

BANKING IN THE BRIGHTON AREA

Webster's Collegiate Dictionary - Banking: an establishment for the custody, loan, exchange or issue of money, for the extension of credit, and for facilitating the transmission of funds by drafts or bills of exchange.

In England banking began as a private business. In the United States it became a semi-private business authorized and sanctioned by the government via statutes and laws. Banks issued their own bank notes/script. These became depreciated and worthless when a bank failed.

Following the 1812 War, the U.S. finally gained control over the Northwest Territory. With the opening of the Erie Canal in 1825, settlers from the eastern states surged into Michigan. The majority were anxious to improve their way of life. A high percentage of the state's new settlers came from New York. Noting that state's economic growth as a model Michigan leaders borrowed New York laws dealing with banking, among others. Much of Michigan's first Constitution was based on the New York Constitution.

Michigan's strategy of economic development followed the national policy of settling people on the land to be accompanied with the establishment of units of government as soon as possible. To accelerate this development lines of transportation were designated and local banks were to be launched.

These banks provided immediate income, usually in the form of credit or bank-issued notes, to the farmer for produce and crops sold. Farmers received credit for the purchase of land, seed, equipment, etc. Banks also extended credit to village merchants to launch a local enterprise, to businessmen (millers, sawyers, blacksmiths, etc.) and to professional persons (doctors, lawyers, etc.) to establish themselves in the pioneer farm community.

By 1832, pioneers were acquiring land in Livingston County. Brighton Township was still part of Green Oak Township. Just over the county line, in Oakland County, where the Huron River was crossed by the Grand River Trail, a saw mill and house were built by Joel Redway. Alfred A Dwight, one of many entrepreneurs, platted the town of Kensington in 1836. By then there was already a post office the name of which was changed from Lyon to Kensington that same year. (In operation until 1902.)

Dwight, along with Sherman D. Dix, who had taken up 82 acres in Section 17 of Green Oak Township in 1832, were members of the Board of Directors of the Bank of Kensington; organized December 12, 1837. Completely within the state's corporation laws of the time, the bank was one of the many "Wild Cat" banks. (So named because their nearest neighbors often were wild cats.) (By Marieanna Bair. To be continued.)

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