral Insanity"

With the Little Androscoggin Company bank-note venture a failure, but with some money on hand from stock sales, Huntington headed for California to seek opportunities. Reality did not live up to expectations, and he returned in the spring of 1854, whereupon he was served with notice that he owed \$140,000 in old debts. Not to be deterred, he embarked on other schemes. Enough money came in that he lived in comfort.

In December 1856, Huntington was hauled into court for fraud in the counterfeiting of debt obligations, specifically a \$6,500 note of Phelps, Dodge & Co. Extensive testimony in lengthy trial showed that he had been involved in many nefarious schemes over the years, none of which demonstrated a profit. His attorney, James T. Brady, presented the novel defense of "moral insanity." Richardson was incapable of discerning right from wrong in business ventures, he told the jury. Various witnesses testified as to the defendant's unusual behavior. Huntington lived in a lavishly-furnished mansion for a time at 100 East 22nd Street, New York City, it was related. His wife was ill and in a bedroom



on the third floor. His doctor testified that in the meantime he held lavish parties, had a staff of eight to nine servants, and that sometimes he would hire an orchestra of 10 to 12 pieces, including trumpets and trombones. He would turn all the gas lights up in the house, leave the windows and doors open, and the music could be heard for a long distance. Telling lies, making misrepresentations, creating frauds, and other such activities were beyond his control, it was asserted. The case became a *cause célèbre*.

Unfortunately for Richardson, after due deliberation the jury found him guilty. The judge sentenced him to four years and 10 months in Sing Sing prison. It would have been five years, except that the judge showed compassion and provided that he be released in the autumn, rather than in the cold dead of winter. Richardson began his incarceration on January 2, 1857. Seeking to capitalize on all of the trial of the excitement, a book was written and set in type in just two weeks in January, *Trial of Charles B. Huntington for Forgery. Principal Defense: Insanity*, prepared under the direction of attorney Brady.

Numismatic Notes

It seems that currency of the Little Androscoggin Company was unknown to numismatists until about 2002, as per this commentary by R.M. Smythe & Co. in the sale of the Schingoethe Collection, September 2005:

Until the summer of 2002, no one had seen or heard of these notes. They surfaced in a large Maine deal with common notes to great rarities. We saw this, the \$2 and \$3 offered here, sell for a hefty sum at the 2002 Strasburg Show into the Norman Pullen Collection. They were the final major purchases into that epic collection which became part of the 2003 FUN Show CAA separate owner catalogue for Norman's collection. Under the hammer for the first time, Herb and Martha bid vigorously for these likely unique notes. It is hard to gauge their value now, but no amount of money replaces them at the fall of the hammer. It is possible the company operated as a bank. If so, their value is more significant.

The three notes, \$1, \$2, and \$3, were purchased by Tom Denly at the sale.

As to whether the company "operated as a bank," the answer is given in the history above. The company was properly chartered and had banking privileges. Currency was legally prepared, but not issued. The New England Bank Note Company found the order to be proper and in good order. The beginning steps were in conformity to the law and were not much different from those taken by other start-up banks of the era.

Of course, you know by now that the Little Androscoggin Company was a scheme, a pipe dream, but no charges were ever brought against Huntington in connection with it. ♦