

# VALLEY NEWS

THE NEWS SOURCE OF THE UPPER VALLEY

Published 3/13/05

VALLEY NEWS HOME

SUBSCRIBE

ADVERTISE

CONTACT US

WEB EXTRAS

VALLEY CALENDAR

CLASSIFIED ADS

EMPLOYMENT ADS

ABOUT  
THE UPPER VALLEY

COMMERCIAL PRINTING

AP WIRE

## Community And the Economy

By Sarwar A. Kashmeri

For the Valley News

What do the president of a bank, the executive director of an opera house and a gun manufacturer have in common? They are all part of the resilient community-centric economy of the Upper Valley.

At the heart of this economy is the community bank; a magnet that stitches the community together through an invisible web, serving as a depository for local funds, providing credit and supporting local activities.

I'd been thinking about community banks since I read about the purchase of Banknorth Group Inc. by Toronto Dominion Bank, Canada's fourth-largest bank. What impact might the transformation of Banknorth into a "big-box bank," one with hundreds of branches in two countries, mean for a community bank with a handful of small branches? Are "big-box banks" destined to do to local banks what "big-box stores" like Wal-Mart and Kmart have done to many local retailers?

And then there are the Internet banks, which don't have any branches. Freed from the costs of expensive real estate, they pay higher interest rates and can be accessed from anywhere.

It seemed to me this competition from the "big-box" banks on the one hand, and from the Internet banks on the other, must send shivers down the spine of any community bank's president.

Not the spine of Stephen Ensign, the president and chief executive officer of Newport-based Lake Sunapee Bank. Ensign believes, instead, that transactions like the TD Bank-Banknorth acquisition might well prove beneficial to community banks. "Banks such as ours, Ledyard, Sugar River and Mascoma, with their sincere interest in going out and reaching into the community, supporting small branches and addressing the need that the big banks walk away from, makes for a very good economic environment," he told me.

Ensign and his team know that larger banks, with their higher cost base, prefer to do business with people who can bring them a certain volume of business. "So, we would love to have them come and keep raising the bar, and we'll keep coming under it and doing business with all the people they have no interest in serving," he said.

But what about those online banks? Anyone with an Internet connection can deposit

money in them and get a better return than they could from a local bank. Why would anyone want to deposit their money locally? Ensign is certain there are people in Lake Sunapee Bank's region who use Internet banks. But he hasn't seen any impact yet. "We are part of this community," he said. "We take in deposits and lend money in each community we serve." It is a give and take in other ways, too: capital drives for local causes, for instance. Lake Sunapee Bank helps as much as it can; that is part of being a good member of the community. An Internet bank is invisible; it is neither seen by a community, nor touches it.

"Community" is a nebulous term, and I wondered if Ensign's message is meaningful in the age of the Internet and "big-box" anything.

Diagonally across the picturesque Newport Green sits the historic Lake Sunapee Opera House. It was a brilliant, early-March morning, and I walked over to the opera house, which doubles as the Town Hall, and ran into Charles Massey, the opera house's enterprising and accomplished executive director.

Massey, it turns out, had grown up in Newport and knew all about Lake Sunapee Bank. How it had started in one room of the building it now occupied. "There was a shoe store, a grocer, a doctor and other stores, and the one room," he told me. As the stores left, the bank expanded, but only when the stores were ready to leave. The bank grew up with the community. Massey told me how helpful the bank has been to the ambitious theater program that the opera house puts on, and its contributions to civic activities in Newport.

Massey spent a number of years in New York's theatre business, and then in Los Angeles, but he missed the direct connection to the community that he had known growing up in Newport. So he came back, to teach, and was soon offered the position of executive director of the opera house. Massey had been one of the leaders in the effort to save the opera house building from demolition many years ago, when times were hard in Newport, so he was doubly thrilled to accept the offer.

Massey has encouraged the Newport Opera House to mount a series of expansive, all-American productions, such as *Brighton Beach Memoirs* and *Steel Magnolias*. Roger & Hammerstein's *State Fair* is scheduled for this May. Last April it staged *Annie Get Your Gun*, an ambitious undertaking. To keep the characters and costumes authentic, Massey wanted to use rifles from that period.

"I approached Bill Ruger (chairman and president of Sturm, Ruger & Co, the famous gunmaker in Newport) to see if we could borrow some from him. Unfortunately, nothing that old is around any more. But, the next thing I knew, Bill's company had offered to make 10 replicas for us -- at no cost!"

All the building supplies for the production were donated by LaValley Building Supply Co.; the local banks were involved. It was a total community project -- more than 50 of the actors were local talent, many from the same family. "We had three generations of one family," Massey said proudly, "and there were numerous families with more than one member in the play." Massey had produced the same play when he was in high school -- he remembered Dennis Kathan playing the role of Sitting Bull. Now, 30 years later, Kathan showed up to audition for Sitting Bull's part, and he played it again.

All of a sudden, Ensign's meaning of community crackled into clarity. There isn't any point in fighting to keep out the big-box stores, the big-box banks and the Internet.

They are all part of the inexorable march of progress in a free-market economy. But the more remote and anonymous service providers become, the more impersonal daily interactions are -- and the more one values the bank and the opera house around the corner, and the opportunity to walk into Ensign's office and ask him to support the local library.

And the more one realizes that it may not be a bad thing to split one's money between the Internet banks and the community banks, between the chain restaurants and The Old Courthouse in Newport.

Economic transformations are never easy; it takes time and effort for the economic forces to reach a new point of stability. Take a walk around the green in Newport. You will see how important a community-centric economy is to getting the balance right.

\*\*\*

***Sarwar A. Kashmeri of Reading, Vt., advises corporations on communications and marketing strategy and is a fellow of the Foreign Policy Association. He can be reached at [skashmeri@aol.com](mailto:skashmeri@aol.com).***

[Back to the story index](#)

---

[Valley News Home](#) [Subscribe](#) [Advertise](#) [Contact Us](#) [Web Extras](#) [Valley Calendar](#)

[Classified Ads](#) [Employment Ads](#) [The Upper Valley](#) [Associated Press](#)