

*A Statement*  
*to*  
*The People of Detroit*



BY  
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P r e s i d e n t  
GENERAL MOTORS CORPORATION

MARCH 24, 1933

# *A Statement*

*to*

## *The People of Detroit*

I AM sincerely happy that after nearly six weeks the people of Detroit again are provided with banking facilities. I feel that it is a privilege to be able to take a small part in a matter so vital to the people of this city.

In the business with which I am so intimately associated I have seen many big things done but never in my experience have I seen so many difficult obstacles overcome in so short a time as has been the case in the past few days in making banking facilities available to the capital of motordom. At ten o'clock on Friday, March 24, Detroit will again have banking facilities which indeed is a credit to all of those people in government offices, in responsible capacities in Detroit, and those of responsible position in my own organization.

In bringing about the opening of the National Bank of Detroit my principal concern has been to accomplish this with a minimum delay. The people of Detroit have needed a depository for their currency. They have needed the usual checking facilities afforded by a bank. This to my mind has been the first need in Detroit. These facilities will be provided on the opening of the National Bank of Detroit which for the present will be limited to commercial deposits including personal checking accounts. Whether savings deposits will be accepted will be determined by the permanent organization later.



I would like to make clear several important facts:

1. This bank is an entirely new institution.
2. It will be the most liquid bank in the U. S.
3. It will be a Detroit institution—owned, directed and managed by Detroit people.

It is not General Motor's desire to in any way control or dictate the banking policy of Detroit. In view of this a sincere effort is being made to secure in the management of the new bank a representative group of Detroit men who by reputation and experience are qualified to serve the people of Detroit. We believe that the board of directors should be a cooperative, small, well qualified group. The success of the new bank depends to a very large extent on the men selected for its directors and officers. We believe that a proper selection is so important that the best interests of Detroit will be served by taking the necessary time to do a good job. This we are doing.

The administration of a bank serving one of the largest cities of the United States is not a simple matter. There are many decisions to be made before all the normal, usual functions of a commercial bank can be undertaken. We believe these decisions should be made by those men who will be held responsible for the successful management of the new bank. For this reason in opening the National Bank of Detroit on March 24 it will not be possible to undertake all the usual banking activities. This is because the new organization has not as yet been finally determined. It is obviously our intention to establish the permanent organization as soon as possible so that it may decide upon the permanent policies which will govern the administration of the National Bank of Detroit.

We are particularly anxious that the permanent organization be established as soon as possible in order



that it may conclude the negotiations with the conservators of the First National Bank and the Guardian National Bank of Commerce with respect to the purchase of the more liquid assets of these two institutions.

It must be clearly understood that except the possible purchase of certain assets at a price to be fixed and distributed by the conservators with the approval of the Comptroller of the Currency, as provided by law, the New Bank will have no relations whatsoever with the old banks. Their liquidation is by law entrusted solely to the officials of the United States Government.

It is recognized that the long bank holiday has seriously handicapped both the personal and business life of the people of Detroit and that it is highly desirable that the National Bank of Detroit be of such assistance as it can in making available to the depositors of the First National Bank and the Guardian National Bank of Commerce such cash as is warranted by the more liquid assets of these two banking institutions. It is fortunate that by reason of the close relationship of the Government of the United States to both the new and the older banks we can confidently expect that an equitable arrangement will be arrived at with a minimum of delay and a maximum of recovery for the depositors consistent with sound and conservative banking.

It may well be that some of the Detroit people will raise the question as to why General Motors has interested itself in the Detroit banking situation. I am sincerely anxious that the people of Detroit appreciate that the only interest which General Motors has in this connection is to be of service to the people of Detroit. In the joint statement which I issued in conjunction with the Reconstruction Finance Corporation, I endeavored to make clear to the public just exactly what position General Motors occupies in relation to the banking situation in Detroit. Perhaps I can do no better



than to paraphrase here the statement which I made a few days ago in this connection.

“In underwriting the common stock of the new bank, General Motors Corporation was doing so as a contribution for the settlement of a very serious situation. It had no desire to enter in any way the banking business in Detroit or elsewhere. It was entitled to and had every reason to expect the support of the depositors and the stockholders by subscribing to the common stock.

“An offer will be made by General Motors Corporation to all depositors and stockholders of the First National Bank and the Guardian National Bank of Commerce for subscription to the common stock of the new bank, at the same price as paid by General Motors Corporation, that is fifty dollars per share.

“It was hopeful that as soon as the situation was stabilized it would be possible for General Motors Corporation to withdraw entirely, transferring its investment to others to carry on this particular responsibility and duty to the community.”

In this statement I further elaborated upon the policy of General Motors Corporation with respect to its responsibility to the public as one of America's leading industrial institutions. Again I can probably do no better than to quote from this statement.

“We were happy to cooperate with the Government, the President of the United States, the Secretary of the Treasury, the Reconstruction Finance Corporation and other sincere and able representatives of the Government in helping to establish sound banking facilities in Detroit.”

In my various contacts with you people of Detroit I feel that you understand the position which General Motors has taken and that you will lend your support to those men who will be designated to carry on for you a sound type of banking which has been made possible through the sympathetic and financial cooperation of the United States Government.

ALFRED P. SLOAN, JR.

*President*

GENERAL MOTORS CORPORATION

March 24, 1933.