



FEDERAL DEPOSIT INSURANCE CORPORATION  
WASHINGTON

OFFICE OF THE CHAIRMAN

May 15, 1951

Mr. Marriner S. Eccles, Member  
Board of Governors of the  
Federal Reserve System  
Washington 25, D. C.

Dear Marriner:

On last Saturday, May 12, we crossed the threshold into the eighth year in which this Nation has not suffered from a single receivership of an insured bank or a penny's loss to any depositor in an insured bank. This added another milepost to the all-time record for safety and stability in the dual banking system of the United States which has followed creation of Federal Deposit Insurance Corporation. Manifestly, this record could not have been established without the vision and the cooperation of you and your able colleagues on the Board of Governors of the Federal Reserve System.

We enclose two charts which may be of interest to you on the occasion of this "anniversary". Chart No. 34 spots bank suspensions during the 17 years prior to Federal deposit insurance as against receiverships of all banks, insured and noninsured, during the 17 years since the Corporation began operations on January 1, 1934.

Chart No. 33, which compares the capital ratios of insured commercial banks at the end of 1945 and at the close of 1950, would indicate that one of the principal factors in bringing about the unprecedented record of bank solvency during recent years has been the steady improvement in bank capital. It cannot be said that capital improvement is the panacea, but the maintenance of a satisfactory capital ratio is certainly excellent preventive medicine and so should be encouraged in every bank throughout the Nation.

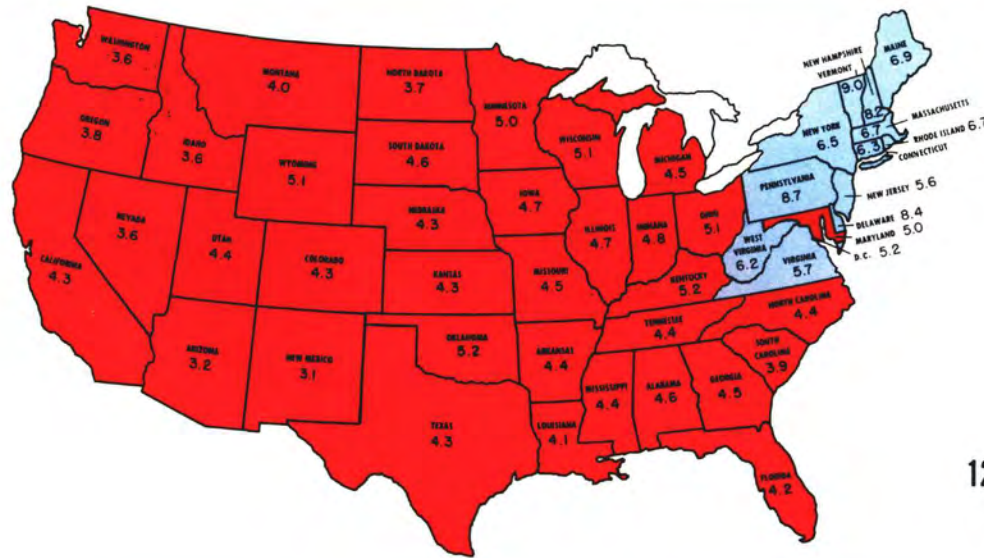
Cordially and sincerely yours,

Maple T. Earl  
Chairman

Enclosures (2)

# COMPARISON OF CAPITAL RATIOS 1945 and 1950

## INSURED COMMERCIAL BANKS



December 31, 1945

### CAPITAL RATIOS

1945 NATIONAL AVERAGE 5.5%

5.5% and above

Below 5.5%

12 States above the 1945 National average

December 30, 1950

### CAPITAL RATIOS

1950 NATIONAL AVERAGE 6.8%

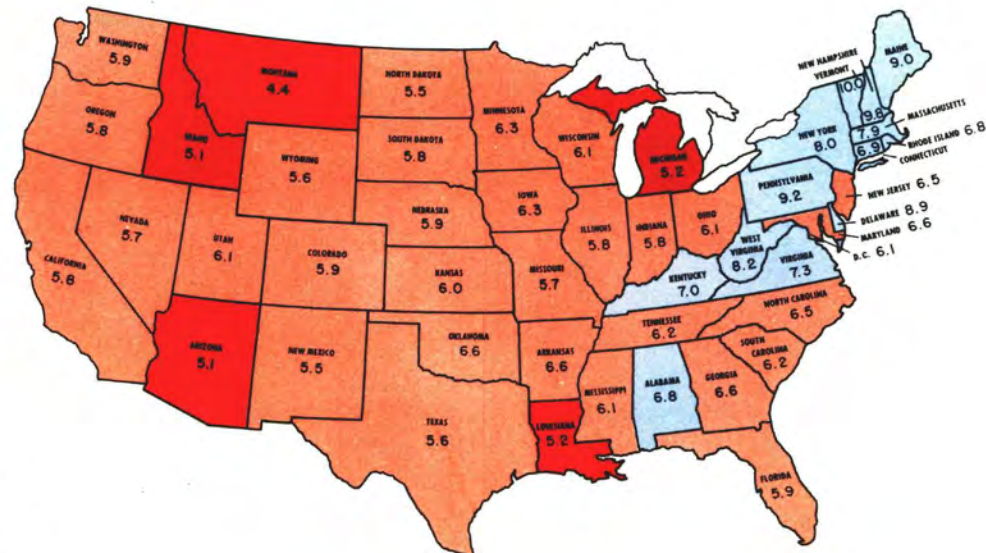
6.8% and above

Below 1950 average:

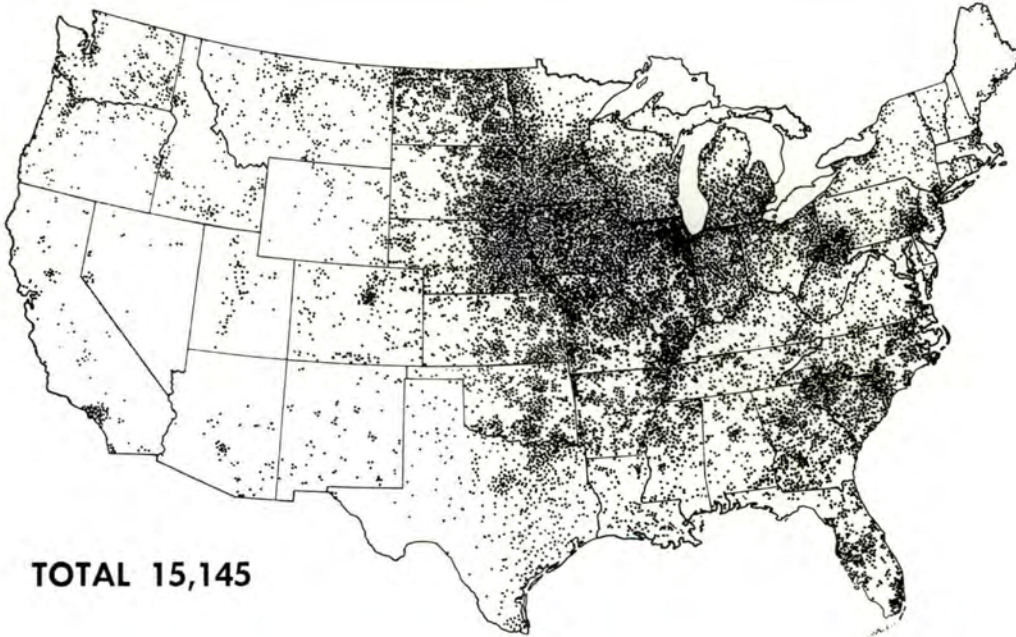
5.5% to 6.7%

Below 1945 average of 5.5%

43 States at or above the 1945 National average  
13 States at or above the 1950 National average

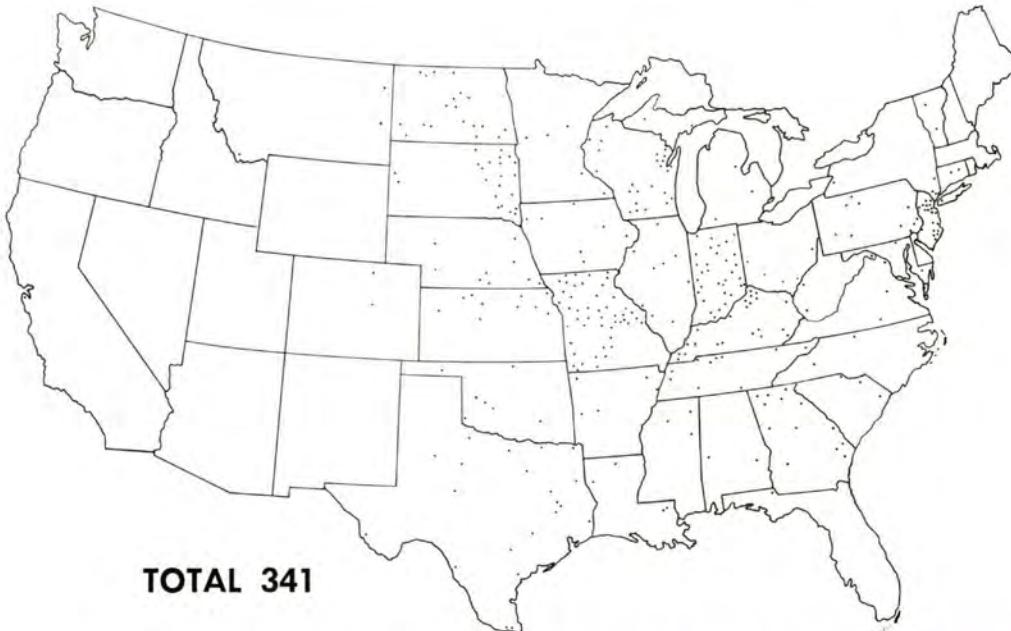


## BANK SUSPENSIONS 1917 to 1933



**TOTAL 15,145**

## BANKS PLACED IN RECEIVERSHIP 1934 to 1950



**TOTAL 341**

**Banks Insured by FDIC • NO RECEIVERSHIPS since MAY 1944**