

Banks, Banking, Money

Banking in Michigan

In our area the pioneers were people creating farms by cutting down trees building cabins and barns and breaking ground. They had no need for banks. The banks were out east.

Banks started forming in Detroit prior to the civil War but most were formed after that.

Comerica Bank had been in Detroit area since 1850.

Wayne State Bank (founded 1854)

First Huntington National Bank (founded 1872)

Banks were founded by persons who wished to make money. They were run as a business. Many did not have the best interest of the depositor in mind. What was in mind was making profit from the depositors. In the United States the big money people including J. P Morgan cause a banking crisis in order to make money for himself. Later the big bankers got together and created the Federal Reserve which is another private money making organization designed to make money from the American people. Our money used to be based on silver and gold they engineered big changes so that now the money is not based on anything and is in fact just paper.

In the time period 1920-1939 many banks failed. 1929 saw the great stock crash, and 1930 brought with it a new tariff and onerous tightening from the Federal Reserve. In 1925 there were 617 banks that failed in the United States. In 1930 that number was 1,350 and by 1931 it was 2,293. With each failure came an obliteration of many people's life savings, and fear began to spread through the country that an unstoppable cascade would soon materialize. Sales of the Ford automobile collapsed after 1929, and with them did collapse the fortunes of Detroit. At great risk to his own assets and contrary to many businessmen of the time, Henry Ford pressed on. His company continued to work on the development of the Model B including an early variant containing the flathead V-8 engine. The first of these cars rolled off the line in 1932, a year in which [Ford lost \\$75 million](#). Unfazed in public, Ford said, "We didn't lose it — we used it. If we had dropped it on the stock market, that would have been losing it."

It's hard to say why the final panic was specifically precipitated in Detroit, as opposed to any other benighted part of the nation (there is always a semblance of chance in human affairs). But it was in February of 1933 that the banking system was frozen in the entire state of Michigan, precipitating a national crisis. At the start of 1933, Detroit's banks were losing between \$2.5 million and \$3 million a week in deposits. The two largest banks, the First National Bank of Detroit and the Guardian National Bank of Commerce, were teetering on the precipice of insolvency. (Wikipedia)

There were about 400,000 unemployed in the city, many of them laid off from the auto industry, and they began to form Unemployment Councils for support. These Councils demonstrated against evictions and tried to raise money for the unemployed, but with up to 80% of the city's auto manufacturing capacity laying idle, the size of the challenge was insurmountable. There was no welfare, no unemployment insurance, no Social Security, and no deposit insurance to protect the meager savings of these workers against the cascading bank crisis.

Many residents of the Warren area had worked in Detroit and suddenly they had no income. The money they had placed in banks also gone.

The early 1930s in Detroit saw clothing drives, thrift gardens, reductions in rent, and the donation of crops from charitable organizations. Prosperous citizens contributed thousands and even hundreds of thousands of dollars to the relief efforts. The city and the state were unable to add much to this total. Tax revenue was meager and there was no assistance from the federal government for relief programs.

Many families who lost their homes ended up living in the open air of Clark Park where charity provided them to the best of its ability.

Communist movements gained strength.

On March 7, 1932 a procession of marchers was organized in Detroit and directed towards the Ford plant in Dearborn. Their goal was to present a list of demands to Henry Ford for a shorter workday, increased employment, health care, and union recognition. While deprivation knew no bounds politically, this particular march (the [Ford Hunger March](#)) was organized by William Z. Foster and Albert Goetz, the most important Communist leaders of the Detroit area (Foster would go on to win 103,307 votes in the [1932 Presidential Election](#) and later died in the Soviet Union).

Unemployment Councils joined the march. No sooner did the group cross into Dearborn than they were showered with tear gas and pelted with bullets. The Dearborn Police Department joined with Ford's own Service Department to chase the marchers back. Five of the protestors were killed by the bullets — all of them members of Communist organizations.

One week later, a much larger march took place in Detroit to protest the shootings. 60,000 people sang the socialist anthem "L'Internationale" as they proceeded through the streets. However cathartic this was for its participants, as a practical matter it solved nothing. Detroit continued to suffer the worst effects of the Depression, and the streets and parks continued to overflow with the starving and the homeless. (Wikipedia) No doubt Warren area workers were involved and Detroit furnished them their jobs and their markets.

On a national level, other papers implored their readers not to take the case of Michigan too seriously. The *New York Herald Tribune* stated, "... it is well to bear in mind that the banking situation in Detroit is by no means typical of that of the United States as a whole." and continued with a litany of how Detroit's troubles were especially severe.

Unfortunately these words proved to be far from prophetic. By the time that Roosevelt was inaugurated, 37 states had suspended their banking operations. In each case there was a growing sense of dread that the national system was dying — that the economic calamity of 1929-1933 was but a precursor to even darker times ahead. In many towns, the economy functioned on "[scrip](#)" or outright barter.

In this long interval, the banking system in Detroit was reorganized. The Reconstruction Finance Corporation worked with Alfred Sloan, president of General Motors, to create the [National Bank of Detroit](#). This bank received federal funding and assumed the assets of the two failing banks — First National Bank of Detroit and the Guardian National Bank of Commerce. Sloan committed a substantial amount of G.M. capital to the new institution while Henry Ford continued to remain on the sidelines. This perhaps ensured that the phrase, "What's good for Ford is good for America." would never enter the national lexicon.

The doors finally opened on March 24, 1933 — 36 days after the 8 day holiday was first declared. There was an immediate rush of customers, but this time it was to put their money *in* to the new bank. The larger issue of the Depression remained piteously unresolved, but the single most acute phase of the crisis had passed. Their banking system stabilized, the people of Michigan looked to see what Roosevelt would do next.

NBD was founded in 1933 in Detroit in the midst of widespread bank failures during the Great Depression. Spurred by the Reconstruction Finance Corporation (RFC) to help stabilize the nation's banking system, NBD's shares were initially equally owned by General Motors (GM) and by the U.S. government under the RFC. The bank opened for business on March 24, 1933. By 1945, GM had divested of its ownership in NBD and by 1947 the RFC had ended its involvement. I remember going with my grandfather to the NBD Bank on van Dyke near the SE corner of 8 Mile. Later they opened

branches in Warren.

Warren Township had several upstart banks. C. A. Burr started a private bank in 1902. It was perated by him and Arthur Newberry in the Diehl's General Store building. In 1908 it became a state bank with capital stock of \$20,000. Frank C. Kuhn formerly president of Michigan Bell Telephone was vice-president of the bank at its organization. Officers include Charles A. Burr president, Jacob F. Hartsig, vice-president, Fred J. Cromie, cashier, C. F. Peck, William L Hartsig. Center Line Savings Bank was one of the first banks. Am looking for the years but it was in the 1920s



1865



In 1900 Fred Cromie Bank was the cashier at the Warren Village bank.

Community Bank 1939

In the 1950s The Warren Bank had several offices. Later the Bank of Commerce also had several branches. There was one on Van Dyke one block south of 10 Mile and later they opened one on Van Dyke just south of 11 mile. They also had one on Mound.31912 (old bank bldg.) 31912 Mound and later it moved south to Mound and 13 Mile Road

Liberty Loan 23521 Van Dyke 1954

Bank of Commerce c1960s 24734 Van Dyke

1960s

First Federal 23521 Van Dyke,

First National Bank

Comerica Bank 4225 10 Mile

Warren Bank Twelve Mile Road and Hoover Warren 14000 12 Mile 1960s-1970s

Bank of Commerce Don Shorling Manager 26707 Van Dyke c 1970s

1990

Warren Bank 29409 Ryan 1990s 2010

Warren Bank 30068 Schoenherr

Manufactures Bank Van Dyke north of 9 Mile became

Comerica Bank 23300 Van Dyke 2010

Comerica Bank 15050 14 Mile 2010

Lasalle Bank 3900 14 Mile 2010

Flagstar Bank 30105 Mound2010

Huntington Bank 22910 Ryan 2010

TCP Bank at 10 Mile and Ryan

Charter One Bank 23521 Van Dyke 2010

National City Bank 24800 Van Dyke 2010

LaSalle Bank 25001 Van Dyke 2010

More research needs to be done on our banks.

Here are a few examples of old bank notes.







