



WESTPHALIA HISTORICAL SOCIETY

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REMIINDER: Our monthly meetings are suspended until March 17th.

2020 SPORTS EXHIBIT

It may seem like "just" a picture...

or "just" an old program...

or "just" a jersey...

But to visitors to the museum, they maybe have never seen that picture, read about that close game or seen that jersey.

The 2020 theme this year will be sports in Westphalia; remember that the sport does not have to end in "ball." So far we have a drag racing trophy from Ben Bierstetel, Jim (Yogie) Rademacher's catcher's mask and glove, the old Larry Nurenberg memorial scoreboard from the park and possibly a soap box derby car.

What pictures and other memorabilia do you have hiding in the attic that you would be willing to lend to us and share a story?

If you have something to lend us (especially PHOTOS), **call Steve Hanses, 989.587.6897**. As organizer of the exhibit, it will be MUCH easier if he knows what items are coming in.

MARCH MEETING - KICKING OFF 2020!

We will hold an election of officers (4) and directors (5) at our 2020 kickoff meeting, March 17th at 6 PM in the museum building. We encourage all members to attend. We will also start putting together our candidates for the 2020 Cemetery Walk in September.

www.westphaliahistory.weebly.com

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WESTPHALIA STATE BANK FAILURE

This article first appeared in the "Clinton County Trails" newsletter in September 2019. This is a quarterly newsletter of the Genealogists of the Clinton County Historical Society. We have received permission to reproduce the article from its author, Wayne Summers.

Westphalia has always been a town that takes great pride in its self-sufficiency, hard work, honesty, and Catholic heritage. One of its points of pride until 1950 was the Westphalia State Bank. At that time the bank served about 800 customers and was owned by co-founder **John B. Spitzley**, but was operated on a day-to-day basis by bank clerk **Robert Bohr**.

In 1950 Westphalia's pride and image took a beating with the bank's insolvency and accompanying unflattering state-wide press coverage. At the front and center of the controversy was **Robert Bohr**. Bohr, a timid trusting man, had been earning \$150 a month for his labors while living a modest life and driving an old 1936 vehicle to and from his home on the west side of town. Finding it hard to survive on such a meager salary he had asked and received a \$50 a month raise just prior to 1950. But even with the additional income, his pay was still well below the 1950 average annual household income of \$3,300. Hoping to supplement his wages, he purchased an interest in an insurance agency in Westphalia from John B. Spitzley for \$500. However, circumstances would intervene before he was ever able to receive any commissions.

At some point during Bohr's time as clerk, an unwritten policy of allowing overdrafts on accounts began.

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If you were a little short of money for a needed purchase, Bohr allowed you to receive an overdraft with the expectation you would repay it once you were able. These were unofficial, no interest, unsecured loans given out on a verbal promise to repay. In many respects they were similar to the kind of no interest loans family members sometimes give each other.

Over time the number and amount of the overdrafts increased with many businesses in the surrounding area coming to the Westphalia State Bank to take advantage of the free loans. For example, at the time of its failure, the Huver brothers of Portland had received overdrafts of \$104,000 for their auto garage and dealership. Francis and Laura Schwab, owners of the Schwab Elevator in Eagle, had received \$130,000. Then there was Martin J. Spitzley, a lumber dealer and cousin of John B. Spitzley, who vanished on September 12, 1948, still owing for a \$27,000 overdraft which he probably never planned on repaying.

On March 17, 1950, bank examiners arrived in Westphalia for a routine check. They soon discovered serious discrepancies and called in additional examiners from Washington, D.C. and Chicago along with the FBI to investigate. What they found were sloppy record keeping and overdrawn accounts. Declaring the bank insolvent with over \$400,000 in unsecured overdrafts, the Westphalia State Bank was ordered to merge with the nearby Maynard Allen State Bank of Portland effective April 3, 1950.

As the bank deposits were insured by the FDIC, no one lost any money. However, the cost to those who had been given overdrafts took a toll. The grand jury indicted a total of 31 people. Of those, only 12 were from Westphalia and generally were for small amounts.

Bohr was put on trial for a total of 113 counts of misappropriation of funds for approving overdrafts including \$2,659 on his own account. On the 4th day of trial on March 25, 1952, in Detroit federal court, Bohr took a plea and pled guilty to 29 counts after the FBI presented a statement he had made early in their investigation which they termed a confession. **Judge Frank A. Picard** sentenced him to 4 months in jail stating it was "a pitifully small sentence, but it is warranted because of the hell Bohr has gone through" [*Detroit Free Press* 4Mar1953].

His wife **Beatrice** explained it this way. "Robbie is just too generous and he trusted people too much" [*LSJ* 28Mar1950 p1]. After serving his sentence Bohr took up farming and his wife a factory job in Flint to pay back the money they had overdrawn.

Bank president **John B. Spitzley** was acquitted as the jury found him unaware of the policy. Coming to the defense of the townspeople was former governor **Kim Sigler** who said, "I know those people up there. It's like a community of brothers. They are fine, honest, hardworking people, but they don't keep records much. They know and trust everybody" [*Battle Creek Enquirer and News* 7Aug1951 p1]. While, with the assistance of the former governor, most were able to escape jail time by agreeing to pay back what they had overdrawn.

As far as John B. Spitzley's wayward cousin Martin J. Spitzley, he was found, arrested, and given a 3-year jail sentence. At the end of his trial the judge commented Martin had "lied like a trooper" in his court [*LSJ* 26May1954 p 1]. Rumors began to circulate throughout the state that Westphalia residents were all getting rich by taking bank funds. This caused local residents to be irritated and distrustful of the press. One reporter was greeted with, "You guys had better watch out about prying into our affairs here. You might get into trouble. There's nothing wrong here" [*LSJ* 28 March 1950 p 1]. While upset with the rumors, most residents, however, saw the bank failure simply as one more example of government overreach.

It's important to understand that just prior to the time of the bank investigation and trials were taking place the town had battled the state over its school system.

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For some time, the local high school had been officially a public school, however, all of the teachers were nuns with a priest in charge. The state had stepped in and told them they could no longer receive public funding for what was in reality a Catholic school system. So in 1949 the "public" school had been sold to the church for a token amount and the high school renamed St. Mary's High School.

The banking insolvency further fueled a distrust of outsiders who residents felt were trying to tell them how to run their business. Many believed they should have had an opportunity to solve the banking issues without state and federal interference.

Throughout the ordeal the town's sympathies were with Robert Bohr. They would admit he was someone who found it hard to say no to neighbors and life-long friends. They'd say while perhaps too softhearted to be a banker, he had had no intent to commit fraud or embezzle. Overall, they saw Robert Bohr as someone who was punished for trying to help people.



STILL QUILTING AT AGE 95

Rose Theis Kolp was born on January 20, 1925, which means she recently celebrated her 95th birthday and she still enjoys quilting!

Since 2012, Rose, along with her sisters Josephine Fox and Chris Smith, have quilted and donated over 900 baby quilts for Shared Pregnancy. They also donate two large quilts for our July 4th Picnic raffle.

Many years ago Rose was helping Anna Schmitt make a quilt for the parish picnic when Rose commented that she had never won a quilt. Anna replied, "you have to make one if you want to win one." That's when Rose started doing her own quilting and she hasn't quit. To this day, Rose has NEVER won a quilt!

Bless you for the great work that you do. Wishing you a belated 95th birthday!

GENEALOGY CLASS THIS WINTER

The class has been averaging 15 participants a session. Even if genealogy is not your bag, the class is still very interesting.

The class meets Thursday evenings at the museum; the cost is FREE but please call Judy to register so she knows how many people are interested: judycem@aol.com or call **517.323.2817**. You do not have to be a member to attend.

THOSE TOUGH WINTER & SPRING MONTHS

This is an abbreviated version of weather rhymes published in *Baer's Agricultural Almanac*. We found a few particularly interesting to share as we transition (hopefully) to spring soon.

A February Spring Is worth nothing	If it thunders on All Fools Day, It brings good crops of grass and hay	A cold April the barn will fill.
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