BANKING IN THE BRIGHTON AREA (Cont.)

The "Free Banking" law, passed by the Michigan legislature January, 1837, was an attempt to speed the state's economic development which was based on agriculture. To encourage local manufacturing businesses and improve transportation, which could be financed by local bank credit, general incorporation statutes regulating commercial ventures were enacted, including banking corporations.

Banking was "Free" in that the bank charter requirement of 2/3 vote of the Legislature was largely ignored; only 30% of its stock was necessary in "good and sufficient security" to protect its bank notes; and county clerks and treasurers (who had a vested interest in the development of their county) were influential in the approval process. "Free" banks, for short term investment projects, were successful in normal times. However, hard times caused bank investors and customers to request specie and the banks would be forced to sell land (the principal collateral) and other capital, at a loss. This often resulted in bank failures.

By June, 1837, the "Panic of 1837" was underway and the Legislature ruled that a bank did not have to pay in specie. Thanks to the "Wild Cat" banking laws of the state at the time, banks were started on a shoestring throughout the populated areas of Michigan. Since it would be another 11 months (May, 1838) before the general banking law governing the issuance of bank notes would go into effect, "Wild Cat" banks proliferated in the interlude of the 46 in the state the Bank of Kensington was as wild as any of them. (The bank note pictured below is from a private, local collection. By Marianna Bair. To be continued.)

BRIGHTON AREA HISTORICAL SOCIETY
P.O. Box 481
Brighton, MI 48116

DIRECTIONS TO REMEMBER
Aug. 13, 7 p.m.: Board meeting, Old Town Hall, 202 W. Main. Welcome.
Aug. 14-16: Milford Memories, Milford.
Aug. 15, 9-11 a.m.: Archives Committee: Old Town Hall, 202 W. Main. Welcome.
Sept. 10, 7 p.m.: Board meeting, Old Town Hall, 202 W. Main. Welcome.
Sept. 11, 5-7 p.m.: Spaghetti Supper, Fire Hall, 615 W. Grand River. Bring a friend.
Sept. 15: General Meeting, 6:30 pot luck, 7:30 meeting & program. Bill Christian & Gary Pritchard have researched Civil War soldiers of the 17th MI Inf. Co. E (local men) and developed a slide presentation of their activities. Public welcome.

TRAIL TALES
Brighton Area Preservation News

The purpose of the Brighton Area Historical Society is to preserve, advance and disseminate knowledge of the history of the Brighton Area.

The membership is composed of people who feel this purpose is worthwhile and should be promoted.

EDITORIAL
The Society is a successful organization because of the dedication of the people involved. People who care.

The Board can count on members to take a certain responsibility each year. People such as Dick & Shelaugh Davis who annually recommend a local scene for the tile series and see to its preparation; Nancy Fredenburg, Membership Chairperson; Ethel Gebben who sees Trail Tales into the mail as quickly as possible; Tom & Audrey Leith who are willing to organize the annual Spaghetti Supper; John Linahan who delivers extra copies of the newsletter to local businesses; Jane Toelke who has chaired a successful bake sale for many years and oversees the sale of tiles; Herb Warner who keeps the Lyons School Restoration Project on the ball; etc., etc.

None of these jobs takes a great deal of time but with these kinds of help, Board members can keep research, restoration and preservation uppermost in their priorities.

Of course these people do not do it all by themselves. Only with the cooperation of members are they successful. With lots of helping hands no one needs to feel overwhelmed. Involvement in the Society should be fun. It's exciting to join in achieving the Society's goals and continuing as a viable organization. (M. Bair, Guest Ed.)