

Deposit Guaranty in Kansas, 1909-1929

2/2

Kansas - Expenses of Banking Department
 (in dollars) ✓
 (From ~~Annual~~ reports of the Commissioner)

Fiscal year ending June 30	Total disbursements	Deduct			Expenses of banking department
		Examination services, fees paid to state treasurer	Unexpended balance	Blue sky department	
1910		31640			39640
1911					
1912					
1913					
1914					
1915					
1916					
1917					
1918					
1919					
1920					
1921	160,460	75231	4613	14237	66679
1922	156,484	73643	3387	10634	68820
1923	160,733	62387	5041	13051	80254
1924	168,841	62635	2028	12681	91497
	181,285	69783			
1925	205,488	81725	5881	—	117882
1926	283,792	116582	50991	—	116219
1927	253,663	90592	40967	—	92104
1928	278,577	89469	86837	—	102271

FEDERAL DEPOSIT INSURANCE CORPORATION

September 1, 1914 -

499 Banks participating
117,537.27 in cash and
410,301.76 in Bonds

1 loss paid out of this fund since
it was created -

afelene State Bank.

Receivership Sept 5 - 1910.

Final payment made November
22, 1913,

Final payment made by
fund of 28,701.76.

page 7 - (12 Biennial Report of

Bank Commission 1913-14 -

Departmental Reports 1913-14

Bank Depositors' Guaranty Law of Kansas was passed by the 1909 Legislature and became effective on June 30, 1909. This law was repealed on the 14th day of March, 1929.

High Point - in February, 1922, out of 1108 banks there were 714 banks which were members of the guaranty fund

Low Point - in January, 1929, out of 854 banks there were 34 banks which were members of the guaranty fund

Approximate number of banks belonging to Guaranty Fund, 1911 to date of repeal:

Presumably Dec. 31 each year

1911 - 442	1918 - 613	1925 - 611
1912 - 462	1919 - 649	1926 - 399
1913 - 481	1920 - 683	1927 - 78
1914 - 508	1921 - 714	1928 - 39
1915 - 526	1922 - 698	March, 1929 - 34
1916 - 546	1923 - 681	
1917 - 577	1924 - 651	

Number of guaranteed State banks as given in reports of the Bank Commission

Date	Particulars	Total
Sept 1, 1912	456	892
Sept 1, 1914	499	953
Sept 1, 1916	539	
Sept 1, 1918	604	
Sept 1, 1920	676	
Sept 1, 1922	703	
Oct 3, 1924	651	
Jan 1, 1926	610	
Sept 1, 1926	225	<i>in good standing</i>
Sept 1, 1928	42	<i>of which 3 were withdrawn</i>

714 Banks, December 31, 1921	Total Capital -	\$18,732,000.00
	Total Surplus -	10,240,031.99
	Total Deposits -	184,608,466.92

*Number of failed guaranteed banks by years:

1910 - 1	1922 - 15	1926 - 27
1919 - 1	1923 - 18	1927 - 15
1920 - 2	1924 - 10	1928 - 3
1921 - 8	1925 - 14	1929 - 1
<i>12</i>	<i>57</i>	<i>46</i>

Note. These figures do not agree, in several places, with the figures published in the Biennial Report of the Commission. Banks reorganized are apparently excluded here.

*** Total Guaranty Fund certificates issued	\$13,704,391.86 (3)
**** Dividends paid	\$7,053,520.16 (2)
Balance unpaid certificates involving 52,029 creditors	\$ 6,650,871.70

Income into Guaranty Fund from all sources including assessments paid by banks, interest paid on accounts, forfeited bonds and collections	\$ 2,788,774.14
Disbursements from account (dividends paid from Guaranty Fund)	2,771,445.41
Total costs to state banks as above	\$ 2,788,774.14
Total loss to guaranteed banks in reorganization of American State Bank, Wichita, Kansas	1,500,000.00
Total cost to guaranteed banks	\$ 4,288,774.14

*31 of above number closed, paid in full, *over in part, from guaranty fund.*
 Out of this amount 29 banks were paid in full, 2 banks paid from final forfeiture of bonds, paying 93% to creditors. Only one bank, however, out of the 29 participated in full from the Guaranty Fund, the other 28 paying from 12 1/2% to 90% out of their own assets.

Was this correct P. O. was it a guaranty of amount deposited?

- (2) *** Dividends paid from assets and Guaranty Fund (2)
- (3) **** This amount includes total liability of Guaranty Fund. (3)

Total deposits assessed	\$ 1,859,128,940.00
Total assessments on banks	1,678,169.65

Total dividends paid	7,053,520
Paid from guaranty fund	2,771,445
Est. paid from assets	4,282,075

KANSAS - Notes on misc. statements in basin vaults of
 Bank Commission (capital base fund) as 10/13/26

Cash in fund available for paying loans - 2/5/1925	\$ 254,038.00
Loans to McCune & Wright - not yet paid	about 223.00
	<u>31,038.00</u>
Due on assessments not yet paid	94,214
	<u>\$125,252.00</u>

Guaranty certificates outstanding 2/19/25	\$ 6,891,906.25
Less dividends paid	2,228,130.39
Less not amount due	<u>\$ 4,663,775.86</u>
Cash on hand	\$ 788,825.70

Copy of order dated June 18, 1927, ordering perfection of bonds signed by
 W. H. Johnston, Chief Justice & by decree of Supreme Court - note that amount
 of cash & bonds to secure assessment had face value of about \$391,750.
 Liabilities of fund about \$6,000,000 above probable realization from assets

[Red handwritten notes and signatures]

List of ^{bank notes} guaranty certificates outstanding 11-20-25 total amount	\$7,775,057.22
Dividends paid _{in 39 banks}	2,195,579.32
Balance	<u>\$ 5,579,477.90</u>

List - certificates outstanding 3-31-30	\$13,704,391.86
Less Dividends paid _{in 27 banks}	7053,520.16
Balance due	<u>\$ 6,650,871.70</u>

No. of certificates outstanding 52,029

List - certs. outstanding Jun 27, 1927	\$ 10,644,244.05
Dividends paid	4,484,902.08
Balance - net liability	<u>\$ 6,159,341.97</u>

Printed copies of Decision of Supreme Court
 State of Kansas vs Bone opinion filed Apr 10, 1926 # 26508
 " " " " " " Apr 7, 1928 # 27836

*Added note: Final loss estimated at about \$6 million. Some payments from fund and
 additional revenues divided in various parts were made after 3/31/30.*

KANSAS - Bonds forfeited by banks that withdrew from the Depositors Guaranty Fund.

Placed in the back of the second volume of the "Guaranty Fund Inventories Ledger" in the Commissioner's office was a list of the bonds posted by the banks that withdrew, ~~with~~ ^{occupying} about 20 sheets of columnar paper, with totals and ~~the~~ copy of ~~bill~~ report from C.F. Childs & Co as to proceeds of their purchase. The following table is made up from these data, which are described as pertaining to "all banks that have withdrawn to and including the withdrawals for Oct, 1927."

Class of bond	Registered	Other	Sold to Childs & Co. 12-19-27
Municipals \$308,000			
Cash { ^{including from} bonds maturing }	86,500		
1st Lt. 4 1/4 (including a ^{series} for Canal Zone & Trust, etc)	47,000	5,500	41,500 { 22,200 } 19,300
2nd Lt. 4 1/4	78,450	6,000	72,450 { called } 11/15/27
3d Lt. 4 1/4	92,250	5,500	86,750
4th Lt. 4 1/4	121,700	9,500	112,200
<u>Total - added</u>	<u>733,900</u>		<u>240,450</u>
Of these →		312,900 290,700	
Child's statement and an analysis ^{thereof} thereof cover		240,450 par value	} sold 12/19/27
which were sold for (including \$6460.91 premium & 2479.34 interest)		249,390.25	
With interest, the amount realized was		73,966.15 (red notes in notes sheet)	
Therefore - known premium + interest is			
On bonds sold thru Childs	8940.25		
are called Liberty bonds	1516.15		
			10456.40

KANSAS - Cash balance guaranty fund - assessment & interest account
 (From Guaranty Fund Journal ^{with} ~~with~~ Bank Commissioner in capital)

Date	Amount	In red (presumably a total)	"True balance" in black	Preferred Bond account
1/15/20	418119.58	also		1089.58
6/30/20	509849.30	marked		1094.37 1000
12/31/20	521942.64			2368.62 11000
6/30/21	628491.51	"as per letter"		4.00 4000
12/31/21	641461.40	letter		182.50 1500
6/30/22	729539.80	letter		71.25 1000
12/31-22	806347.48	letter		21069.38 3000
6-30-23	836526.68			8154.98 2000
12-31-23	666075.29			11.73 16395
6-30-24	509876.36			99160
12-31-24	270164.05			32280.58
6-30-25		238245.16	21163.38	42613.90
12-22-25		91618.02		1850
7-3-26		145	145196.77	3085.01
6-30-26	144131.57	155853.72 (July 29)		1593.37
12-31-26	205870.33	205870.33		
6-30-27	15320.27	77280.93 (July 20)		
12-27-27	24778.32			
1-6-28	574168.57			
10-8-28	292697.82			
12-26-28	62978.30			

There are amounts out

Before receipts from preferred bond account
 After " " " " " "

Cash Journal also shows as of Dec 1927, 1927 + small amount Jan 6, 1928
 a figure of receipts from preferred bond account of 249390.25 - sale to Chubb.

Cash Journal also shows receipts from ~~mutual~~ ^{mutual} bond
 of 672.450, with interest of - ^{letter} 73966.15 - for preferred bond.

Other entries in preferred bond account - see last column above

Estimate of bonds ^{and cash} reported
 by banks participating
 in the Kansas deposit
 guaranty system.

By banks that withdrew to the end of October 1927 (statement in records of Commissioner's office)	\$733,900
By banks that withdrew between Oct 1927 and June 30, 1928 - estimate (over)	4,422
By banks that withdrew after 6/30/28 & remained in fund to end (amount of reported bonds rec'd with Treasurer as of 6/30/28)	47,500

Total

\$ 787,822

Premium & interest on sale of Liberty
 Bonds thru Chubb & Co called

10,456

Receipts - if municipals, etc. were
 sold at par

\$ 798,278

This compares with a residual
 total fund receipts now reported
 less payments & interest of

975,008

\$176,730

Banks withdrawn between end of Oct 1927
and end of June 1928

Deposits 12/31/27

Parker - Parker State Bank	246,270
Stockdale - Farmers State Bank	53,460
Kansas City Commercial State Bank	302,800
Healy - First State Bank	111,960
Effington - State Bank of Effington	160,000
	<hr/>
	844,490
	<hr/>
	\$4422
$\frac{1}{2} \times 170 =$	

Banks that withdrawn after 6/30/28

Menlo - Menlo State Bank
Carroll City - Commercial State Bank

Difference of 176,730 may be

Collected from assets of failed banks
paid by fund (after such payments)
- must be small figure
Forfeited bonds not included in figure
given
assessments not in figure given

KANSAS - list of assessment dates - Depositors guaranty fund

Calendar year	Regular assessment		Special assessments (no. and date)			
	No.	Date				
1909	1	7-20-09				
1910	2	12-30-10				
1911	3	7-16-11				
1912	4	1-20-12				
1913	5					
1914	6	1-15-14				
1915	7	1-15-15				
1916	8	1-15-16				
1917	9	1-15-17				
1918	10	1-15-18				
1919	11	1-15-19				
1920	12	1-20				
1921	13	1-21				
1922	14	1-22	1	11/29/22		
1923	15	1-23				
1924	16	1-15-24	2	7/10/24	3	11/26/24
1925	17	1-15-25	4	12/15/24	5	12/24/24
1926	18	1-30-26	6	7/16/25	7	3/23/25
1927	19	1-31-27	8	5/6/25	9	10/15/25
1928	20	1-31-28	10	7/10/26	11	11/25/26
1929	21	1-23-29	12	11/24/26	13	12/18/26
			14	4/26/27	15	7/5/27
			16	10/14/27	17	11/30/27
			18	4/12/28	19	6/4/28
			20	5/16/28	21	12/10/28
			none - law repealed March 14, 1929			

↓ Dates taken from those given in ^{entire schedule} "banks in" by "Guaranty Fund Individual Ledger". These are "date paid to State Treasurer" and vary from bank to bank. But for these ~~the case~~ the dates given here indicate the time of year of the assessment

mostly date of assessment (but in a few cases are)

KANSAS - Balance in depositors guaranty fund.
 As shown on ^{books} "Guaranty Fund Individual Ledger"

Date	Amount in Fund	Added by assessment Amount	assessment Date	Balance in fund after assessment
<u>From first volume</u>				
12/31/20 probably - print 1921 ^{assess}	524,598.93	91,007.81	Jan 1921	615,606.74
12/31/21? print to 1922 ^{assess}	644,728.80	81,041.93	Jan 1922	
		74,920.41	Enroll. 1922	
12/31/22? ^{print to 19} print to 1923 ^{assess}	756,885.10	74,692.12	Jan 15, 1923	831,577.22
12/31/23? print to 1924 ^{assess}	666,075.27	70,562.48	Jan 1924	736,637.77

These figures appear on the page

These on another page

4/25/23	1109498.00
10/2/23	1086510.00

From second volume

11/25/23	1086,510.00
6/30/24	1059,324.56
12/16/24	1061,824.56
5/12/25	1023,724. ⁵⁶
11/4/26	912,214.56
6/17/27	899,206.50
1/19/28	238,807.69

Note: Not described differently - but these must be amount of bonds + cash deposited rather than fund itself

Appropriations for Commissioner's office - from Appropriation in Session Laws of 1911, 1913, 1915, 1917, 1919, 1921, 1923-1927

	1912	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922	1923	1924	1925	1926	1927
Bank Commissioner	2500	2500	2500	2500	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	4500	4500
First special asst. bk. com.				+ 350 def. 2850											3000	3000
Second " " " "															2000	2000
Assistant Bank Commissioner	2000	2000	2000	+ 2000 2233 2233 33	3000	3000	3000	3000	3000	3000	3000	3000	3000	3000	3000	3000
"Blue Sky Dept."			(2000)	(2000)	(2000)	(2000)	(2000)	(2000)	(2500)	(2500)	(2500)	(2500)	(2500)	(2500)	(2500)	(2500)
Chief examiner											2700	2700	2700	2700	2700	2700
Examiners	8@1800	8 1800	8 1800	8 1800	10 1800	10 1800	10 1800	10 1800	12 2100	12 2100	12 2400	12 2400	14 2400	14 2400	10 2400	10 2400
												+ 1400 3800 (1923)			10 2700	10 2700
Building and loan examiners	1@1800	1 1800	1 1800	1 1800	1 1800	1 1800	1 1800	1 1800	1 2400 ^{2/}	1 2400 ^{2/}	2400 ^{4/}	2400 ^{4/}	?	?	?	?
Office deputy - building and loan	1@1500	1 1500														
Bookkeeper	1@1500	1 1500	1 1500	1 1500	1 1800	1 1800	1 1800	1 1800	1 2000 ^{3/}	1 2000 ^{3/}	2000	2000	2000	2000	2000	apparently second spec. asst. bk. com.
Clerk	1@1200	1 1200	1 1200	1 1200	1 1200	1 1200	1200	1200	1650	1650	1650	1650	1650	1650	1650	1650
Asst. chief clerk													1650	1650	1650	1650
Stenographers	3@900	3 900	3 900	3 900	3 900	3 900	3 900	3 900	3 1200	3 1200	3 1200	3 1200	3 1200	3 1200	4 1200	4 1200
Expenses - per diem - 4 members															10000	10000
Expenses - travel, incidental office	10500	10500	12000	12000	14000	14000	14000	14000	19000	19000	20000	20000	27000	27000	45000	45000
Expenses -- dues for Nat. B. Assoc., Ill. Supervisors, Bldg. Loan Assoc.			150	150					5000 (1919)							
Expenses, rewards - banks robbers			5000	5000												
Extra help for examination of bldg. and loan assoc. in 1912	5000															
Total	43100	38100	43250	43250	46500	46500	46500	46500	60850	60850	68150	68150	79200	79200	129300	129300
				+ 58333 4383333				+ 5000 51500		+ 5000 65850		+ 11400 79550		+ 553338 8473338		

Notes:

- 1) Salary from fees from filing of statements
& examination of investment companies.
- 2) Special assistant bank commissioner, bldg. and
loan dept.
- 3) Special asst. bank com.
- 4) Special asst. bldg. & loan dept.

Kansas - Deputy Bank Commissioners (examiners) as listed in Commissioner's Report

Name	1907-1908	1909-1910	1911-1912	1913-1914	1915-1916	1917-1918	1919-1920	1921-1922	1923-1924	1925-1926	1927-1928	Names appearing Two Three
Allison, Leo W.					✓	✓						
Adams, P. A.								✓				
Ainsworth, Dale K.										✓	✓	✓
C.E. 1927 Bishop, R. O.										✓	✓	✓
Bowman, H. D.									✓	✓		✓
Bennett, W. E.			✓									
Bell, Frank				✓	✓	✓						✓
Bradlee, Samuel				✓								
Bowman, C. S.							✓	✓				✓
Bergen, F. G.									✓			
Christensen, J. C.		✓										
Chandler, E. P.				✓	✓							✓
Congdon, D. G.						✓						✓
Chapman, E. L.							✓					
Cramer, C. L.							✓					
Denton, F. W.		✓										
Casson, C. B.									✓	✓		✓
C.E. Coyle, W. J.									✓	✓		
Derington, T. M.									✓			
Brooks, W. O.										✓		
Edwards, C. W.							✓	✓				✓
Elnother, C. W.								✓				
Runtow, W. L.										✓		
Eagle, H. B.										✓	✓	✓
Entery, J. R.											✓	
Fairley, D. D.		✓	✓									✓
Foley, Ray F.					✓	✓						✓
Runtow, W. L.											✓	
Crumley, Glenn T.											✓	

*Names
appearing
and listed*

	1907- 1908	1909- 1910	1911- 1912	1913- 1914	1915- 1916	1917- 1918	1919- 1920	1921- 1922	1923- 1924	1925- 1926	1927- 1928
Graves, R. B.							✓				
Duldner, R. L.								✓			
Dilpin, C. F.											✓
Hagaman, Harry	✓										
Hazen, W. P.	✓										
Hitt, C. A.			✓								
Hemphill, C. J.					✓						
Holt, D. H.						✓					
Harper, F. J.							✓				
Howard, Russell							✓	✓			✓
Hutchison, L. M.								✓			
Jeffries, Merritt			✓								
Jessep, B. L.						✓					
Johnson, H. A.							✓				
Katsch, F. W.	✓	✓									✓
King, A. S.			✓								
Kinnaman, W. D.							✓				
Kennedy, W. S.								✓			
Kell, J. A.								✓		✓	
Kynn, R. W.		✓									
Lee, J. F.									✓		

	1907- 1908	1909- 1910	1911- 1912	1913- 1914	1915- 1916	1917- 1918	1919- 1920	1921- 1922	1923- 1924	1925- 1926	1927- 1928	Names appear in Bill
Marshall, E. E.	✓											
Moore, S. P.		✓										
McLaudless, Geo. T.			✓									
Mitchner, Bert E.				✓								✓
Muth, W. C.				✓	✓							✓
Miner, V. E.							✓	✓				✓
Mitsch, W. H.							✓	✓				✓
Misak, E. L.								✓				✓
Miller, P. V.									✓	✓		✓
Murray, J. P.									✓			✓
McPherson, James F.										✓		✓
Mauck, L. E.										✓	✓	✓
Oberwortmann, N. R.									✓			✓
O'Brien, H.									✓			✓
O'Brien, Roy F.										✓	✓	✓
Munson, K. O.											✓	✓
Payne, L. L.									✓			✓
Perkins, J. L.										✓	✓	✓
Nelson, H. F.											✓	✓
Rowley, M. M.	✓											✓
Ryberg, Jno. E.	✓	✓										✓
Raynolds, J. M.	✓	✓	✓									✓
Raines, V. C.		✓										✓
Rhodes, T. J.										✓	✓	✓
Smith, V. J.				✓	✓	✓						✓
Stewart, A. D.				✓								✓
Sawyer, L. M. Jr.					✓							✓
Stitt, G. H.								✓				✓
Speck, Anna E.									✓	✓	✓	✓
Sutton, C. H.										✓		✓
Swartz, R. B.											✓	✓

C.E.-1925

C.E.

Banking and
Economic Journals

GUARANTY OF BANK DEPOSITS - KANSAS

From Federal Reserve Bulletin, Spetember 1925

VOLUNTARY PARTICIPIATION

Under the laws of two States—Kansas and Washington—participation in the guaranty fund is optional. Under the Kansas law only banks with an unimpaired surplus of 10 per cent and generally only those which have been actively engaged in business for at least one year have been permitted to qualify for participation in the guaranty fund. These safeguarding provisions of the law were intended to prevent extension of the guaranty to unsound institutions, and that they were fairly effective may be inferred from the fact that only three banks came on the fund in the first 10 years of its operation. A bank entering the system is required to deposit bonds or cash in lieu of bonds, as evidence of good faith, in the amount of \$500 for every \$100,000 of its average deposits eligible for guaranty, deducting from such deposits the amount of its capital and surplus. The bonds or cash so deposited are to be carried in its assets under the heading "Guaranty fund with State treasurer." In addition the bank is required to pay one-twentieth of 1 per cent of its average deposits (less capital and surplus) to be credited to the bank depositors' guaranty fund, and to pay also an amount equal approximately to its proportionate share of money in the fund after deducting losses. Participating banks are assessed annually one-twentieth of 1 per cent of average deposits less capital and surplus, but not less than \$20 as a minimum assessment, until the cash fund amounts to approximately \$1,000,000 (not including cash deposited in lieu of bonds), when assessments are to be discontinued. Whenever the cash fund is reduced below \$500,000 additional assessments of one-twentieth of 1 per cent must be levied to pay losses matured and claims payable, but not

more than five such assessments in any one year. The number of banks participating and the amount of the depositors' fund as given in the State reports are as follows:

Year	Number of banks		Depositors' fund		
	Total	Partiel-pating	Total	Cash	Bonds
1912.....	902	457			
1914.....	939	499	\$527,838	\$117,537	\$410,301
1916.....	987	539	679,568	191,005	488,563
1918.....	1,044	604	1,065,566		
1920.....	1,113	676			
1922.....	1,094	703	1,876,722	733,430	1,143,292

In reply to inquiries recently submitted to the Kansas banking department it is stated that the number of participating banks in May, 1925, was 649. The Kansas law does not require immediate payment in full of deposits in failed banks. When any bank is found to be insolvent, the bank commissioner takes charge of its affairs and issues certificates upon which dividends are paid as the assets of the bank are liquidated, the fund being drawn upon for any balances left unpaid after the resources of the bank have become exhausted. In May of the present year the department had in hand 60 estates of failed banks in process of liquidation, and the amount in the fund included only a balance applicable to the payment of certificates issued on account of one failed bank, and it is stated that one or possibly two assessments would be required to complete payment on this estate. According to the last State report, 20 State banks, including 16 institutions participating in the guaranty fund, failed in the two years ended September 1, 1922. As only three banks had come on the fund prior to 1920, it is apparent that a large proportion of the 60 estates now in process of liquidation in the department represent failures during 1923 and 1924.

KANSAS

Institutions included.—Any bank doing business in the State with an unimpaired surplus of 10 per cent of its capital and any bank authorized to do business in the State after the passage of the act which shall have been actively engaged in business for one year and having such surplus.

Participation.—Voluntary.

Character of deposits guaranteed.—All deposits not otherwise secured; but the guaranty shall not apply to

a bank's obligations as indorser upon bills rediscounted, to bills payable, to money borrowed, from its correspondents or others (any deposit on which a greater rate of interest is paid than the rate approved by the bank commissioner shall be considered money borrowed), or deposits or credits obtained by fraud or in violation of law or evidence of debts fraudulently issued.

Basis and rate of (a) regular and (b) special assessments.—(a) One-twentieth per cent of average guaranteed deposits less capital and surplus, minimum assessment \$20 annually. (b) When the guaranty fund falls below \$500,000 additional assessments may be made to pay losses that have matured and become claims payable on demand against the guaranty fund. Not more than five such additional assessments of one-twentieth per cent shall be made in any one year. An initial assessment of one-twentieth per cent of average deposits eligible to guaranty less capital and surplus is made on banks entering this system at its inauguration, and banks entering later are required to contribute their proportionate share of money then in the guaranty fund after all losses have been paid.

Method of payment of depositors.—Bank commissioner shall at earliest moment issue to each depositor a certificate upon proof of claim. Any balance due on such certificate after assets of bank have been realized and all dividends declared shall be paid by checks drawn on the depositors' guaranty fund. If the guaranty fund is not sufficient to pay all depositors of the bank, the special assessments provided for having been made, then the depositors shall be paid pro rata and the balance due shall be paid when the next assessment is available.

Powers of State board or commissioner.—The bank commissioner is authorized to levy assessments each year until the fund is \$1,000,000, and thereafter, if the fund falls below \$500,000, he is authorized to levy additional assessments, not exceeding five in any one year, in sufficient amounts to pay losses that have matured and become claims payable against the guaranty fund. The commissioner is also authorized to take charge of insolvent banks and wind up the affairs of such banks and to issue certificates to depositors upon proof of claim. The commissioner is also authorized to examine banks failing to pay assessments, and if such banks are insolvent to liquidate them and if solvent to cancel their certificate as guaranteed banks. In case of violations of the act the commissioner is authorized to require compliance and if compliance is not had to cancel the certificate of membership of the bank.

Disposition of guaranty fund.—The guaranty fund shall be deposited with the State treasurer subject to the order of the bank commissioner.

Maximum assessment in any one year.—Not more than five assessments of one-twentieth per cent each of the average guaranteed deposits less capital and surplus shall be made in any one year.

Rate of interest on outstanding warrants or certificates of indebtedness.—Six per cent unless a contract rate exist on the deposit, then the certificate shall bear the contract rate.

NOTE.—The State of Kansas, in addition to the contributions to the guaranty fund as set out above, requires each bank to deposit and maintain with the State treasurer as an evidence of good faith certain securities (enumerated in the act) to the amount of \$500 for every \$100,000 or fraction thereof of its average deposits eligible to guaranty less capital and surplus.

KANSAS

[Article 2 of Chapter 9 of Revised Statutes of Kansas of 1923]

Sec. 9-201. Application of guaranty act.

"Any incorporated State bank doing business in this State under the general banking laws of Kansas, having a paid-up and unimpaired surplus fund equal to 10 per cent of its capital, and any bank which may after the passage of this act be authorized to do business in this State, and which shall have been actively engaged in the business for at least one year, and having such surplus fund, is hereby authorized and empowered to participate in the assessments and benefits and to be governed by the regulations of the bank depositors' guaranty fund of the State of Kansas hereinafter provided for: *Provided*, That before any

bank shall become a guaranteed bank within the meaning of this act, a resolution of its board of directors, authorized by its stockholders, duly certified by its president and secretary, asking therefor, in form to be provided by the bank commissioner, shall be filed with said bank commissioner, who shall, upon the filing of such resolution, make a rigid examination of the affairs of such bank, and if it is found to be solvent, to be properly managed, and conducting its business in strict accordance with the banking law, he shall, after the bank shall have deposited with the State treasurer bonds or money, as hereinafter provided, issue to such bank a certificate stating in substance that said bank has complied with the provisions of this act, and that its depositors are guaranteed by the bank depositors' guaranty fund of the State of Kansas, as herein provided."

Sec. 9-202. Deposit of bonds or money—Assessments—Guaranty of deposits.

"Before receiving such certificate from the bank commissioner each bank entitled to the same according to the preceding section shall, as an evidence of good faith, deposit, and shall at all times maintain with the State treasurer (subject to the order of the bank commissioner, when countersigned by the auditor of state) United States bonds, Kansas State bonds, or the bonds of any county, township, school district, board of education or city within the State of Kansas, to the amount of \$500 for every \$100,000 or fraction thereof of its average deposits eligible to guaranty (less its capital and surplus) as shown by its last four published statements: *Provided*, That each bank shall so deposit not less than \$500 and the State treasurer shall issue his receipt therefor in triplicate, one to the bank, one to the auditor of state, and one to the bank commissioner. Such bonds only shall be accepted as the school fund commissioners of the State of Kansas are permitted to buy, and shall bear the certificate of the attorney general of the State of Kansas stating that in his opinion said bonds have been legally issued. Said bonds, or cash in lieu thereof, shall not be charged out of the assets of the bank, except as hereinafter provided, but shall be carried in its assets under a heading 'Guaranty fund with State Treasurer,' until such time as said bank shall default in payment of assessments hereinafter provided for. In lieu of bonds, the bank at its option may deposit money, which deposit shall be exchangeable for acceptable bonds when the bank elects to make the substitution. In addition to above, each bank shall pay in cash an amount equal to one-twentieth of 1 per cent of its average deposits eligible to guaranty less its capital and surplus, and the same shall be credited to the bank depositors' guaranty fund with the State treasurer subject to the order of the bank commissioner, and the State treasurer shall issue his receipt therefor in triplicate, one to the bank, one to the auditor of state, and one to the bank commissioner: *Provided*, That the minimum assessment to be required from any bank shall be \$20: *Provided further*, That any bank seeking to participate in the assessments and benefits of this act after the first annual assessment for the year 1910 shall have been made, shall be assessed an amount approximately equal to its proportionate share of the money then in the bank depositors' guaranty fund after all losses shall have been deducted, the amount of such assessment to be determined by the bank commissioner. The last above-mentioned assessment, however, shall not be required of new banks formed by the reorganization or consolidation of banks which have previously complied with the terms of this act.

Upon the deposit and acceptance of such bonds (or money) and the payment of said assessment, then the payment of such deposits of said bank as are specified in this act shall be guaranteed as herein provided and the bank entitled to its certificate."

Sec. 9-203. Guaranty fund—Annual assessments.

"The bank commissioner shall, during the month of January of each year, make assessments of one-twentieth of 1 per cent of the average guaranteed deposits, less capital and surplus of each bank (the minimum assessment in any case to be \$20), until the cash fund accumulated and placed to the credit of the bank depositors' guaranty fund shall be approximately \$1,000,000 over and above the cash deposited in lieu of bonds, when he shall discontinue such assessments. Whenever said cash fund has been reduced below \$500,000, additional assessments shall be made as herein provided and then only in sufficient amounts to pay losses that have matured and have become claims payable on demand against said guaranty fund: *Provided*, That not more than five such assessments of one-twentieth of 1 per cent each shall be made in any one calendar year. The treasurer of the State of Kansas shall hold this fund in the State depository banks as provided by law governing other State funds, subject to the order of the bank commissioner, to be countersigned by the auditor of state, for the payment of depositors of failed guaranteed banks, as hereinafter provided. The State treasurer shall credit this fund quarterly with its proportionate share of interest received from State funds, upon the average daily balance of said funds."

Sec. 9-204. Insolvency.

"When any bank shall be found to be insolvent by the bank commissioner, he shall take charge of such bank, as provided by law, and proceed to wind up its affairs; and he shall at the earliest moment, issue to each depositor a certificate upon proof of claim, bearing 6 per cent interest per annum, upon which dividends shall be entered when paid, except where a contract rate exists on the deposit, in which case the certificate shall bear interest at the contract rate. Notice of the amount of each dividend to be paid creditors and the date when such payment is to be made shall be published in two consecutive issues of a paper of general circulation in the county or city in which said failed bank is located, and a corresponding notice posted on the door of the receivers' office, and interest shall cease on each dividend on the day named in such notice. The bank commissioner shall likewise publish a notice of the date upon which he will make payments of any balance due on such proof of claim, and interest shall cease on the day so advertised and said proof of claim shall so state. After the officer in charge of the bank shall have realized upon the assets of such bank, and exhausted the double liability of its stockholders, and shall have paid all funds so collected in dividends to the creditors, he shall certify all balances due on guaranteed deposits (if any exist) to the bank commissioner, who shall then, upon his approval of such certification, draw checks upon the State treasurer, to be countersigned by the auditor of state, payable out of the bank depositors' guaranty fund in favor of each depositor for the balance due on such proof of claim as hereinafter provided. If at any time the available funds in the bank depositors' guaranty fund shall not be sufficient to pay all guaranteed deposits of any failed bank, the five assessments herein provided for having been made, the bank commissioner shall pay depositors pro rata and the remainder shall be paid when the next assessment is available: *Provided, however*, That whenever the bank

commissioner shall have paid any dividend to the depositors of any failed bank out of the bank depositors' guaranty fund, then all claims and rights of action of such depositors so paid shall revert to the bank commissioner for the benefit of said bank depositors' guaranty fund, until said fund shall have been fully reimbursed for payments made on account of such failed bank, with interest thereon at 3 per cent per annum."

Sec. 9-205. Failure to pay assessments.

"A penalty of 50 per cent of the amount of said assessments shall be added to the assessment of any bank not remitting as aforesaid within 30 days after receipt of notice of such assessment from the bank commissioner, and if any bank, which shall have been assessed and notified as aforesaid, shall fail to remit the amount of said assessment as herein provided, a sufficient amount of its bonds (together with the unexpired coupons) shall be immediately sold by the bank commissioner at public sale and the proceeds used to pay said assessment. Any balance remaining from the proceeds of such sale after the payment of such assessment shall remain to the credit of the bank in the depositors' guaranty fund. The said balance, together with the remainder of the bonds (or cash in lieu thereof) shall be forfeited to the bank depositors' guaranty fund if the bank does not, within 60 days from default in payment of such assessment, remit the full amount of such assessments and penalty to date, and restore the amount of its bonds, or money pledged, as evidence of good faith. Upon the bank's failure to remit its assessments, according to the terms of this act, the bank commissioner shall immediately examine such bank, and if it is found in his judgment to be insolvent, he shall take charge of and liquidate said bank according to law. If said bank be found solvent, the bank commissioner shall cancel its certificate as a guaranteed bank, and cause to be displayed in its banking rooms, in a conspicuous place, continuously for six months, a card not smaller than 20 inches by 30 inches, and in large, plain type, reading as follows: 'This bank has withdrawn from the bank depositors' guaranty fund and the guaranty of its deposits will cease on and after _____. The date on this card shall be a date six months after the first posting of such card.

"Any bank electing to withdraw from the bank depositors' guaranty fund may do so by giving notice to the bank commissioner and displaying a card as aforesaid, and at the expiration of the six months as aforesaid may receive its bonds (provided always that said bank shall have paid assessments in full to date) when the affairs of all failed banks in liquidation at the expiration of said six months shall have been closed up and the bank shall have paid its assessments on account of same."

Sec. 9-206. What deposits secured.

"All deposits not otherwise secured shall be guaranteed by this act; but such guaranty shall not apply to a bank's obligations as indorser upon bills rediscounted, to bills payable, to money borrowed, from its correspondents or others, and any deposit on which a greater rate of interest is paid directly or indirectly by any one than the rate approved by the bank commissioner, shall for the purpose of this act be considered money borrowed; or deposits or credits obtained by fraud or in violation of law or evidence of debt fraudulently issued. Each guaranteed bank shall certify under oath to the bank commissioner at the date of each called statement the amount of money it has on

deposit not eligible to guaranty under the provisions of this act, and in assessing such bank this amount shall be deducted from the total deposits."

Sec. 9-207. Record of deposits; rate of interest.

"Each guaranteed bank, and each State or private bank not guaranteed by this act, shall keep a correct record of the interest rate and terms of each deposit on which it has paid or agreed to pay interest, and shall make a statement thereof under oath to the bank commissioner quarterly. After the passage of this act any officer of any bank who shall pay interest on different terms or in excess of a rate (which rate shall be uniform within each county) that shall be approved by the bank commissioner from time to time, on any form of deposits or pays any interest on any savings deposit withdrawn before July 1, or January 1, next following the date of the deposit, or on any time certificate cashed before maturity, shall be deemed to be reckless and may be removed from office as provided by law, and such bank shall not be permitted to participate in the benefits of this act: *Provided, however,* That any existing contract for higher rates of interest entered into before the passage of this act may be carried out unimpaired, and such existing contract shall not disqualify a bank from participating in the benefits of this act. Any managing officer of any bank guaranteed under this act, or any person acting in its behalf or for its benefits, who shall hereafter pay or promise to pay any depositor, either directly or indirectly, any rate of interest on different terms or in excess of or in addition to the maximum rate of interest permitted by this act, or who shall, with intent to evade any of the provisions of this act, pledge the time certificate or other obligation of such bank as security for the personal obligation of himself or any other person, or who shall display any card or other advertising tending to convey the impression that the deposits of the bank are guaranteed by the State of Kansas, either directly or indirectly, shall disqualify the bank from further participation in the bank depositors' guaranty fund and forfeit its bonds or money deposited in lieu thereof with the State treasurer for the benefit of such fund. Any managing officer of any bank, or any person acting in its behalf or for its benefit, who shall display any card or advertisement, or make any statement to the effect that its deposits are guaranteed by the bank depositors' guaranty fund of the State of Kansas, when the bank is not authorized so to do under the provisions of this act, shall be guilty of a misdemeanor, and upon conviction thereof, shall be subject to a fine of not less than \$500 nor more than \$1,000."

Sec. 9-208. Reorganizations.

"Any trust company heretofore organized under the laws of this State, and now in operation, may reorganize as a State bank, under the laws of this State, by filing with the secretary of state an amended charter signifying such purpose, to be approved by the charter board, and any private bank or national bank having the required capital and being otherwise qualified, may reorganize as a State bank, or any newly organized bank taking over the business of another bank, otherwise qualified, may immediately become a guaranteed bank by depositing bonds or money and paying its assessments and otherwise complying with the provisions of this act."

Sec. 9-209. Bank retiring from business.

"A solvent guaranteed bank, upon retiring from business and liquidating its affairs, shall be entitled to

receive back from the State treasurer its bonds or money pledged, after all depositors in such bank and all assessments on account of the guaranteed banks in liquidation have been paid in full, but not any part of any unused assessments that may be in the bank depositors' guaranty fund."

Sec. 9-210. Exchange of bonds or cash pledged.

"Banks may be permitted, in the discretion of the bank commissioner, to exchange their bonds for others acceptable under this act, or be allowed to deposit in lieu thereof an equal amount in cash, which may in turn be withdrawn upon the substitution of bonds acceptable under this act."

Sec. 9-211. Violations of act.

If a guaranteed bank shall violate any provision of the guaranty fund act, the bank commissioner shall require it to comply within 30 days with such provisions and if compliance is not had the bank commissioner shall cancel its certificate of membership in the guaranty fund and forfeit to said guaranty fund its bonds deposited with the State treasurer. Such cancellation of membership shall not relieve the bank from the payment of assessments levied on account of banks that failed or that were in charge of the bank commissioner prior to the cancellation of such membership.

Sec. 9-212. Duties and liability of State treasurer.

"All bonds placed in the State treasury under this act shall be kept in said treasury separate from all other bonds and moneys and to the credit of the bond account of the bank depositors' guaranty fund and shall be used for no other purpose. The State treasurer shall cause the coupons upon the said bonds to be cut 30 days before maturity and sent or delivered to the bank which deposited them, provided said bank shall have paid all assessments in full to date. The State treasurer shall deposit all moneys deposited in lieu of bonds under the provisions of this act in some bank the deposits of which are guaranteed under the provisions of this act, and all interest received thereon shall be credited to the bank depositors' guaranty fund. The State treasurer shall not be personally liable for any money so deposited by him in a guaranteed bank."

Sec. 9-213. National banks.

Any national bank doing business in Kansas upon the approval of the State banking commissioner as to its financial condition may participate in the assessments and benefits of the guaranty fund upon the same terms and conditions as apply to State banks, provided such national bank shall forward to the bank commissioner detailed reports of its condition on the dates of the usual call statements of State banks, and shall submit to examination each year by his department as provided by the banking laws of Kansas, and pay the usual fees therefor. Should a national bank refuse to comply with any recommendations made by the bank commissioner in conformity with the provisions of the guaranty fund act, it shall be subject to the penalties of the act and its certificate of membership in the guaranty fund shall be canceled.

Sec. 9-216. Bonds not required from depositories.

"That all officers in this State having the custody of county, township, city, or school funds, or who may be charged by law with the duty of requiring specific bonds for the security of such funds, when deposited in banks or trust companies of this State, shall not require such bonds from banks or trust com-

panies participating in the bank depositors' guaranty fund of the State of Kansas, or from banks or trust companies whose entire deposits are guaranteed by a bond of indemnity issued by any surety company authorized by the insurance commissioner of this State, whenever such funds are protected by such guaranty fund or surety company bond of indemnity."

Sec. 9-217. Officer requiring bond in violation of act.

"Any officer violating any of the provisions of section 1 of this act, upon complaint made by any person interested to the county attorney of the county in which such officer has his office or resides, shall be removed from his office, and it is made the duty of such county attorney to forthwith commence and prosecute an action in the district court of his county for his removal, and upon conviction thereof such court shall, by its decree, remove such officer from his office and declare said office vacant."

DEPOSIT GUARANTY IN KANSAS

(FROM FEDERAL RESERVE BOARD FILES)

Memorandum - Mr. Van Fossen

April 29, 1926

Kansas: Law became effective June 30, 1909.

The number of banks participating in the deposit guaranty plan, which it will be recalled is voluntary, was 611 on December 10, 1925. A recent decision of the Supreme Court of Kansas holds that participating banks may withdraw on giving the required 6 months notice of their intention to do so and that any unpaid assessments cannot be collected from a bank after withdrawal, although the bonds deposited and carried on the books of the banks as "Guaranty fund with State Treasurer" may be retained and applied toward the payment of any unpaid assessments. It is understood that at the present time there is about \$1,000,000 in the guaranty fund and approximately an equal amount of bonds deposited, against which there are outstanding about \$4,500,000 of certificates. The decision of the Supreme Court referred to above it is thought is likely to result in the wholesale withdrawal of participating banks and to mark the end of the Kansas system. On December 10, 1925, the "Guaranty Fund with State Treasurer" amounted to \$960,910 as reported by state banks and trust companies, this item representing the amount of bonds deposited by such banks. On the same date the Bank Commissioner reported cash in fund \$74,070.49 and bonds, \$988,724.56.

Memorandum - Mr. Van Fossen

January 31, 1927

Kansas- The Kansas law was amended to discontinue interest on the liability of the guaranty fund to depositors of failed banks. If this amendment is not upheld by the Courts, interest charges will amount to about \$350,000 per annum as against total assessments of 1/2 of 1 percent of \$341,000 prior to recent withdrawals of banks from the system. If interest is not paid, it would take something like 11 years to pay the obligations on the basis of assessments levied. (See Commercial West, Oct. 23, 1926).

Summary of the Guaranty Bank Deposit Law - - - - - October 1, 1929

<u>State</u>	<u>Date effective</u>	<u>Voluntary or compulsory</u>	<u>Remarks by Mr. Van Fossen</u>
Kansas	1909	Compulsory	On September 1, 1926, all but 225 banks out of 973 in the State had withdrawn or defaulted on the last assessment. Withdrawal was made possible by decision of State Supreme Court, but each bank agreed to forfeit the amount of bonds pledged as the maximum penalty of the withdrawing member. Repealed in March, 1929.

Memorandum of Mr. Foster

October 2, 1929

Kansas - The third State to remove the Guaranty Fund Law from its statute books during the early part of 1929 was Kansas. Unlike other States operating under the System, Kansas had at the time of its adoption (1909) inserted the voluntary clause in respect to membership. So many banks had withdrawn by September 1926 that the assets of the fund had fallen far below the liabilities. Forfeiture of pledged bonds as maximum penalty of withdrawal was more favorable than eventual insolvency.

Memorandum of Mr. Foster

April 1, 1930

Kansas - The Kansas guaranty fund system, enacted in 1909, was voluntary as to membership, but most of the larger banks and the new banks joined. On September 1, 1926, all but 225 banks out of 973 in the state had withdrawn or defaulted on the last assessment. Withdrawal was made possible by decision (April 10, 1926) of the State Supreme Court, limiting the liability of the member banks to the amount of bonds or cash they had on deposit in the guaranty fund. Law repealed on March 14, 1929. On February 18, 1929, the net liability of the fund amounted to \$7, 175, 314. During the twenty years' operation of the system there were 134 failures of guaranteed banks, five of which paid their depositors in full out of their own assets. Depositors in 29 banks have been paid in full and in 2 banks have been paid partially from the guaranty fund. The amount paid from the fund during its life was \$2,683,573. At the time of repeal 31 state banks were active and had paid all their assessments.

Excerpt from

THE COLLAPSE OF BANK-DEPOSIT GUARANTY IN OKLAHOMA AND ITS
POSITION IN OTHER STATES

(From Quarterly Journal of Economics, Nov. 1923, pp. 121-124)

KANSAS

Kansas adopted deposit guaranty in 1908. It will be remembered that it is optional with Kansas state banks whether to put their deposits under the protection of the Guaranty Fund or not. The figures below are from letters from the Bank Commissioner's office, ten years apart.

	June 1913		August 31, 1923	
	Number	Deposits	Number	Deposits
Guaranteed banks	472	\$71,040,906	691	\$181,038,513
Unguaranteed banks....	446	42,707,937	381	63,412,082
	<hr/>	<hr/>	<hr/>	<hr/>
All state banks	918	\$113,748,843	1072	\$244,500,600

Total capital at the latter date was \$27,000,000 and surplus \$14,000,000. There were 266 national banks in Kansas June 30, 1923, with \$18,000,000 capital, \$9,000,000 surplus and \$182,000,000 deposits.

Most of the larger state banks have always seemed hitherto to consider it advantageous to have their deposits guaranteed. The relative gain in the number of banks under guaranty is partially explained by the fact that new banks have found it easier to establish public confidence by giving their depositors such protection.

Bank failures in Kansas have been comparable to those in Oklahoma. Thirty-three banks were closed from January 1, 1919 to January 1, 1923. ^{8/} One of them closed shortly after the retirement of its president, Walter Wilson, as Bank Commissioner. Mr. Wilson has stated that because of his public duties he was compelled to leave the management of the bank to others. Eight of the banks closed were not under guaranty. ^{9/}

Kansas had a disappointing wheat yield this year, and corn was a failure in the southern part of the state. Many banks that had been holding on through the agricultural depression of the past three years have finally succumbed.

Twenty-three state banks (four in one week) have been closed so far this year, and four reopened. The Commissioner has adopted the

8. Conversation with ex-Commissioner Foster.

9. Circular Kansas State Bankers Association, July 2, 1923.

policy of closing banks as soon as it appears that their case is hopeless. He believes that better reorganizations - more thoro house-cleanings - can be had after they are closed than while they are open and running without public confidence. ^{1/} No doubt he is right.

With one single recent exception,^{1a} there has not been a national bank failure in Kansas for nearly ten years, a fact to be interpreted under the considerations stated on p. 120.

Some of the failures have been due to war and readjustment, some to reckless disregard of the legal limitation of borrowers' lines; and there is a distressing record of embezzlement, imprisonment and suicide. The biggest failure that ever took place in Kansas occurred this summer - the American State Bank of Wichita. The bond account was found short \$1,500,000. It is said that, upon successive examinations, bonds left with the bank for safekeeping were exhibited as the property of the bank. There were excessive loans to certain oil interests, too, and the Commissioner says that the total losses will be over \$2,000,000. The bank had \$4,600,000 deposits, less certain offsets, and its capital, surplus, and profit accounts were \$400,000. Several officers are being prosecuted.

Such a loss might wreck the Guaranty Fund, and the Bank Commissioner has a plan to reopen the bank. Citizens of Wichita have indicated willingness to subscribe 5000 shares of new capital at \$400 per share, or \$2,000,000, if the guaranteed banks of Kansas will agree to carry 3 per cent of their own deposits with the new bank, as part of their own legal reserve. This agreement would be for a period of five years, but could be terminated at any time if the management should prove unsatisfactory. This would give the new bank \$5,400,000 of deposits to start with. Many guaranteed banks have assented to the plan. Many have not; and the impression at the middle of October was that the plan might not succeed.

The Guaranty Fund has \$860,000 cash on hand, and holds \$1,140,000 of bonds to secure the payment of future assessments. There are \$5,500,000 of Guaranty Certificates outstanding, two thirds of which the Commissioner expects to be paid out of the assets of the failed banks themselves. Meanwhile all the certificates are drawing interest at 6 per cent if issued against non-interest bearing deposits, and in the case of interest-bearing deposits, at the rate such deposits bore - almost always 4 per cent. No certificates have been issued in the case of the American State Bank and some recent failures. ^{2/} If it becomes

1. Conversation with Commissioner Peterson, and press dispatches since.

1a. That of the Bank of Beloit, Kansas, in November 1922. It had about \$900,000 deposits.

2. Address by Bank Commissioner Peterson, Parsons, Kansas, October 1923.

necessary to issue, say, \$4,500,000 in warrants in addition to the \$5,500,000 already out, the interest, at an average of 5 per cent, will be \$500,000 annually, this falling, of course, as liquidations proceed.

Now the annual assessments for the Guaranty Fund are one twentieth of 1 per cent of deposits. Four additional assessments, making one quarter of 1 per cent in all, may be levied, provided that at the time of any levy the cash in the Fund is below \$500,000. The Commissioner has been criticized for not closing receiverships, and thus depleting the Fund so as to make additional assessments possible; but he says that none are ready to be closed. Such assessments would of course be unpopular with bankers. Only one additional assessment has ever been levied. That was by Commissioner Foster in December 1922. Five assessments, the maximum, would bring in \$450,000 against a possible interest bill of \$500,000. This calculation is subject to many qualifications, but it suggests that the Kansas experiment in guaranteeing deposits might go the way of that in Oklahoma. Confidence in the Fund has been well sustained. A Wichita banker tells the writer that when the American State Bank failed, comparatively few depositors even went down to look in. Recently, however, the numerous failures have disturbed some depositors; and some banks, notwithstanding their deposits are guaranteed and themselves strong, observe now and then a tendency to prefer national banks.

Kansas - Notes on materials at library of Kansas State Historical Society.

Address of ~~James T. Bradley~~ ^{James T. Bradley} "Guarantee of Deposits, Administered by the State", at Kansas Bankers Association, proceedings of 1908, pp 70-76.

Refers to bill brought before Kansas legislature nine years earlier - ^{at least} more or less since. Debated in Legislature first time - passed by House at special session then by Senate, and vetoed by Governor. ~~Opposed~~ - not equitable to tax good banks to pay losses of others

Articles in Topeka & other Kansas journals - in bound volume of newspaper clippings on Banks and Banking, Vol I Wichita Eagle, Jan 15, 1908 - reports bill introduced by C. S. Davidson - gives text

Topeka Capital, Jan 20, 1908 - letter by T. H. Harrison in favor of restriction of deposits to few times paid in capital stock - as better than insurance & other programs

Topeka Journal - Jan 21, 1908. Reports reply of Gov. Hoch on attitude of bankers as stated by C. Q. Chandler, Wichita banker who reports bankers more opposed than business

Also ^{Chandler} says does re divergence of views of also numerous digging on efforts of bankers to have attorney General of U.S. rule that national banks are entitled to participate. Article compares Kansas & other laws. after U.S. decision efforts for voluntary assn of banks

Topeka Capital, July 17, 1909. Article reports cut in rate on time deposits to 3% calculates that banks save more in interest than cost of insurance

Topeka Capital July 16, 1909, reports organization of "State Bankers Association"

Kansas City Journal, Sept 15, 1909. Reports that Bank Commissioner had given certificates of insurance to more banks than had paid assessments on deposited funds

Kansas State Bankers Assn. A Discussion of (see letter for volume) - a very small pamphlet. Answers argument about promotion of bad banking by reference to examination to prevent a bad bank from getting in. Concludes that guaranty system less likely to have loss than paid than a fire insurance company. Claims a panic in water will not affect Kansas guaranteed banks. Reports no loss in three years (pamphlet not dated)

Kansas State Bankers Assn, by Sec'y - small 4-page leaflet on "A New Argument on the Guaranty Question". Is a report of a talk, mostly quotation, of J. N. Dolley, state bank commissioner, comparing Kansas state plan with a proposed private insurance company being organized.

In box of pamphlets - Senate Document No. 238, 63rd ^{Congress} Session 1st session entitled "Bank Deposits' Guaranty in Kansas" gives Kansas law, and also Charter of by law of the Bankers Guaranty and Security Company, Topeka, Kans. (note charter is only in - not from name of subject)

Banks and Banking - Clippings from Kansas newspapers. in Kansas State Historical Library

Vol I in two volumes pp. 1-211 and 212-438
first volume articles from March 29, 1888 to Sept 24, 1909
second " " " Sept 26, 1909 to Oct 22, 1914

Vol 2. articles 1915-1932

Vol 3. articles 1933-1947

Vol 4. 1948 - (still unbound)

second volume of

Vol 4 has articles re first failure of ^{the large bank} Oklahoma under deposit guaranty -
Topeka Journal Sept 29 & Sept 30, 1909. Kansas City Star Oct 1, 1909
Numerous articles on Oct. October and November and in later years, esp 1911

Kansas City Journal, Oct 28, 1909, has article reporting bankers slow in paying the assessments, and raises question about validity of guaranty?

Dec. 26, 1909 - paper not in - note attempt pass guaranty law by Populists in Kansas in 1897 and 1898.

also many articles re court proceedings and results re constitutionality.

Topeka Journal, Jan 22, 1910, correspondent called at office of the new \$500,000 Company, Bankers Deposit Guaranty and Security Company, and found the company prepared to commence business.

Paper not given - July 20, 1910 ~~Reports~~ Reports guaranty law operation again after 60 days temporary suspension

Topeka Capital, Nov. 24, 1910 reports use of guaranty fund in Abilene failure New Bank failed \$160,000 and deposit. Bank Commission collected double guaranty fund stockholders and reduced deposits from these and assets to \$54,000. With items ^{under} guaranty certificates will need to be raised only for \$35,000

Topeka Capital, March 16, 1911 ^{As of March 15,} Commission raised interest on deposits from 3 to 4% after amendment to law took effect Feb. 28

Topeka Capital, Apr 23, 1911. Reports Bank Commission will put entire deposit under state control

Notes on Mid-Continent Banker - re deposit guaranty in Kansas
and The Commerce Monthly

The Commerce Monthly - vols. 2-4, 1906-1908. See notes re proposals for US and
various States. ~~But~~ no specific references to Kansas noted.

Vol. 5, April 1909, p. 30. Notes passage of Kansas bank guaranty law

June 1909, p. 8. In President's annual address at Kansas Bankers Convention, opposes
deposit guaranty. Arthur Reynolds, in talk, considers both guaranty of deposits and
postal savings system unsound (p. 10).

Vol. 6, Feb. 1910, p. 33. Reports decision of United States District Judge Pollack
that Kansas state bank guaranty law is unconstitutional. Decision restrains state
bank commissioner from enforcing law. Will be appealed to U.S. Court of Appeals.

Sept. 1910, p. 14. Editorial reports Kansas bank guaranty law held invalid by the
United States Circuit Court.

Vol. 7 and Vol. 8. Nothing noted.

Vol. 9. Apr. 1913, p. 29. Notes U.S. Supreme Court decision on March 17 upholding
constitutionality of law. (Abilene National Bank case).

Sept. 1913, p. 24. Brief note--that of 919 state banks in Kansas, 473 are under
guaranty law. Amount in fund by books of state treasurer, \$111,159.54. One assess-
ment each year has been levied since law went into effect in middle of 1909, and
fund not yet drawn on. Amount of bonds and cash in the "good faith" fund, \$355,977.19.

~~With Oct. 1913 issue~~

With Oct. 1913 issue, journal became (was succeeded by) The St. Louis Banker.

Vols. 11, 12, 13

Nothing noted

Vols. 14-22. Not received from Library of Congress.

Vols. 23-25, for 1927-1929. Nothing noted.

VII. KANSAS

Three other states enacted non-compulsory plans. A voluntary system was set up in Kansas in 1909, providing that any bank that had been in business a year and had unimpaired surplus of 10 per cent could qualify for membership in the fund. On entry, banks were required to deposit bonds or cash of \$500 for each \$100,000 of average unsecured deposits, to which the guaranty was restricted. In addition, assessments were fixed at 1/20 of one per cent a year on average guaranteed deposits, less capital and surplus, until the fund should total \$1,000,000. Further assessments in the same ratio, not exceeding five in one year, could be called for, to meet payable claims should the fund fall below \$500,000.

The minimum capital required for organizing a bank in this state was \$10,000 in places with population less than 500, with a rising scale for larger places. In 1918, the State Bank Commissioner in his biennial report, in commenting on bank chartering policies and on the increase in the number of state banks from 987 in 1916 to 1044 in 1918 said that "this increase has been brought about by the Charter Board taking a broad view of the needs of our state, and granting charters wherever there has been a showing made that there was need for increasing banking facilities."

When the guaranty plan went into effect in 1909 there were 757 state banks with deposits of \$84,800,000 in Kansas. National banks numbered 202 with deposits of \$61,700,000. There were about 1760 persons per bank in the state at this time. By 1912 the number of state banks had increased to 890, a gain of 133 units, while their deposits rose to \$96,900,000, a gain of \$12,100,000. The figures for the national banks in Kansas were virtually unchanged during this period.

Membership in the Voluntary Plan

Of these 890 state banks in 1912, 456 had become members of the voluntary guaranty plan. The larger banks entered the system more generally than the small banks so that whereas about 50 per cent of the state banks as to numbers were under the guaranty plan, it covered about 60 per cent of the deposits in state banks as a whole.

Between 1912 and 1920 the number of state banks grew to 1096. This was an increase of 206 units or 23 per cent. They held deposits of \$291,400,000, an increase of \$194,500,000, or 200 per cent. In this period the number of guaranteed banks grew from 456 to 676, an increase of 220 units or 48 per cent. Guaranteed state banks in 1920 had come to represent through these increases over 61 per cent of all the state banks in the state, the volume of their increases comprising all of the growth in the number of state bank units. The guaranty banks held about 68 per cent of the deposits in state banks, or approximately \$199,600,000.

In this same period the number of national banks in Kansas grew from 204 to 240, an increase of 36 units or a fraction over 17 per cent. Their deposits rose from \$60,700,000 to \$143,100,000, a gain of \$82,400,000 or almost 136 per cent.

These data show that in 1920 there was an aggregate of 1336 banking units in the state. This made one bank for each 1320 persons as compared with one for each 1760 persons ten years earlier. Ninety per cent of the net increase in the number of banking units in the state during this decade consisted of state guaranty plan banks.

A Three-Fold Banking Structure

At this point, on the eve of the 1920-21 depression, the banking structure in the state was made up as follows:

There were 240 national banks with deposits of \$143,100,000; this represented about 18 per cent of the banks and 33 per cent of the deposits.

There were 420 state banks that were non-members of the guaranty system holding deposits of \$91,800,000; this was 31 per cent of the banks and 21 per cent of the bank deposits in the state; it was 38 per cent of the state banks and 31 per cent of their deposits.

There were 676 state guaranty fund banks holding \$199,600,000 in deposits; this was over 50 per cent of all banks in the state, and 46 per cent of total deposits; it was 62 per cent of the state banks and 69 per cent of their deposits.

This was the three-fold structure that was to face the test of the depression that began in 1920.

During the preceding ten years, embracing the first decade of the guaranty plan in Kansas, there had been but eight state bank suspensions there, of which six were non-guaranty banks and two were guaranty banks. Depositors of the failed banks had promptly been paid in full and the plan was hailed as an unqualified success as a means both for strengthening banking and facilitating and insuring prompt payment of depositors.

Guaranty Banking Makes the Poorest Showing

In the ordeal of hard times that was now to come however, the guaranty system was to prove the weakest of the three parts of the banking structure. Both the unguaranteed state banks and the national banks made a better showing in the bank failure record.

During the two year period September 1920 to September 1922 there were 23 suspensions of state chartered banks. Of these, 17 were members of the guaranty plan and 6 were not. This was in the ratio of 2.5 per cent of the number of guaranty banks in operation and of 1.4 per cent for the non-guaranty state banks. During this period no national banks failed.

During 1922-24 there were 54 suspensions of state banks in Kansas. Forty-two were guaranteed banks and 12 were unguaranteed. This was a ratio of 5.9 per cent for the guaranteed banks, and of 3 per cent for the unguaranteed state banks. In the same interval 4 national banks closed, a ratio of 1.5 per cent of those in operation.

In 1924-26 there were 35 guaranteed banks suspended, a ratio of 5.3 per cent; 10 non-guaranteed state banks, a ratio of 2.6 per cent; and 2 national banks, a ratio of 8/10 of 1 per cent.

The State Bank Commissioner officially attributed these failures to incompetency, dishonesty, over-banking and the general fall in values of the period. Thus, the guaranty plan, since the bulk of the failures occurred in this part of the banking structure, plainly fostered by means of the blind public confidence and lack of discrimination which it created, the entry of these first three major causes of weakness into the banking situation, instead of serving as a source of stronger banking conditions.

The Collapse of the Plan

Following this debacle of the guaranty plan, and under a court rule fixing the liability of guaranteed banks at the amount of bonds on deposit in the fund, an exodus of the members began, there remaining only 255 in good standing in September 1926. The State Bank Commissioner expressed the belief that under these conditions the fund could never meet its obligations and formally recommended repeal and liquidation of the scheme. By 1928 the membership had fallen to 42.

The financial position of the fund at the end of 1926 showed total net liabilities, mainly in the form of outstanding 6 per cent guaranty certificates issued to depositors of failed banks, of \$6,500,000, with assets of \$1,115,000, leaving a deficit of over \$5,000,000.

The Kansas plan was repealed in 1929. During the 20 years of its existence there had been 212 failures of state banks in Kansas, of which number, 152, or almost 72 per cent, were guaranteed banks. At no time did the proportion of guaranteed banks to the total number of state banks amount to a ratio comparable to 72 per cent. During this 20-year period the number of banks in the guaranty system ranged from 51 to 64 per cent of the total number of state banks, with an average of less than 58 per cent, so that the guaranteed part of the state banking structure contributed a disproportionate share of the number of bank failures in the state.

The records of the fund show that guaranty certificates in the amount of \$13,595,000 had been issued to depositors of failed member banks. Dividends to depositors to the amount of \$6,420,000 were paid, of which \$2,685,000 came from contributions to the fund on the part of banks through assessments and deposits in it. Five of the failed guaranty banks were able to pay their depositors in full out of their own assets; in all, the depositors of 29 guaranty banks were paid in full in the order of liquidation, and those of two others were paid in part. The depositors of the remaining 121 banks received nothing. The deficit amounted to \$7,175,000 at the abandonment of the plan.

Kansas Guaranty Law Faces a Serious Crisis

By C. M. HARGER

Supreme Court Decides That Banks Operating Under the Law May Withdraw by Forfeiting Bonds Deposited With State for the Faithful Payment of Assessments, and That After Such Forfeiture They May Not Be Again Assessed. Expected Effect of Ruling.

AFTER sixteen turbulent years, in which the legislature made numerous amendments, the Kansas bank guaranty law received its most serious blow when on April 10 the Supreme Court ruled that banks operating under the law may withdraw by forfeiting their bonds deposited with the state (\$500 for each \$100,000 of average deposits eligible to guaranty, less capital and surplus) for faithful payment of assessments and cannot be further assessed to liquidate the claims pending against the fund through the failure of other banks.

It is expected as one immediate effect of the decision that many banks will withdraw from the fund, eventually leaving less institutions to assess, consequently less funds from which to redeem the certificates issued to depositors of the failed banks beyond the bonds held by the state and whatever may be recovered from the assets of the suspended banks.

The Kansas guaranty law was the outgrowth of the progressive movement in politics. Adopted in 1909, it was made voluntary and about 700 banks joined the list of guaranteed banks. They were permitted to place signs reading, "Depositors are guaranteed by the depositors' Guaranty Fund of the State of Kansas" but mostly they condensed this to "Deposits Guaranteed." An assessment of one-twentieth of one per cent of the average guaranteed deposits less capital and surplus was provided, with four more assessments possible in one year if needed to maintain the fund at \$500,000. Later the size of the fund was made \$1,000,000, then reduced to the former figure. Certain deposits such as time certificates drawing interest were eliminated from the fund's protection.

Three failures occurred prior to 1920 and depositors were paid \$83,050—in full. From that date until January, 1923, eighty-six banks of all kinds failed; since then there have been other failures. The bank commissioner has now in the hands of his insolvency department—a general receiver in control of all failed institutions—fifty estates. The state, in its brief in the case just decided, gives the condition of the guaranty fund August 20, 1925, as follows:

Certificates issued to depositors.....	\$10,417,319
Certificates outstanding Aug 20, 1925..	5,484,052
Contested certificates (later held valid)..	300,000
Estimated value of failed banks' assets..	2,236,000
Estimated interest accrued on certificates.....	685,506
Par value of bonds deposited by banks..	1,003,224
Amount in guaranty fund.....	17,996
Deposits guaranteed June 2, 1925.....	140,707,759
Capital and surplus in guaranteed banks	24,581,313
Available annually by assessments.....	350,000



THESE figures are stated to be approximately correct, though some records have not been perfect. The brief states that on March 5, 1926, there were about \$4,500,000 of certificates in the hands of depositors of failed banks plus accrued interest at 6 per cent. Since then there have been other failures and court decisions adding to that amount while the assets' value is problematical. The attorneys representing eighteen banks which refused to pay assessments and declared their intention to withdraw from the fund, estimate the obligations at \$7,085,000 and the value of the failed bank assets at \$1,122,558, or a net obligation of \$6,000,000. It is claimed that the utmost possible revenue from assessments is \$341,445. With 630 banks on the fund list and with interest adding to the obligation (the legislature of 1925 abolished the interest on certificates but the banks claim the act unconstitutional) they declare it would take over 100 years to pay out; without interest and with no more failures it would require over twenty years.

At a meeting of the bankers in the fund, held April 19, the bank commissioner made his estimate of the situation to date. This gave gross liabilities of \$6,748,202 and the probable value of the assets at \$600,000. These assets with the cash on hand and the bonds up for deposit make a total estimated resource of \$2,565,580 and leaves the guaranty fund "in the red", if settled up now, \$4,182,622. The bankers in their meeting adopted after long discussion a resolution that they stand by the law until all claims are paid or the legislature "strengthens or repeals the law." If the law is repealed, the bonds will be automatically returned to the banks—but this was considered an unfair position for the bankers to take, according to the discussion at the meeting.

In 1925, responding to a strong message by Governor Ben S. Paulen who set forth the fund's perilous condition and urged some definite action in rescue, there was enacted an amendment abolishing the 6 per cent interest on depositors' certificates—a measure, however, of questioned con-

stitutionality. So it has not been for lack of effort that the present situation has been reached.

The Right to Withdraw

THE basic principle upon which the case in the Supreme Court was argued related to the right of a bank to withdraw from the guaranty fund, and the conditions under which it might do so, affecting the bonds on deposit with the state and the assessments thereafter to be levied. The state held that a bank could not be relieved until all claims against the fund at the time of withdrawal were liquidated and that the bonds were forfeited to pay these assessments so far as they would reach. The banks held that under the original law of 1909 withdrawal involved only paying assessments to date of withdrawal; posting, as required by law, a notice for six months, stating intention to withdraw; notifying the bank commissioner of such action, and then the bank had a right to the return of its bonds.

Back of this argument of the banks was the contention that the acceptance of the guaranty law by 700 banks was a contract made in 1909 and the state could not by legislation change that contract by later legislation through amendment to the law attempting to continue assessments to cover all claims due at time of withdrawal. The state held that the operation of the law was under broad police powers and that the intent of the law must be followed. The Supreme Court decision allows the banks to withdraw on six months' notice and sets the amount of the bonds deposited as their maximum liability.

Another decision given at the same time holds that deposits in banks which have sought to withdraw but where no public notice was given are still under the guaranty. In the specific case a bank which had been notified that it had been taken out of the guaranteed list but no public notice given, failed; the court held that the deposits were still guaranteed and that the condition of the bank did not disturb the depositors' rights and protection—such as it is.

Still Has Advocates

DOUBTLESS some plans will be proposed for the rehabilitation of the guaranty system, for it yet has advocates. But many withdrawals are inevitable. Of the 1013 state banks of the state only 630

(Continued on page 787)

Kansas Guaranty

(Continued from page 772)


are in the list and by May 1st 53 had served notice of intention to withdraw. With the assets of the failed banks, the \$1,000,000 in bonds deposited by the banks and forfeited and whatever fund is on hand, over \$4,100,000 in depositors' certificates will have to be paid. Roughly it will be one-fourth as expensive for the guaranteed banks to forfeit their bonds as to submit to further assessments. Any attempt to increase the assessments materially would cause hardship on many institutions. Proposals to have the state assume the deficit would hardly make headway as there is a feeling that the guaranty system was on the whole a somewhat dubious policy, whatever may have been its value in steadying public confidence in time of stress. That it led to reckless banking is held by many bankers who saw institutions managed on expansive plans that could have no basis in sound finance receive liberal deposits because they were "guaranteed."

Another problem which yet may have to be settled by the supreme court is the priority of claims of the \$4,182,000 in certificates held in the state. Some are in the hands of original owners; others have been passed around or have been deposited for collateral for loans in banks. If these are paid pro rata, about 50 per cent of their value will be realized. But if the certificates are paid in the order of issuance one-half of the holders will get nothing. This opens a fine legal question on which the statutes are silent, their only reference being that when the guaranty fund is not sufficient to meet claims against its depositors shall be paid pro rata and the remainder raised from future assessments against the guaranteed banks. If no more assessments can be made, the court might hold that only the pro rata shall be paid.

Public Funds Without Bonds

THAT the legislature next winter will repeal the guaranty law seems now probable though it may seek to reestablish it in some improved form. In Oklahoma where a similar law was repealed two years ago no provision was made to remunerate the holders of some \$8,000,000 of certificates, though in that state the membership in the guaranty list was compulsory. The Kansas statutes have even provided that guaranteed banks may hold public funds without giving bond as is required from national banks and state banks not guaranteed. As a result of this law a large amount of public funds is tied up in the claims against failed banks which because guaranteed gave no bond for protection. Withdrawal from the fund will necessitate that many banks now public depositaries give bonds for protection of such deposits.

This financial crisis of the guaranty fund is what has been prophesied by many leading bankers of the state since its inception. They admitted that as a fair weather law it might work but that a period of stress would engulf it in overwhelming debts, as has been done. The frozen loans of the past five years brought heavy burdens and



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J. S. Dennis
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Official Notice

STATEMENT OF THE OWNERSHIP, MANAGEMENT, CIRCULATION, ETC., REQUIRED BY THE ACT OF CONGRESS OF AUGUST 24, 1912, OF THE AMERICAN BANKERS ASSOCIATION JOURNAL, published monthly at New York, N. Y., for April 1, 1926.

I, State of New York, County of New York, ss. Before me, a Notary Public in and for the State and county aforesaid, personally appeared James E. Clark, who, having been duly sworn according to law, deposes and says that he is the editor of the AMERICAN BANKERS ASSOCIATION JOURNAL and that the following is, to the best of his knowledge and belief, a true statement of the ownership, management (and if a daily paper, the circulation), etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, embodied in section 411, Postal Laws and Regulations, printed on the reverse of this form, to wit:

¶1. That the names and addresses of the publisher, editor, managing editor, and business managers are: Publisher, F. N. Shepherd, 110 East 42nd Street, New York, N. Y.; editor, James E. Clark, 110 East 42nd Street, New York, N. Y.; managing editor, none; business manager, James E. Clark, 110 East 42nd Street, New York, N. Y.

¶2. That the owner is: (If owned by a corporation, its name and address must be stated and also immediately thereunder the names and addresses of stockholders owning or holding one per cent or more of total amount of stock. If not owned by a corporation, the names and addresses of the individual owners must be given. If owned by a firm, company, or other unincorporated concern, its name and address, as well as those of each individual member, must be given): The American Bankers Association, 110 East 42nd Street, New York, N. Y. (A voluntary, unincorporated association of banks: Oscar Wells, First National Bank, Birmingham, Ala., president, and Fred N. Shepherd, 110 East 42nd Street, New York, N. Y., executive manager.)

¶3. That the known bondholders, mortgagees, and other security holders owning or holding 1 per cent or more of total amount of bonds, mortgages, or other securities are: None.

¶4. That the two paragraphs next above, giving the names of the owners, stockholders, and security holders, if any, contain not only the list of stockholders and security holders as they appear upon the books of the company but also, in cases where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting, is given; also that the said two paragraphs contain statements embracing affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner; and this affiant has no reason to believe that any other person, association, or corporation has any interest direct or indirect in the said stock, bonds, or other securities than as so stated by him.

¶5. That the average number of copies of each issue of this publication sold or distributed, through the mails or otherwise, to paid subscribers during the six months preceding the date shown above is:— (This information is required from daily publications only.)

JAMES E. CLARK
Editor

Sworn to and subscribed before me this 15th day of March, 1926.

(My commission expires March 30, 1927.)

[SEAL]

Lucille P. Gropp, Notary Public.

failures resulted as anticipated. Whether or not it universally helped to obtain and to hold business is also an open question. In the average town are banks both guaranteed and not guaranteed; both have their

normal amounts of deposits, frequently the non-guaranteed bank having the lead. Some banks that have posted notices that they would withdraw from the fund report that it has made no noticeable difference in their

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deposits. The public which in the beginning perhaps was somewhat interested long ago lost that interest. If any banks were aided, it was those of small capital and resources and in rural communities where the assurance of "guaranty" perhaps held deposits—may be in the end proving a liability rather than an asset when came a time of depression. Certainly it did not prevent failures, though it is claimed it did lessen runs, for about the same proportion of state banks that were guaranteed failed as of those that were outside the list.

It will require six months before the withdrawals now going in can become effective. Those taking this action do so

because they prefer to lose their deposit of bonds, averaging large and small about \$1,600, to being responsible for five times that amount in assessments—provided none withdrew—and greater as the number of guaranteed institutions decreases.

Kansas is admittedly over-banked. Counting state and national, it has 1270 banks, an average of a bank to every 1400 persons or to every 350 families. They are not quite so numerous as filling stations but run the drug stores a close race. A mushroom growth in the days of high prosperity in war times added hundreds of needless institutions, making the havoc of the deflation period the more disastrous. Failure

has disposed of about one hundred; consolidation is going on moderately; eventually the state may get back to a normal relation of its banking power to the demands of the state.

The elimination of the guaranty feature should have a helpful effect on the business. For years it has been a bone of contention, the guaranteed bankers charging unfriendliness on the nationals and those outside the fund. It has resulted in two banking associations, one for all the bankers and one for those having guaranteed banks. These will now doubtless coalesce, making a more united front in the promotion of the financial interests of the state and eliminating the natural rivalries frequently appearing in the varied ambitions of the members heretofore. Altogether it is salutary that the air has finally been cleared and the exact status of the guaranty fund established.

One of the Best Ways to Build Business

"THIS department is very firm in its belief that one of the best ways to build stronger and better banks in Iowa is to have greater interest taken by the directors in their banks. In making an analysis of the banks which have closed in this state we find, almost without exception, that they were banks in which the directors did not direct, and knew very little, if anything, of what was going on until the bank got into serious trouble. Officers of banks owe it to themselves to divide the responsibility by insisting that the directors give proper attention to their bank."

The foregoing is quoted from a circular letter to the state banks of Iowa by L. A. Andrew, superintendent of the Department of Banking of Iowa, to the state banks under his jurisdiction, but that part of it concerning the best way to build stronger and better banks applies with equal force to banks everywhere.

The department last September ordered that meetings of directors in all banks under its jurisdiction be held once a month, and that reports of the meetings be forwarded to the department within five days after the meeting. As an aid to the directors the department furnished a tentative program for these monthly meetings, which is as follows:

"Reading of oath of directors.

"Report by the active officers on the business of the bank during the past month to include the main items of expense; comparison of earnings and expenses with the previous year; a résumé of earnings and expenses since January 1; and a statement of the general condition of the bank for comparison with last year.

"Loan committee and officers to report to the directors the condition of the loans, particularly the excess loans, if any, for all of which they are directly responsible; also in regard to bills payable, rediscounts, loans which may become other real estate, etc.

"Discussion of the real estate items, possibilities of disposing of the same and their proper handling.

"Interest rate paid on deposits.

"Have one of the directors give a talk on what he advises for increasing the business

VI. Correspondence

Report of work for week ended October 5, 1956

Deposit guaranty in eight States (from Topeka, Kansas, Oct. 4)

Am completing the work here on the Kansas deposit guaranty fund this morning. The rest of the working week will be my "official" traveling time back to Washington. Additional time next week (as we will go via Minneapolis to spend another day or two with Peter and his family) will be charged to annual leave.

Work this week includes entering withdrawal dates of the banks from the guaranty fund, and ~~transcribing~~ transcribing from the original ~~registers~~ claim registers the total guaranteed deposits (as represented by guaranty fund certificates issued) and of other claims in the banks that failed, together with the amounts of payments by receivers and by the guaranty fund, as totalled in the claim registers. Also, obtained considerable information (not quite complete) on the bonds forfeited by the banks that withdrew, the proceeds of which went to the fund in lieu of additional assessments.

Report of work for week ended September 28, 1956

Deposit guaranty in eight States (from Topeka, Kansas, Sept. 29)

Arrived here Monday evening. Worked in the office of the Bank Commissioner the rest of the week, including this forenoon, on records of the deposit guaranty fund.

In Kansas the fund was administered by the Bank Commissioner, with no guaranty fund commission, so there are no minutes to go over as there were in the Dakotas. The records that I have been using are two huge volumes showing for each bank that was a member of the fund the deposits on which each assessment was based, and the amount of the assessment, and such information as dates of entry and termination. In the back of the volumes are summary tables, which do not, however, cover the initial assessment nor the first three of the subsequent annual assessments. In order to have the receipts from assessments complete, I decided to transcribe the data for the individual banks for the early annual assessments, and also for the initial assessments. The latter was important not only at the very beginning of the fund, in 1909, but also for subsequent years into the early 1920's. This was because the banks entering later had to contribute a "proportionate share of the fund", in effect, to pay up what would have been the assessments had they joined at the beginning or immediately upon opening in the case of new banks. This, with the dates of special assessments, gives us good data on assessment collections. Previously we had only receipts by ~~xxxx~~ fiscal years as reported ~~xxxx~~ by the State Treasurer, which ~~xxxxxxxxxxxxxxxxxxxxxxxx~~ showed large annual fluctuations that I had not been able to understand.

Next week I will enter withdrawal dates on my worksheets, which will give us better data on the number of banks participating each year, and see what information I can find on the bonds that most of the banks forfeited upon withdrawal (in lieu of future assessments to pay depositors of banks that had failed). Also, receivership records in storage will give better information than I obtained last year from the summary sheets in the Bank Commissioner's office. ~~xxxxxxxx~~

I expect to finish the work here and be ready to start on the journey home before the end of ~~xxxxxxxx~~ next week.

MEMORANDUM

December 12, 1955

TO: Dr. Cramer

FROM: Clark Warburton

SUBJECT: Report of work for week ended December 9

Reports of work of the staff of the Banking and Business Section are attached. Sick leave - Mrs. Payne, December 5; Mrs. Bergquist, December 9.

Economic developments and banking history

(Omitted from report of work for last week). Spent most of Sunday, November 27, reviewing the Nebraska report written in 1942-43 and the materials collected at that time, with notes on additional data needed. Wednesday morning talked a few minutes with Earl S. Fullbrook, Dean of the School of Business Administration of the University of Nebraska, and also with Professor C. B. Thoman, who teaches money and banking. Neither was acquainted with the operations of the deposit guaranty system nor knew of any studies of its operations.

Spent about a half day on Sunday, December 4, reviewing the Kansas report completed and mimeographed in 1943 and the materials collected at that time, with notes on additional data needed.

Monday worked all day at the Kansas Department of Banking. Talked briefly with Mr. Lindley, and then with Mrs. Elizabeth Moore, his secretary who is now in charge of receivership data. She has a large binder with a sheet of data for each failed bank, giving deposits at date of failure and percentage dividends paid with dates paid. Transcribed these data for the banks--both guaranteed and nonguaranteed--that failed during the period of operation of the guaranty fund, completing the task Tuesday morning. Was not able to obtain the other data I wished--a more detailed annual statement of the receipts and expenditures of the fund than the figures we have from the annual reports of the State Treasurer. The old records of the banking department are now practically inaccessible, in storage in the capitol basement. The Banking Department is now housed in a building off the capitol grounds, to which the records were not moved. The Department expects to move in a few months into the new State office building, now under construction; and after that is done, to be able to have access to the old records. Mrs. Moore took notes of the materials we would like, and will write us when she is able to examine the records.

After completion of the work at the Department of Banking Tuesday forenoon, visited the library of the Kansas State Historical Society for two hours. Looked at the items listed in a letter we had received from the acting librarian, and also at a file of newspaper clippings relating to banking. Took notes on these but did not find anything of much importance. In the afternoon drove to the University of Kansas at Lawrence. At the University library I found no references to material on the guaranty or insurance of deposits which we did not already know about. Talked with Prof. Leland Pritchard, who teaches money and banking, and is to be head of the Department

of Economics, which is to be separated from the School of Business Administration. He did not know of any studies of the Kansas system except the pamphlet by Blocker (which we have at FDIC). However, he introduced me to a student, Wayne Angell, just beginning to work on a history of banking in Kansas, who will assist in obtaining further information that we may request.

On Wednesday drove from Topeka to Oklahoma City. Thursday reviewed the Oklahoma report completed and mimeographed early in 1942, and the materials collected at that time, with notes on additional data needed; and called at the office of the Bank Commissioner and that of the Oklahoma Bankers Association. Talked a few minutes with Mr. Mothersead, the Commissioner, who said he thought the best material regarding the results of liquidation of the failed banks and operations of the deposit guaranty fund would be in the court records at the time of the settlement of the affairs of the fund. Arranged to come in Monday morning to look at this material.

At the Oklahoma Bankers Association talked with Mary Chapman, assistant-secretary, Thursday afternoon; and with Charles L. Fuson, the executive-secretary, Friday morning, who had just come back from a visit to Washington, D. C. They have not only a file of The Oklahoma Banker, published by the Oklahoma Bankers Association since 1909, which we had not been able to locate at the Library of Congress or any other library, but also of the Bank Deposit Guarantee Journal (1910-1914) and State Banker (1914-1918) published by the State Bankers Section of the Oklahoma Bankers Association and the successor State Bankers Association. Mr. Fuson very kindly permitted me to bring these journals, and annual reports of the conventions of the Oklahoma Bankers Association, to the Clock Inn Motel, where we are staying, as he did not have a very good place for me to work. By Friday night I had reviewed, taking notes, the issues of The Oklahoma Banker for the years 1910-1919; and expect to spend considerable time over the week-end on the remaining issues up to 1929 and the other journals.

Will remain in Oklahoma City long enough next week to complete the review of the journals and the material at the Bank Commissioner's office. Will also visit the library of the Oklahoma Historical Society, and that of the University of Oklahoma at Norman, a few miles south of Oklahoma City.

I am assuming that it will be appropriate for me to take two or three days compensatory leave, after completing work at Austin, for the time spent week-ends on the deposit guaranty studies.

KANSAS STATE HISTORICAL SOCIETY



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T. M. LILLARD, TOPEKA

October 20, 1955

Mr. Edison H. Cramer, Chief
Division of Research and Statistics
Federal Deposit Insurance Corporation
Washington 25, D. C.

Dear Mr. Cramer:

I am afraid I did not realize when I wrote you before that the Kansas State Bankers Association was an entirely different organization from the Kansas Bankers Association. We do not have the proceedings of the Kansas State Bankers Association meetings for the years in which you are interested and I have not been able to find them in any of the Topeka libraries.

We are prohibited by law from lending our material unless we have it in duplicate. I am listing below some of the entries in our catalogue on the deposit guaranty law:

- Kansas State Bankers Association. A new argument on the guaranty question. n.d. 4p. *small 4-page leaflet*
- Bradley, J. T. Guarantee of deposits, administered by the state. (in Proceedings of the Kansas Bankers Association. 1908. p. 70-76) ✓ *very small pamphlet*
- Kansas State Bankers Association. A discussion; a farmer-depositor learns much about the Kansas bank guaranty law. Washington, D. C. (1911) 16p.
- Kansas Bankers Association. Executive Committee. (Letter relative to the deposit guarantee law sent to bankers in the state. Dated Topeka, Jan. 16, 1908. (Topeka Capital, Jan. 24, 1908.) ✓ *In Bankers and Banking Clippings bound vol I is*
- Bankers' Association defends guaranty bank deposit law. (Topeka Capital, Sept. 2, 1909) ✓

If any of the articles listed above interest you we can have photostatic copies or microfilm copies made. Photostatic copies are approximately .35¢ a page for the first copy (negative) and microfilming is somewhat less expensive but there is a minimum charge of \$3.00.

Yours very truly,

Alberta Pantle

Alberta Pantle
Acting Librarian

AP:jb

CW:EVP

STAT

May 17, 1956

Mr. G. W. Lindley
Assistant Bank Commissioner
Banking Department
State of Kansas
Topeka, Kansas

Dear Mr. Lindley:

In February I wrote you that I hoped to visit the Dakotas in the early summer, and to stop at Topeka to make use of the records of the bank depositors' guaranty fund that you have located. This trip has been postponed until the late summer or autumn, and I now expect to be in Topeka for this purpose sometime in October.

Very truly yours,

Clark Warburton
Chief, Banking and Business Section
Division of Research and Statistics

February 13, 1956

Mr. G. W. Lindley
Assistant Bank Commissioner
Banking Department
State of Kansas
Topeka, Kansas

Dear Mr. Lindley:

Your letter of February 9, stating that you have located some of the records of the bank depositors' guaranty fund, is most welcome indeed.

For the next three months I will be busy here making use of the material I collected from the four States I visited in December and January. However, I hope to be able to visit the Dakotas in the early summer, to obtain unpublished information on the deposit guaranty systems of those States, and will plan on visiting your office at that time to make use of the materials you now have available.

Very truly yours,

Clark Warburton
Chief, Banking and Business Section
Division of Research and Statistics

R. B. Medlin
~~ELMER K. BECK~~
BANK COMMISSIONER
G. W. LINDLEY
ASST. BANK COMMISSIONER

STATE OF KANSAS
BANKING DEPARTMENT
TOPEKA

February 9, 1956

Mr. Clark Warburton
Chief, Banking and Business Section
Division of Research and Statistics
Federal Deposit Insurance Corporation
Washington 25, D. C.

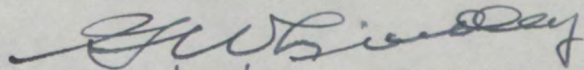
Dear Mr. Warburton:

Some time ago when you were in our office you asked if we could obtain some additional information for you relative to the bank depositors' guaranty fund.

We have located some old records concerning the guaranty fund, which we believe will give you most of the information you asked for; however, this data is contained in several books and it would take some little time to compile it.

We are wondering if you are going to be in this locality in the near future, and, if so, if you would care to stop and check the records for the desired statistics.

Very truly yours



G. W. Lindley
Assistant Bank Commissioner

EM

EM

January 26, 1956

Mr. G. W. Lindley
Acting State Bank Commissioner
Topeka, Kansas

Dear Mr. Lindley:

Mr. Clark Warburton has returned from his trip to several States that formerly had deposit guaranty systems in operation. He has told me about the material that he obtained from your office. On behalf of the Corporation, I want to thank you and Mrs. Moore for your splendid cooperation in making it possible for him to obtain so much information about the Kansas fund.

Very truly yours,

Edison H. Cramer, Chief
Division of Research and Statistics

UNIVERSITY OF KANSAS
SCHOOL OF BUSINESS
LAWRENCE

DEPARTMENT OF ECONOMICS

March 23, 1956

Dr. Clark Warburton
Federal Deposit Insurance Corporation
Washington 25, D. C.

Dear Dr. Warburton:

To date I have been able to uncover the assessment payments of only one bank, the State Bank of Ottawa. Mr. C. W. Hegberg, president, did me the favor of searching through the minute books of the 1920s, as well as his earning and expense reports. They showed the following assessments:

1921	\$284.34	
1922	446.07	
1923	213.49	
1924	647.07	
1925	1,500.00	(approximate; other items were grouped with this assessment)
1926	217.75	(The Ottawa Bank withdrew April 28, 1926)

Bonds amounting to \$2,500 were charged off.

Deposits ran from \$470,000 to \$550,000 during this period.

It appears that a special assessment of 1/20 of 1 percent was paid in 1922, 1/10 of 1 percent in 1924, and of 1/5 or 1/4 of 1 percent in 1925. I am sorry to not be able to supply you with the dates of these assessments.

In the event that I am able to acquire additional material, I will forward it to you.

Sincerely yours,

Wayne Angell

UNIVERSITY OF KANSAS
SCHOOL OF BUSINESS
LAWRENCE

DEPARTMENT OF ECONOMICS

February 24, 1956

Dr. Clark Warburton
Federal Deposit Insurance Corporation
Washington 25, D. C.

Dear Dr. Warburton:

I want to thank you for sending the two copies of your study of deposit guaranty in Kansas. This study is very helpful in my assimilation of material for a history of banking in Kansas.

To date I do not have information concerning the levying of special assessments. I do expect to receive some material in the next two or three weeks as a result of the interviews made this past week. The chief difficulty seems to be that many of the banks have not kept journal records or profit and loss statements on hand, consequently the data cannot be easily secured. Nevertheless, I am hopeful that several of the bankers will be able to supply the needed information.

I will forward the information procured, whether positive or negative, at the earliest date.

Please inform me of any other task in which I may be of service to you.

Sincerely yours,

Wayne Angell

Wayne Angell

10 Strong

Dr. Washburn

FEDERAL DEPOSIT INSURANCE CORPORATION
Washington, D. C.

February 17, 1956

Please make the following changes in the List of State Banking
Authorities dated January 3, 1956:

KANSAS

From - Gordon W. Lindley
Acting Bank Commissioner
Topeka, Kansas

To - Ralph B. Medlin
Bank Commissioner
Topeka, Kansas

UNIVERSITY OF KANSAS
SCHOOL OF BUSINESS
LAWRENCE

DEPARTMENT OF ECONOMICS

Febr. 1, 1956

Clark Warburton, Principal Economist
Federal Deposit Insurance Corporation
Washington 25, D.C.

Dear Clark:

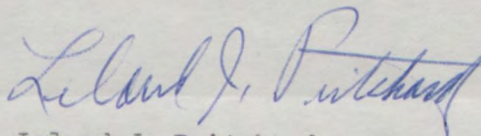
The duplicate copies of DEPOSIT GUARANTY IN KANSAS came today, and I want to express my very sincere appreciation of this favor.

I have turned your letter over to Mr. Wayne Angell who as you know is working on the history of commercial banking in Kansas. He will attempt to get the information requested as soon as possible.

If there is anything we are able to do for you do not hesitate to call on us.

With best regards,

Sincerely,



Leland J. Pritchard
Professor of Finance and
Ch. Dept. of Economics

LP:cf

January 27, 1956

Professor Leland Pritchard
Department of Economics
University of Kansas
Lawrence, Kansas

Dear Professor Pritchard:

By this time you must think I have forgotten my promise to send you our study of deposit guaranty in Kansas, in the form in which it was prepared in the early 1940's. Two copies of the report are being sent to you under separate cover. My trip took more time than I had anticipated, and I did not return to my office here until this week.

After I talked with you and Mr. Angell, one point occurred to me on which Mr. Angell might possibly find a bit of information for us. In Table 11 of our study, (page 50), figures are given of the amount of assessments collected each year. The regular assessment (which would be the minimum) was $1/20$ of 1 percent of deposits covered by the guaranty, and special assessments could be levied when needed to make a maximum of not more than $1/4$ of 1 percent (see pages 5 and 47 of the report). But the rates actually levied during each calendar year are not available in the published data regarding the fund.

If Mr. Angell should run across a bank, in his travels through the State, which participated in the deposit guaranty system and which has a record of its assessment payments and how they were computed, it would be very helpful to us to have a listing of the number of assessments and rates each year.

With my best regards to you and to Mr. Angell.

Sincerely yours,

Clark Warburton

January 26, 1956

Mr. J. Floyd McLain
Director of Banking
Lincoln 9, Nebraska

Dear Mr. McLain:

Mr. Clark Warburton has returned from his trip to several States that formerly had deposit guaranty systems in operation. He has told me about the material that he obtained from your office. On behalf of the Corporation, I want to thank you and Mr. Haines for your splendid cooperation in making it possible for him to obtain so much information about the Nebraska fund.

Very truly yours,

Edison H. Cramer, Chief
Division of Research and Statistics

Lincoln, Nebraska
December 1, 1955

Mr. Gordon W. Lindley
Acting Bank Commissioner
Topeka, Kansas

Dear Mr. Lindley:

Referring to Dr. Cramer's letter of November 7 and to your kind reply of the 10th, this is to say that I expect to be in Topeka next Monday, the 5th, and will plan to call at your office in the morning.

Very sincerely yours

Clark Warburton

G. W. LINDLEY
ACTING STATE BANK COMMISSIONER

STATE OF KANSAS
BANKING DEPARTMENT
TOPEKA

November 10, 1955

Mr. Edison H. Cramer, Chief
Division of Research and Statistics
Federal Deposit Insurance Corporation
Washington 25, D. C.

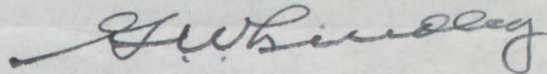
Dear Mr. Cramer:

We are in receipt of your letter of November 7, 1955, and are pleased to receive the mimeographed copy of the report on deposit guaranty in Kansas, which was compiled by one of your staff, Mr. Clark Warburton. I am sure this gives a great amount of constructive information, and I will be more than happy to study it at my leisure.

Concerning Mr. Warburton obtaining further information from our records pertaining to the guaranty fund and the results of liquidations of failed banks, I would say that this would be rather problematical, as this information has been filed for many years and just how complete the details are I could not say at this time.

We will be glad to have Mr. Warburton call on us the latter part of this month, or the first of December, and will assist him in every way to obtain the desired information.

Very truly yours



G. W. Lindley
Acting State Bank Commissioner

GWL:EM

*Mrs. Elizabeth Moore
Secy to Mr. Lindley
Also in charge of receiverships*

November 7, 1955

Mr. Gordon W. Lindley
Acting Bank Commissioner
Topeka, Kansas

Dear Mr. Lindley:

Soon after the beginning of Federal deposit insurance, we began to collect information on the experience of various States with deposit guaranty. Our studies of these State systems were not brought to completion at that time. They have recently been resumed, and we are now preparing reports on each of them which we plan to complete for publication.

In the case of Kansas, a report prepared by Clark Warburton, of our staff, was mimeographed but given very little circulation. A copy of this report is enclosed. We are particularly anxious to revise and amplify the annual data in Table 11, page 50, adding a column showing the assessment rate levied in each year.

We are writing to ask whether records pertaining to the guaranty fund and the results of liquidation of the failed banks, which we presume may now be in archives or storage, would be available for the use of a member of our staff? Mr. Warburton is expecting to be in Topeka at the end of this month or the first of December, and if useful material is available would like to spend a day or a few days amplifying and correcting our worksheets dealing with this material.

We shall be very grateful to you for any material that can be made available, and also for any criticisms or other comments on the report as mimeographed.

Very truly yours,

Edison H. Cramer, Chief
Division of Research and Statistics

Lincoln, Nebraska
December 1, 1955

Mr. Gordon W. Lindley
Acting Bank Commissioner
Topeka, Kansas

Dear Mr. Lindley:

Referring to Dr. Cramer's letter of November 7
and to your kind reply of the 10th, this is to say that I
expect to be in Topeka next Monday, the 5th, and will plan
to call at your office in the morning.

Very sincerely yours

Clark Warburton

HISTORY OF KANSAS BANK DEPOSITORS GUARANTY LAW

The Kansas Bank Depositors Guaranty Law went into effect June 30, 1909. Membership was voluntary, and, in order to participate in the Guaranty Fund, it was necessary for a state bank to make application and submit to an examination. When the applying bank was found eligible for membership, it paid the initial assessment and put up with the bank commissioner \$500 in Kansas or Government bonds for each \$100,000 of its average deposits, less capital and surplus, as a guarantee that it would pay all assessments. Said assessments were to be one-twentieth of one per cent of the guaranteed deposits and not to exceed five assessments in any one year. Most of the large banks and all of the new banks took membership. The maximum number of banks that came under the Guaranty Law during its existence was 714.

Prior to 1920, only two guaranteed banks failed and the depositors were paid \$83,050 in full. However, between 1920 and 1926, 108 guaranteed banks failed and certificates bearing six per cent interest were issued to the depositors. This resulted in the Guaranty Fund being hopelessly involved with a net liability of \$6,503,817.99, less assets of \$1,114,832.58. To complete the breakdown of the system, a number of guaranteed state banks brought suit in the State Supreme Court in order to determine their liability to the Guaranty Fund. The court handed down an opinion on April 10, 1926, limiting the liability of the member banks to the amount of bonds or cash they had on deposit in the Guaranty Fund. Immediately the guaranteed banks began to withdraw from the fund and forfeited their bonds to an average amount of \$1,600 each.

On July 10, 1928, there were only 40 banks paying their assessments. The Guaranty Law provided that the banks should be paid in full in the order in which they were finally liquidated. On April 7, 1928, the State Supreme Court directed the State Bank Commissioner to sell the bonds remaining and pay depositors. The question involved was the order in which depositors should be paid. There were 26 banks fully liquidated but there was only money enough to pay in full the depositors of 9 banks, basing priority on the date of liquidation. The 10th and 11th banks were held to have liquidated on the same day, so they divided what was left after the first 9 banks had been paid in full. Holders of certificates in other failed banks received nothing.

According to the records of the Bank Commissioner, on February 18, 1929, the certificates outstanding in the hands of depositors in failed banks totaled \$13,595,249.19. Dividends had been paid to these depositors to the extent of \$6,419,935.64, leaving a net liability of the Guaranty Fund of \$7,175,313.55.

During the 20 years of existence of the Guaranty Fund in Kansas, there were 204 failures of which 134 were of guaranteed banks. Five of the 1934 guaranteed bank failures paid their depositors in full out of their own assets. Depositors in 29 banks were paid in full and 2 banks have been paid partially from the Guaranty Fund. The total amount of money paid from the Guaranty Fund during its life was \$2,683,572.82. At the time of the repeal of the Guaranty Law, March 14, 1929, only 31 state banks were active and had paid all of their assessments up to that time. Bonds and money, totaling \$24,000, deposited by these banks with the State Treasurer as security for payment of assessments, were ordered returned.

October 10, 1955

Miss Alberta Pantle, Acting Librarian.
Kansas State Historical Society
Topeka, Kansas

Dear Miss Pantle:

We want to thank you very much for your letter of August 30 regarding material on the Kansas State Bankers Association. Would you be able to make this material, or portions of it which relate to deposit guaranty, available to us on inter-library loan? We will be glad to pay the cost of sending it to us.

Very truly yours,

(Signed) Edison H. Cramer

Edison H. Cramer, Chief
Division of Research and Statistics

Please return to card

KANSAS STATE HISTORICAL SOCIETY



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T. M. LILLARD, TOPEKA

August 30, 1955

Mr. Edison H. Cramer, Chief
Division of Research and Statistics
Federal Deposit Insurance Corporation
Washington 25, D. C.

Dear Mr. Cramer:

We have considerable material on the Kansas State Bankers Association. This material consists of an extensive clipping file, the proceedings of the Kansas State Bankers Association covering the period in which you are interested and some special subjects and studies issued by the organization. There is no mention in the way of special studies on the deposit guaranty question but the clippings and proceedings have a great deal on the subject in 1908 and the years following.

Sincerely yours,

Alberta Pantle

Alberta Pantle
Acting Librarian

AP:jb

August 23, 1955

Mr. Nyle Miller, Secretary
Historical Society
Topeka, Kansas

Dear Mr. Miller:

In connection with our study pertaining to the history of deposit guaranty in Kansas we would like to obtain as much material as possible about the Kansas State Bankers Association. We understand that this Association operated for a period about the time when deposit guaranty was being launched in Kansas (1909), that it had annual conventions and carried on a great deal of publicity with respect to deposit guaranty.

We would like to know whether you have any published material originating with the Kansas State Bankers Association in your archives. If so, can you give us any indication of its character (such as pamphlets, annual reports, special studies, papers, etc.)?

Very truly yours,

Edison H. Cramer, Chief
Division of Research and Statistics

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PRESIDENT, FIRST NATIONAL BANK
DODGE CITY

C. W. STARR, VICE-PRESIDENT
PRESIDENT, CITIZENS STATE BANK
HIAWATHA, KANSAS

B. C. MORRIS, TREASURER
PRESIDENT, LYNDON STATE BANK
LYNDON, KANSAS



TOPEKA, KANSAS

August 17, 1955

OFFICERS

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CARL A. BOWMAN
SECRETARY, TOPEKA
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OFFICE SECRETARIES TOPEKA

OFFICE OF
EXECUTIVE SECRETARY AND SECRETARY
SUITE 624
NATIONAL BANK OF TOPEKA BUILDING
PHONE 5-3448

AIR MAIL

Mr. Edison H. Cramer, Chief
Division of Research and Statistics
Federal Deposit Insurance Corporation
Washington 25, D. C.

Dear Mr. Cramer:

Replying to your August 15 letter. THE KANSAS BANKER began publication in 1911.

The proposal and the subsequent continuing promotion respecting the Bank Depositors' Guaranty Fund of the State of Kansas occurred with a relatively small group of state bankers in Kansas. In connection they organized the Kansas State Bankers Association as an organization independent from the Kansas Bankers Association, which later was organized in 1887. The Kansas State Bankers Association was organized for the reason that the Kansas Bankers Association did not see fit to sponsor such a program.

The Kansas State Bankers Association held annual conventions, conducted a vast amount of promotional publicity and undertook to influence many Kansas state banks into joining the fund, which was optional in the act for both state and national banks located in Kansas.

Because of the foregoing reasons, the Kansas Bankers Association was not connected in any way with any of the processes involved with the fund; and accordingly, there was little published in the columns of THE KANSAS BANKER concerning it.

It turned out that the fund was an ill-advised venture and it ultimately became defunct with some resulting litigation by the authorities of failed state banks in the fund as to whether the next failed bank in order after the failure of the fund, or a pro-rated distribution to the several such banks, would participate in the relatively low remaining reserves in the fund. As I recall, a failed participating bank at Leavenworth, Kansas, was the next bank in order and the court directed all of the remaining reserves paid to the depositors of such Leavenworth bank, although this was insufficient to cover their insured balances. Depositors in the remaining failed banks received nothing.

If you would wait until about September 1, I think you might write to Mr. G. W. Lindley, Assistant State Bank Commissioner, 510 West 10th Street, Topeka, Kansas, inquiring as to what information he might be able to supply you.

Respectfully,

Fred M. Bowman
Executive Secretary

FMB:hm

August 15, 1955

Mr. Carl A. Bowman, Secretary
Kansas Bankers' Association
Suite 624, National Bank of Topeka
Building
Topeka, Kansas

Dear Mr. Bowman:

This Division is making a study of the history of deposit guaranty in Kansas, 1909-1926, and we would like to examine the Kansas Banker for material pertaining to the deposit guaranty experience of this State.

Was the Kansas Banker being published during the above mentioned period, and if so could you tell us where a file might be available?

Very truly yours,

Edison H. Cramer, Chief
Division of Research and Statistics

March 17, 1943

MEMORANDUM

TO: Mr. Thompson

FROM: Clark Warburton

SUBJECT: Report of deposit guaranty in Kansas

The mimeographed copies of the report of deposit guaranty in Kansas have been here for some time. On looking them over I have found a few typographical errors which need to be corrected, and Miss Dearborn is now working on them.

The foreword appears to have been inadvertently omitted. I suggest, therefore, that a statement from you, perhaps in the form of a letter, should be sent with each copy distributed, similar to the foreword in the Oklahoma report. A copy is attached. Should this also be mimeographed?

Dear Mr. _____:

The accompanying report on deposit guaranty in Kansas, 1909-1929, prepared by Clark Warburton, is the second of a projected group of reports on the character and operation of deposit guaranty systems in various States prior to the adoption of Federal deposit insurance. A study of the previous systems of deposit guaranty in the United States was undertaken in the belief that a knowledge of the character and operation of those systems would be helpful in the formulation of policies contributing to the success of deposit insurance.

In collecting data for the report, Mr. Warburton has been assisted by Mrs. Ethel Bastedo and other members of the clerical and statistical staff of the Division. He has also had the advice and criticism of other members of the Staff of the Division in the preparation of the report.

Donald S. Thompson, Chief
Division of Research and Statistics
Federal Deposit Insurance Corporation

March 17, 1943

October 23, 1934.

KANSAS INTERVIEW

Mr. C. L. Brokaw, President,
Commercial National Bank,
Kansas City, Kansas.

Mr. Brokaw was referred to in the conversation with the other Kansas bankers as a man who could furnish information concerning the operation of the Bankers Deposit and Insurance Company, an insurance company which insured the deposits of National banks in Kansas for a number of years.

Mr. Brokaw talked over the telephone and said that he had no definite information concerning the operation of that company with him and that he did not know what rate was charged for the insurance. He referred to John T. Morrisey as the man best able to furnish this information.

Mr. Brokaw stated that in his opinion there existed certain essential factors which must be observed if any plan of insurance of deposits was to succeed:

1. Sufficient reserves must be accumulated during periods of prosperity to meet losses in periods of depression.

2. The administration should be in the hands of a non-partisan board similar to the Inter-state Commerce Commission.

3. The insured should have some part in the management of the plan and it should be kept entirely free from political influence of any sort.

4. There should be a definite difference in the rates charged banks according to the risk that they offer.

KANSAS INTERVIEW

October 23, 1934

Mr. M. A. Limbocker, President,
Citizens National Bank,
Emporia, Kansas.

Mr. H. W. Koeneke,
Bank Commissioner,
Topeka, Kansas.

Fred M. Bowman, Secretary,
Kansas Bankers Association,
Topeka, Kansas.

Maurice L. Breidenthal, President,
Security National Bank,
Kansas City, Missouri.

Question: What was the general effect of insurance?

Mr. Koeneke: Non-insured and insured banks and national banks in the same town and no difference.

There was only one bank in Kansas that was not licensed -
- the Winona State Bank. Following the Holiday, we had 36
or 38 banks that were not licensed. 16 banks in charge of
special deputies. They were all worked out through re-
organizations, consolidations, etc., with the exception of
one bank.

Mr. Fox: Have you had many applications for new charters?

Answer: One or two.

Have been very careful about granting charters, except for re-
organization purposes.

One experience at Linden. Had a national bank in conservator-
ship -----Made two surveys and could not justify granting a
charter to take over state bank assets. Had tried to get the
national bank reorganized. Comptroller had turned it down
for a lack of necessity. Tried to get a state charter and
brought lots of pressure to bear. Notice by the Press, however,
that Comptroller has approved reorganization of that bank.

Mr. Fox: We have found in other states that political influence has
had a very definite influence.

What movement brought about insurance in Kansas?

Answer: The initial reason ----the first plan contemplated only optional membership. It never did become compulsory. Those who wanted it for competitive reasons and the others actually felt that the depositor was entitled to at least mutual protection.

It had no failures before that. The first trouble can be traced to admission of just any banks to rolls. Wanted the number to run up.

Answer: After they got them in, outside of no limitations to start with, the trouble was largely administrative. Had the poorest supervision during part of that period. It was rather highly political and secondly, no reserves were built up.

Answer: When they found a bank was insolvent, they did not close it. They nursed it along. Coupled with the desire to keep the Guaranty banks from failing.....

Mr. Fox: You say the main advocates were bankers who wanted it for competitive purposes?

Answer:

If the FDIC is to succeed, it must be more on an actuarial basis. In Kansas, good, bad and indifferent were thrown into the same pile. They were not graded.

Answer: The Bank Commissioner here will tell you that there was no one in the Bank Commissioner's office whose duty it was to supervise the conditions of banks, other than from an examining standpoint.

Mr. Koeneke: You are not stating this just right. There was an examination for admission into the Fund in Kansas. If a bank had applied, the bank department made certain requirements and sometimes they had quite a time getting in.

Answer: (By two of the others).

That was not true in the beginning. Even after there was legislation for it, any Monty bank could get a charter and could get it. Two men that were in power, one a Senator who got to organizing

banks, could get a charter anywhere he wanted it.

The top was in 1921, when there were 1,396 banks.

We had no branch banks.

There were two types of failures. One of the individual
.....

Mr. Fox called attention back to the political question.

Mr. Fox: Was it generally recognized that there was this agreement with the Senator?

Answer: Just a friendship basis. Any friend of Monty's could get in. Granted 40 charters a year, for 6 or 8 years.

Mr. Fox: What was the experience of those particular banks?

Answer: The worst string we ever had.

Mr. Fox: Didn't the Charter Board have any choice about granting charters?

Answer: The Charter Board did not have to grant them, but they did.

Those were prosperous times. Lots of small capital structures and people going into them without banking experience. It was an honor in a small community to be a director or even a stockholder in a bank. Communities were built around the banks.

One of the greatest difficulties was that they wanted "totals." (Wanted to get a large number of banks in the Fund, a large amount in the Fund, etc.)

Mr. Koeneke, ^{The} supervisor of banking at that time, was anxious to make a showing so he urged the banks to get into it.

National banks bitterly opposed it and in fact organized an insurance company to write premiums insuring their deposits and this company did write insurance. They had no losses because the Insurance Company felt it was their duty to look after it carefully. (There followed a discussion of how the Insurance Companies were able to make sure that all their risks were good risks.)

Mr. Koeneke: They never had a loss. Before the depression came the management of the Insurance Company discontinued writing insurance. It had served its purpose. The national banks decided they didn't need any insurance. They Quit long before the Guaranty Law blew up.

The condition of the Guaranty Fund, being a general knowledge, permitted the national banks to withdraw from their insurance.

Yes, the national banks were scared of the competition and the passing of the Guaranty Law caused them to organize the institution that insured their deposits. It worked because they had "hard-boiled" bankers in charge. (Bankers Deposit Guaranty and Surety Company of Topeka, Kansas).

Its capital stock was around \$500,000. There were something like 165 national banks that became insured. A few of the state banks might have gone in.

Question: What did they invest their funds in?

Answer: Bonds.

The same institution did not go out of business but amended their charter and continued to write the fidelity bonds for the banks and do yet.

P. W. Goble was President;
J. R. Governor Bailey;
C. L. Brokaw is in town and he was one of the original organizers. The company maintained their examiners, made thorough investigations and diagnosis of all assets, loans etc.

The Board of Directors was composed of three men from each Congressional District.

One or two banks were asked not to renew.

Refer to journal
Liquidation not on a fair basis. Paid aggregate amounts to attorneys, receivers, etc. There was no real liquidation. Instead of paying off they gave certificates on the Fund which paid 6% interest, and then there was interest on that.

All the depositors in the first two banks that failed got all of their deposits. Practically all the rest of them got nothing.

Mr. Fox: What were the expenses of the Insurance Company?

Kansas: We had a national bank of about 300,000 deposits. The premium was about \$600.00 per year.

Had about 2 examiners. We had to pay for examinations on top of the premiums.

There were no losses. The corporation profited. Made 145% in dividends at one time. Quit writing depository bonds a few years ago. The corporation operated under Kansas insurance laws. Insurance is not under banking in Kansas.

Question: Why did the banks fail?

Kansas: Recession of values of farm commodities and inadequate management.

First, the fact that the banks were not given proper examination. Second, because they did not put it on an actuarial basis. Third, the bank supervision was of such a nature that when a bank started to slip it was not closed. They tried to nurse it along. Got too many sick babies.

Question: In what were the funds of the bank invested?

Answer: Loans and not in bonds in those days. No losses as regards bonds. Losses largely from loans and discounts to farmers. Did not limit the amount loaned to one individual. Bank's management borrowed too much money.

Mr. Fox: You have had intimate experience with the law -- what things do you think would make it a success?

Kansas: Can't see any way to make it a success.

What class of deposits is ^{it necessary} to guarantee?

What kind of assets are going to pay those deposits?

Not cash -- not government bonds.

Then here's a bank of \$1,000,000 deposits. Half is in government bonds and cash.

Here's another bank with \$1,000,000 deposits with a 15% reserve. This man has 85% to risk and should pay far more premium than the man who has 50%.

Mr. Fox: How many banks failed because their correspondents failed?

Kansas: Not a large number but it did happen too much.

Name of man who operated a string of banks was Miller.

Mr. Fox: Do you think that if the insurance is limited to a definite maximum it is going to have any influence?

Kansas: It is going to have to be limited.

This \$5,000 limit should be continued by all means. Assessments should be fixed and should be made regardless.

Premiums should be based on liquidity, rather than figured on a percentage.

If banks are to be forced in and forced to build up reserves there should be compensation to the bankers. Wiping out of the Postal Savings System would compensate the bankers.

C
O
P
Y

October 14, 1939

Mr. E. M. Brooks,
Bank Commissioner,
Topeka, Kansas.

Dear Mr. Brooks:

Five years ago this Division collected some material relating to guaranty of bank deposits in various States prior to the creation of the Federal Deposit Insurance Corporation. It was impossible to complete our study at that time and we are now attempting to obtain further information regarding the various State funds.

Your office supplied us with information regarding the final results of the operation of the guaranty fund in Kansas, and we have obtained a record of the annual receipts and disbursements of the fund from the reports of the Treasurer of State. We would like, however, to obtain the information described below which we do not have. We shall be glad to supply clerical or stenographic assistance or reimburse you for expenses incurred in compiling the material or having copies made.

The information which we desire is a table showing the location and name of each guaranteed bank which failed together with the following data for each bank:

- a. Total deposits at date of failure;
- b. Guaranteed deposits (that is, certificates issued);
- c. Dividends paid by bank on certificates issued;
- d. Certificates paid from the guaranty fund;
- e. Losses to depositors (that is, certificates never paid).

Very truly yours,

Donald S. Thompson, Chief
Division of Research and Statistics

October 16, 1934

Hon. H. W. Koeneke,
Kansas State Bank Commissioner,
c/o National Conference of State
Supervising Officials,
Lord Baltimore Hotel,
Baltimore, Maryland.

Dear Mr. Koeneke:

In connection with our studies of the banking laws and their operation in the states which have in the past had deposit insurance or guaranty laws, it would be of valuable assistance if one of the members of this Division could have a personal interview with you while you are in this neighborhood.

Your first hand knowledge of the situation in Kansas would shed light on how the various parts of the law operated.

Will you please advise us as to when and where this interview may be had, either here in Washington or in Baltimore. As the time is so short a telegram sent collect to the Statistical Division, Federal Deposit Insurance Corporation, Washington, D. C. would be appreciated.

Very truly yours,

(Signed) M. J. Fox, Jr.

Mortimer J. Fox, Jr.,
Chief Statistician.

October 19, 1934

Mr. Fred M. Bowman, Secretary,
Kansas Bankers Association,
American Bankers Association Convention,
Willard Hotel,
Washington, D. C.

Dear Mr. Bowman:

In connection with our studies of the banking laws and their operation in the states which have in the past had deposit insurance or guaranty laws, it would be of valuable assistance if one of the members of this Division could have a personal interview with you while you are in Washington.

Your firsthand knowledge of the situation in Kansas would shed light on how the various parts of the law operated.

The offices of the Federal Deposit Insurance Corporation are located in the National Press Building, which is just across the street from the Willard Hotel. Our room number is 433 and our telephone number is District 1240, Extension 112.

We would appreciate your granting us an interview and advising us when and where it may be had.

Very truly yours,

(Signed) M. J. Fox, Jr.

Mortimer J. Fox, Jr.,
Chief Statistician.

October 20, 1934

Mr. M. L. Breidenthal, President,
Kansas Bankers Association,
American Bankers Association Convention,
Willard Hotel,
Washington, D. C.

Dear Mr. Breidenthal:

In connection with our studies of the banking laws and their operation in the states which have in the past had deposit insurance or guaranty laws, it would be of valuable assistance if one of the members of this Division could have a personal interview with you while you are in Washington.

Your firsthand knowledge of the situation in Kansas would shed light on how the various parts of the law operated.

The offices of the Federal Deposit Insurance Corporation are located in the National Press Building, which is just across the street from the Willard Hotel. Our room number is 433 and our telephone is District 1240, Extension 112.

We would appreciate your granting us an interview and advising us when and where it may be had.

Very truly yours,

(Signed) M. J. Fox, Jr.

Mortimer J. Fox, Jr.,
Chief Statistician.

October 27, 1934.

Mr. Thornton Cooke, President,
Columbia National Bank,
Kansas City, Missouri.

Dear Mr. Cooke:

We are very sorry not to have had the opportunity of talking with you while you were in Washington. Mr. Hayes tells us that you let him have material which you had collected concerning guaranty of deposits in the various states, but that he has returned this to you.

The Statistical Division of this Corporation is now undertaking a study of the state guaranty of bank deposits. We would appreciate it very much if you would send to us the information which Mr. Hayes formerly had. We are enclosing a frank to cover the postage in sending this material to us.

We would like, if possible, to keep this material for two or three months, but will return it sooner if you desire. Your cooperation in this matter will be of great assistance to us.

Very truly yours,

(Signed) M. J. Fox, Jr.

Mortimer J. Fox, Jr.,
Chief Statistician.

December 19, 1934

Mr. H. W. Koenke,
Bank Commissioner,
Topeka, Kansas.

Dear Mr. Koenke:

The Statistical Division of the Federal Deposit Insurance Corporation while completing its study of the Guaranty of Bank Deposits of the various states has experienced difficulty in securing figures concerning the amount of deposits in failed banks in Kansas and the amount which has been paid from the liquidation of the failed banks' assets.

Is any report published by the General Receiver of your Liquidating Department? Has any report on this subject been published by a legislative investigating committee in connection with any legal proceedings or as the result of research studies?

We should be very glad if you would give us any information you may have on this subject or would direct us to printed sources from which we might obtain such information.

Very truly yours,

(Signed) M. J. Fox, Jr.

Mortimer J. Fox, Jr.,
Chief Statistician.

We hope that you will be in Washington sometime in the near future and that we may have the pleasure of discussing this question with you. Thank you very much for your cooperation in this matter.

Very truly yours,

November 12, 1934.

Mortimer J. Fox, Jr.,
Chief Statistician.

Mr. Thornton Cooke, President,
Columbia National Bank,
Kansas City, Missouri.

Dear Mr. Cooke:

The Quarterly Journals of Economics containing your articles on deposit guaranty have been received. We are interested in having the material which they contain, especially as it represents the viewpoint during the early years of the experiments.

We will be very glad to keep those numbers of which you have duplicate copies and will return the other issues as soon as possible.

We hope that you will be in Washington sometime in the near future and that we may have the pleasure of discussing this question with you. Thank you very much for your cooperation in this matter.

Very truly yours,

(Signed) M. J. Fox, Jr.

Mortimer J. Fox, Jr.,
Chief Statistician.

February 6, 1935

Mr. H. W. Koeneke,
Bank Commissioner,
Topeka, Kansas.

Dear Mr. Koeneke:

Our delay in sending to you the detailed tables which we discussed while you were in Washington has been occasioned by our attempt to arrange figures which would be comparable in all of the eight states which guaranteed bank deposits.

Within the course of a week we should be able to send to you our questions carefully defined so as to occasion you no undue effort in furnishing us the information we require.

Very truly yours,

(Signed) M. J. Fox, Jr.

Mortimer J. Fox, Jr.,
Chief Statistician.

VII. Statistical data -
coverage

Worksheets for
size distribution
of active banks

In folder in file
cabinet

KANSAS - Number of banks participating in deposit guaranty 1909-1911

From list of banks admitted - see worksheet

Dec. 31, 1909

Names on worksheet (pages 1-9 plus nos 407 and 408 on p 10) 407
 Deduct - No 51 not admitted until 1910 } - 3
 - " 116 " " " }
 - " 167 - no entries }
 Number for Dec. 31, 1909 → 404

Changes during 1910

Add - No 51 } admitted
 " 116 }
 " 406 }
 Deduct No. 2 Suspended 9/5/10
 " 64 membership terminated 7/1/10
 " 84 " " 6/8/10
 " 138 nationalized 3/8/10
 " 190 withdrawn 12/1/10
 " 231 " 10/28/10
 " 267 " 10/19/10
 " 389 no entry after limited part effective until 1911
 " 408 " " " 1909
 401

Number for Dec. 31, 1910

Changes during 1911

Add - Nos 409-455 447
 Deduct - Nos 190, 231, 267 withdrawn in 1910 effective 1911 - 3
 " 148 withdrawn late 1910 or in 1911 - 5
 " 217 not shown - probably withdrawn }
 " 218 nationalized 1/2/11 }
 " 219 Vol-bk (withdrawn) 4/7/11 }
 " 230 consolidated 1/2/11 }
 440

Number for Dec. 31, 1911 → 442
 Letter from Commissioner shows for this date

Supplement to Table 1.

CLASSIFICATION OF BANKING INSTITUTIONS OPERATING UNDER STATE LAW IN KANSAS

Total not participating (to original)	Call date nearest Jan 1	Date of call	Total operating under state law	Trust companies	Private banks	State banks	State banks	
							participating in deposit growth	not participating in deposit growth
Year End								
428	1910	1909 Dec. 31, 1909	832	3	4	825	404	421
468	1911	1910 Nov. 23, 1910	869	5	4	860	401	459
455	1912	1911 Dec. 27, 1911	897	5	4	888	442	446
441	1913	1912 Dec. 4, 1912	903	5	4	894	462	432
449	1914	1913 Dec. 4, 1913	930	7	3	920	481	439
431	1915	1914 Dec. 12, 1914	939	8	3	928	508	420
441	1916	1915 Dec. 31, 1915	967	10	4	953	526	427
451	1917	1916 Dec. 11, 1916	997	11	3	983	546	437
443	1918	1917 Nov. 24, 1917	1020	11	2	1007	577	430
4448	1919	1918 Nov. 27, 1918	1054 ⁹⁴⁰⁸	13	2	1039 ⁹⁹⁷	613 [4960]	426
443	1920	1919 Nov. 15, 1919	1092	13	3	1076	647	427
426	1921	1920 Dec. 18, 1920	1109	15	2	1092	683	409
394	1922	1921 Dec. 31, 1921	1188	15	2	1091	714	377
386	1923	1922 Dec. 11, 1922	1284	15	2	1067	698	369
376	1924	1923 Nov. 15, 1923	1057	17	2	1038	681	357
389	1925	1924 Dec. 26, 1924	1040	16	2	1022	651	371
399	1926	1925 Dec. 10, 1925	1010	16	2	992	611	381
568	1927	1926 Dec. 29, 1926	967	17	4	946	399	547
818	1928	1927 Dec. 15, 1927	896	18	6	872	78	794
815	1929	1928 Dec. 26, 1928	854 (256)	17 (5)	4 (1)	833 (250)	39 (12)	794 (238)
4770			9961			9779	5203	
9462	Total		19625	237	62	19326	10163	9163
- 244			- 256	- 5	- 61	- 250	- 12	- 238
9218			19369	232	61	19076	10151	8925

From figure given in consolidated statements for the respective dates in reports of the Bank Commissioner

1910-1918: from headings to consolidated statements for the respective dates
 1919-1929: based on numbers for Sept 1 of even years (date of Bank Commissioner's Biennial Report) and changes and lists in the Commissioner's Reports

1910-1918: from headings to consolidated statements for the respective dates
 1919-1929: from preceding columns.

1910-1911 Counted from list obtained from records in Bank Commissioner's office
 1912-1929 Figures furnished by Bank Commissioner to FDIC.

National banks: over

Note: Adjustment for 1929 is .3 of yearly figure deducting from total.

Supplement to Table 1, continued

Banks not eligible for deposit guaranty in Kansas

Call date nearest Jan 1	Date of National bank call	Number of National banks	Trust companies and private banks	Total
1910	Jan 31, 1910	206	7	213
1911	Jan 7, 1911	208	9	217
1912	Dec 5, 1911	210	9	219
1913	Nov 26, 1912	210	9	219
1914	Jan 13, 1914	211	10	221
1915	Dec 31, 1914	214	11	225
1916	Dec 31, 1915	219	14	243
1917	Dec 29, 1916	223	14	237
1918	Dec 31, 1917	230	13	243
1919	Dec 31, 1918	237	15	252
1920	Dec 31, 1919	246	16	262
1921	Dec 29, 1920	265	17	282
1922	Dec 31, 1921	267	17	284
1923	Dec 29, 1922	265	17	282
1924	Dec 31, 1923	266	19	285
1925	Dec 31, 1924	257	18	275
1926	Dec 31, 1925	259	18	277
1927	Dec 31, 1926	256	21	277
1928	Dec 31, 1927	257	24	281
1929	Dec 31, 1928	248	21	269

V. From Annual Reports of the Comptroller of the Currency

Supplement to See other side Table 2

Call date nearest Sept 1			Trust companies	Private banks	Total
1920	Sept 8, 1920	257	13	4	274
1922	" 15, 1922	267	15	2	284
1924	Oct 10, 1924	258	16	2	276
1926	June 30, 1926	257	17	3	277
1928	Oct 1, 1928	249	18	5	272

Deposits - same call dates

1920	(1920)	196,557	✓
1922		179,791	✓
1924		201,076	✓
1926		213,137	✓
1928		234,866	✓

KANSAS

x (Thousands)

Byches. Wright
for

Year End	Call date	National Bks. 1		State, private banks & trust, cov. 2		Private banks	Trust Companies	Balance State banks (excl. small and trust cov.)
		Total Deposits	Call date	Total Deposits	Call date			
1908	June 30			89,727	12/31/07			
1909	1/31/10	87,855	12/31/09	99,505	12/31/09	512	1,102	97,891
1910	1/31/11	49,278	11/23/10	91,461	11/23/10	467	1,233	90,061
1911	2/20/12	82,320	12/27/11	100,374	12/27/11	442	1,349	98,583
1912	2/4/13	88,606	12/4/12	105,570		356	1,738	103,476
1913	1/13/14	83,505	12/4/13	107,234		330	1,814	105,090
1914	12/31/14	92,260	12/12/14	118,692		402	1,597	116,693
1915	12/31/15	98,304	12/31/15	134,674		348	2,220	132,106
1916	12/27/16	146,660	12/11/16	183,469		248	3,096	180,125
1917	12/31/17	174,655	11/24/17	225,321		253	4,083	220,985
1918	12/31/18	178,036	11/27/18	249,788		337	4,032	245,419
1919	12/31/19	194,252	11/15/19	292,721	1,416,388	401	6,095	286,225
1920	12/29/20	175,104	12/18/20	271,518		356	6,886	264,276
1921	12/31/21	164,928	12/31/21	246,004		283	6,572	239,149
1922	12/29/22	185,216	12/11/22	241,511		294	7,226	233,991
1923	12/31/23	178,951	11/15/23	231,666		230	7,446	223,990
1924	12/31/24	213,838	12/26/24	270,599		352	8,440	261,807
1925	12/31/25	209,063	12/10/25	247,909		361	6,333	241,215
1926	12/31/26	217,111	12/27/26	233,497		522	8,101	224,874
1927	12/31/27	225,473	12/15/27	217,127		709	8,624	207,794
1928	12/31/28	234,448	12/26/28	222,803		446	10,739	211,618
Total 1908-1928		3,111,863		3,891,743				
1928 adjustment		- 70,334		- 66,841				
Balance		3,041,529		3,824,902				

Total 1909-1926
Total 1909-1928
3,824,902

1 Source: Report of Controller of Currency, 1910-1929
2 Source: Biennial Report Bd. Gov. 1930.

Total deposits operating banks 6,866,431

Table X. Deposits of Banks in Kansas Participating and Not Participating in the Deposit Guaranty Plan, (in thousands) 1909-1928

Year end	State	State and National Banks	Participating in deposit guaranty	Not participating in deposit guaranty		Participating	
	all banks operating in Kansas			Eligible ²⁾	Not eligible ²⁾	banks operating	of eligible banks
		Total					
1909	99,505	189360	45523	53982	89855	24.0	45.7
1910	91,761	171039	46827	44934	79248	27.4	51.0
1911	100,374	182694	54712	45662	82320	29.9	54.50
1912	105,570	194176	63118	42452	88606	32.50	59.8
1913	107,234	190739	66119	41115	83505	34.7	61.7
1914	118,692	210952	74530	44162	92,260	35.3	62.8
1915	134,674	232978	86055	48619	98304	36.9	63.9
1916	183,469	330129	118042	65427	146660	35.8	64.3
1917	225,321	399976	152479	72842	174655	38.1	67.7
1918	249,788	427824	169559	80229	178036	39.6	67.9
1919	292,721	486973	204669	88052	194252	42.0	69.9
1920	271,518	446622	190966	80552	175104	42.8	70.3
1921	246,004	410932	180003	66001	164928	43.8	73.2
1922	241,511	426727	179721	61790	185216	42.1	74.4
1923	231,666	410617	167563	64103	178951	40.8	72.3
1924	270,599	424437	195424	75175	213838	40.3	72.2
1925	247,909	456972	168082	79827	209063	36.8	67.8
1926	233,497	450608	79192	154305	217111	17.2	33.9
1927	217,127	442600	7052	210075	225473	1.6	3.2
1928	222,803	457251	3340	219463	234448	.7	1.5-(49)

- 1) Estimated from deposits reported for assessment, all data nearest Dec. 31.
- 2) Estimated by deducting the estimated deposits of participating banks from the total deposits of all State and private banks and trust companies. Figures therefore include private banks and trust companies ineligible for participation.
- 3) National banks.

DEPOSITS OF TRUST COMPANIES AND PRIVATE BANKS IN KANSAS

Date Chartered	Location	Name	1910 1914 (W.A.)	Aug 31 1918	August 28 1920	August 31 1922	August 21 1924	Sept 1 1926	Sept 18 1928
	<u>Trust Companies - Totals</u>			3995389	6125939 ⁵⁴	6425901 ⁵⁰	7924817 ⁶⁴	7183099 ³⁴	8517666 ⁵²
12-21-26	Abilene	The United Trust Company							6457 ⁶⁵
2-11-16	Abilene	The Commerce Trust Co.	82748	73247 ⁴⁸	235248 ³¹	260245 ⁹⁶	129804 ⁶³	62298 ⁵⁴	
9-12-18	Eureka	The Pioneer Trust Co.		112882 ²⁴	61075 ²¹	59226 ⁹³			
4-21-15	Butcher	The Farmers Loan & Trust Co.	157854	255080 ⁷¹	129772 ⁴¹	120146 ⁵⁰	85971 ⁵⁶	86207 ⁴⁵	
11-9-17	Independence	The Kansas Savings & Trust Co.	179559	388745 ³⁰	314980 ⁴³	471224 ⁰¹	297944 ⁷⁰	57008 ⁹⁴	
4-26-02	Kansas City	The Banking Trust Co.	189059	107609 ⁵⁴					
11-7-06	Kansas City	The Kansas Trust Co.	462849	615817 ⁵⁵	467913 ⁵¹	1021904 ⁸⁰	1093634 ³¹	731805 ¹⁸	
1-28-11	Lamont	The Lamont Savings & Trust Co.	473136	717390 ⁶⁴	932298 ⁷⁶	1039607 ⁹²	929604 ⁸⁷	870245 ⁹⁸	
4-9-14	Topeka	The Central Trust Co.	721098	1040611 ⁶⁷	1744253 ⁴⁷	2145927 ⁷⁶	1441656 ⁵²	1935102 ⁰⁷	
5-1-18	Topeka	The Farm Mortgage Trust Co.	167880	403308 ⁵¹	114148 ²⁹	83269 ⁸¹	6489 ⁰³		
7-23-15	Topeka	The Suburban Trust Co.							
5-4-06	Topeka	The Residential Trust Co.	551457	794047 ⁷⁶	650747 ²⁵	665010 ¹⁰			
5-27-13	Wichita	The First Trust Company of W.	467519	333792 ⁰⁵	343782 ³³	427995 ⁴⁴	178763 ⁵⁰	186431 ⁷¹	
12-16-14	Wichita	The Guaranty Title & Trust Co.	1542230	921481 ⁰⁶	1120522 ⁵⁵	1013058 ⁴⁸	1316861 ⁹³	856540 ⁶²	
9-14-18	Wichita	The Ranchmen's Trust Company		361894 ⁵³	196295 ⁵⁸				
12-21-21	Wichita	The Home Mortgage Title & Trust Co.					24 ²⁰	none	none
3-18-20	Topeka	The Columbian Title & Trust Co.			1000 ⁷³	198459 ⁵⁰	340869 ⁶⁵	356182 ⁶⁵	
1-12-21	Topeka	The Security Trust Co.			81033 ⁴⁸	225050 ²⁴	244211 ⁸⁰	449826 ⁸⁵	
2-25-20	Topeka	The Union Trust Company			32228 ⁴⁶				
2-21-23	Junction City	The Jefferson Trust Company				130800 ⁵⁷	42717 ²⁸	41286 ⁵⁶	
11-24-22	Salina	The Putnam Trust Company				62265 ⁴³	87466 ²⁶	633931 ⁵⁴	
11-19-25	Kansas City	The American Title & Trust Co.					81530 ⁴⁰		
4-8-25	Topeka	The International Mortgage Tr. Co.					205631 ⁵³	490134 ²⁵	
3-24-26	Wichita	The Wheeler-Kelley Mortgage Co.					689941 ³⁴	1644450 ⁶⁸	
4-14-27	Wichita	The Union Trust Company						109755 ⁸⁷	
	<u>Private Banks - Totals</u>			388561	520295 ³⁰	277962 ²⁶	330562 ⁶⁶	454324 ³²	472663 ⁹⁰
170	Eureka	The Pioneer Bank		61431 ⁵¹					
408	Lawrence	The Farmers Bank		75723 ⁶³					
401	Lawrence	The Bank of Lawrence	281701	272720 ⁵⁰	201501 ⁰³	245217 ²²	250027 ⁹⁹	205440 ³⁶	
538	Wichita	The Commercial Bank	106860	110360 ¹⁷	76461 ²³	85345 ⁴⁴	126054 ⁶⁹	117471 ⁰⁹	
	Lyndon	The Lyndon Farmers' Home Bank					78301 ⁷⁹		
	St. Marys	The St. Marys Bank						69121 ³¹²	
	Abilene	The Grant County Farmers' Home Bank						51848 ³⁹⁶	
	Wakarusa	The Trego County Farmers' Home Bank						28781 ⁴⁰⁴	
	<u>Grand Total</u>			4388950	6646235 ³⁴	6703863 ⁷⁶	8255380 ³⁰	7637483 ⁶⁶	8990330 ⁴²

Trust Companies
 3-18-20 Topeka - Lawyers Guaranty Title & Tr. 1920 (no deposits) - not opened for business before Sept 1, 1920
 Wimpull - The Fidelity Trust (no deposit) 1928

Sept 12
1914

Aug 15
1910

1417,889

861,744

119,595

242,670

260,831

257,748

322,268

125,642

442,135

361,331

8086

Contd.

X 89,520

9-1-10 Lawrence - The Perkins Trust Co In rd leg, by 9-1-16.

X 49,810

1-3-14 Lawrence - The Farmers Loan & Trust Co

342,502

491,991

184,680

180,248

61,957

129,176

95,835

107,719

Richland - The Bank of Richland

74,848

Seattle - The Bank of Seattle

1760389

1353740

DEPOSITS OF TRUST COMPANIES IN KANSAS--1909-1928

NO. 5210 WIRE BOUND
No. 5210 PADDED

(From Rand McNally Bank Directories,

July + January issues)

Date chartered		1909	1910	1911	1912	1913	1914	1915	1916	1917	1918
12/20/26	Abilene The United Trust Company										
2/11/16	Atchison The Commerce Trust Co.								37000 15810	100000	100000 125000
9/12/18	Eureka The Pioneer Trust Co.										not listed
4/21/15	Hutchison The Fontron Loan and Trust Company							13000	98000 38460	165000	174000 112980
11/9/17	Independence The Kansas Savings and Trust Co.									not given	205000 186480
2/21/23	Junction City The Jellison Trust Co.										
4/26/02	Kansas City The Banking Trust Co.	30014	350000	350000	350000	250000	250000	250000 285000	250000 235000	250000	175000 250000
11/17/06	Kansas City The Kansas Trust Co.	301526	438000	525000	549000	549000	307000	369000 399340	592000 511000	692000	630000 490000
11/19/25	Kansas City The American Title and Trust Co.										
1/28/11	Leavenworth The Leavenworth Savings and Trust Co.			not given	275000	275000	325000	340000 950000	400000 375000	475000	525000 475000
11/24/22	Salina The Putnam Trust Company										
4/9/14	Topeka The Central Trust Co.						not given	339000	739000	681000	734000 646450
5/1/18	Topeka The Farm Mortgage Trust Co.							286380	414490		
7/23/15	Topeka The Inter-Insurers Trust Co.										
5/4/06	Topeka The Prudential Trust Co.	500000	450000	450000	540000	615000	500000	537000 524000	536000 520000	798000	628000 645000
3/18/20	Topeka The Columbian Title and Trust Co.										
1/12/21	Topeka The Security Trust Co.										
2/25/20	Topeka The Union Trust Company										
4/8/25	Topeka The International Mortgage Trust Co.										
5/27/13	Wichita The First Trust Company of Wichita					not given	124000	271000	342000	498000	501000
12/16/14	Wichita The Guarantee Title and Trust Co.							170270 33000 9170	257880 33000 54990	424000	430000 360000 401220
9/14/18	Wichita The Ranchmen's Trust Co.										
12/21/21	Wichita The Home Mortgage Title and Trust Co.										
3/29/26	Wichita The Wheeler-Kelly-Haggy Trust Co.										
4/14/27	Wichita The Union Trust Company										
9/1/10	Lawrence The Perkins Trust Co.		not listed	24000	24000	125000	91000	69000 62550	69000 68940	not listed	
1/3/14	Lawrence The Farmers Loan & Trust Co. - Farmers										
	State Sav. Bk. & Trust Co. Total	1,015,26	1,233,000	1,349,000	1,738,000	1,814,000	1,597,000	2,220,000	3,096,000	4,083,000	5,000,000 4,632,000

DEPOSITS OF TRUST COMPANIES IN KANSAS--1909-1928
 No. T5210 WIRE BOUND
 No. 5210 PADDED
 (From Rand McNally Bank Directories,
 January issues)

July +

Date Chartered		1919	1920	1921	1922	1923	1924	1925	1926	1927	1928
12/20/26	Abilene The United Trust Company									48250?	133540?
2/11/16	Atchison The Commerce Trust Co.	125000	165000	150000	150000	160520	255660	160000?	212560?	50250?	1102070?
9/12/18	Eureka The Pioneer Trust Co.	25770	62190	78000	63760	125210	65060	Liquidating			
4/21/15	Hutchison The Fontron Loan and Trust Company	125200	161000	225000	130800	109330	109120?	76750?	85970?	75140?	39970?
11/9/17	Independence The Kansas Savings and Trust Co.	367610	400350	370000	360920	525300	525300	352920?	352920?	352920?	
2/21/23	Junction City The Jellison Trust Co.		356180		271510	525300	525300	352920?	352920?	352920?	
4/26/02	Kansas City The Banking Trust Co.	175000	135000	not listed		100000	134000	200000	200000?	180860?	242050?
11/17/06	Kansas City The Kansas Trust Co.	724000	145000	473270	539080	593270	838950?	630560?	1094430?	665480?	606760?
11/19/25	Kansas City The American Title and Trust Co.		827470		663340	525560					
1/28/11	Leavenworth The Leavenworth Savings and Trust Co.	715000	715000	715000	900000	967470	1000000	964490?	964490?	964490?	964490?
11/24/22	Salina The Putnam Trust Company				440000	900000					
4/9/14	Topeka The Central Trust Co.	919300	2215420	1561440	2003650	15330	58330?	86970?	125280?	435830?	207400?
5/1/18	Topeka The Farm Mortgage Trust Co.	349500	1195420	179000	1509670	1888860	2089840?	1968650?	1968650?	1907950?	2066370?
7/23/15	Topeka The Inter-Insurers Trust Co.		275000		86680	242080?	94220	69940?	Nothing given	Nothing given	Succeeded by Farm Mortgage Trust Co. not doing banking business.
5/4/06	Topeka The Prudential Trust Co.	937600	747330	712110	704310	718140	919010	Consolidated with National Bank of Topeka			
3/18/20	Topeka The Columbian Title and Trust Co.		492970	73290	440000	490000	189620?	347940?	442850?	388060?	541280?
1/12/21	Topeka The Security Trust Co.			not listed	22000	132470	223480	208390	293190	392910?	463860
2/25/20	Topeka The Union Trust Company			11570	not listed	Liquidation					
4/8/25	Topeka The International Mortgage Trust Co.										
5/27/13	Wichita The First Trust Company of Wichita	482000	500000	610000	650000	513000	513000?	299000?	300000?	453000?	790000?
12/16/14	Wichita The Guarantee Title and Trust Co.	881710	814400	1063800?	1264970	1357100	1448540	1036960?	1111000?	1176670?	1684410?
9/14/18	Wichita The Ranchmen's Trust Co.	349660	321000	350000	350000	not listed					
12/21/21	Wichita The Home Mortgage Title and Trust Co.		511000			closed					
3/29/26	Wichita The Wheeler-Kelly-Haggy Trust Co.				not listed				4790?		
4/14/27	Wichita The Union Trust Company								622690?	638880?	1306310?
9/1/10	Lawrence The Perkins Trust Co.		not listed							217160	78480?
1/3/14	Lawrence The Farmers and Loan & Trust Co.		not listed								
Total		6094730	6050884 6885734	6572480	7225940	7445960	8439850	6332630	8100770	8624260	10738900

For 1919 - see special figure - from RM - do NOT USE BUIE
 blank - see special figure - from RM - do NOT USE BUIE

Table 1. NUMBER OF OPERATING BANKS IN KANSAS PARTICIPATING AND NOT PARTICIPATING IN THE DEPOSIT GUARANTY SYSTEM

Call date nearest Jan 1	All banks operating in Kansas	Participating in deposit guaranty		Not participating in deposit guaranty		Percentage of banks participating	
		eligible	not eligible	eligible	not eligible	of all banks	of eligible banks
1910	1038	404	825	421	213	38.9	49.0
1911	1077	401	860	459	217	37.2	46.6
1912	1107	442	888	446	219	39.9	49.8
1913	1113	462	894	437	219	41.5	51.7
1914	1141	481	920	439	221	42.2	52.3
1915	1153	588	928	420	225	44.1	54.7
1916	1196	526	953	427	243	44.0	55.2
1917	1220	546	983	437	237	44.8	55.5
1918	1250	577	1009	430	243	46.2	57.3
1919	1291	613	1009	426	252	47.5	59.0
1920	1338	649	1076	427	262	48.5	60.3
1921	1374	683	1092	409	282	49.7	62.5
1922	1375	714	1091	377	284	51.9	65.4
1923	1349	698	1067	369	282	51.7	65.4
1924	1323	681	1038	357	285	51.5	65.6
1925	1297	651	1022	371	275	50.2	63.7
1926	1269	611	992	381	277	48.1	61.6
1927	1223	399	946	547	277	32.6	42.2
1928	1153	78	427	794	281	6.8	8.9
1929	1102	39	333	794	269	3.5	4.7

Call dates for national and State banks are not identical in several years.

Figures obtained from Bank Commissioner of Kansas, except for 1910, which were derived from reports of individual banks admitted to guaranty fund with State permission.

Number of State banks (excluding trust companies and private banks) as given in Biennial Reports of the Bank Commissioner, or tabulated from information therein, minus number participating in deposit guaranty.

Number of national banks, from annual reports of the Comptroller of the Currency, plus number of trust companies and private banks, tabulated from data in biennial reports of the Bank Commissioner of Kansas. Most of these institutions were national banks, since the number of trust companies and private banks did not exceed 24 in any year.

DO NOT TYPE

Totals for use in computing suspension rate

1912-1929	227 ²⁴ 35	9358	8283	4633	41.2	53.0
1910-1929	248 ²⁰ 45	19326		5063		

supplied **KANSAS -** Estimated total deposits of banks participating in the deposit guaranty system
 (Deposits in thousands)

Initial (1908)	Call date nearest Sept 1			Call date nearest Dec. 31	
	Total deposits	Deposits reported for assessment	Ratio total in guaranty	Deposits reported for assessment	Estimated total deposits
				29965	
1909			1.3	33691	
1910	26,371	34,636 35,571 est	1.3	35018 est 34636	45523
1911			1.3	36021 est	46827
1912			1.3	42086 est	54712
1913			1.3	46352	63118
1914	70,329	52,359 53,911 1043	1.305	50861	66119
1915			1.265	57111	74530
1916			1.22	68028	86055
1917			1.185	96361	118042
1918	181,572	158,693	1.144	128674	152479
1919			1.145	148216	169559
1920	217,241	189,353	1.147	178750	204669
1921			1.175	166492	190966
1922	185,989	154,531	1.204	153194	180003
1923			1.220	149270	179721
1924	176,473	142,829	1.236	137347	167563
1925			1.232	158110	195424
1926	158,788	129,279	1.228	136430	168082
1927			1.187	64489	79192
1928	4,791	4,177	1.147	5941	7052
				2912	3340

1 From mimeographed mss, Table 2.
 2 From worksheets - data from records in Bank Commissioner's office. Figures in green are averages for 4 call dates.
 3 Figures in blue are interpretations of extrapolations.

995.05	
455.23	- ✓
	Π
539.82	Π —
917.61	✓
468.27	- ✓
	Π
449.34	Π —
1,003.74	✓
547.12	-
	Π
456.62	Π —
1,055.70	✓
631.18	-
	Π
424.52	Π —
1,072.34	✓
661.19	-
	Π
411.15	Π —
1,186.92	✓
745.30	-
	Π
441.62	Π —
1,346.74	✓
860.55	-
	Π
486.19	Π —
1,834.69	✓
1,180.42	-
	Π
654.27	Π —
2,253.21	✓
1,524.79	-
	Π
728.42	Π —
2,497.88	✓
1,695.59	-
	Π
802.29	Π —
2,927.21	✓
2,046.69	-
	Π
880.52	Π —
2,715.18	✓
1,909.66	-
	Π
805.52	Π —
2,460.04	✓
1,800.03	-
	Π
660.01	Π —
2,415.11	✓
1,797.21	-
	Π
617.90	Π —
2,316.66	✓
1,675.63	-
	Π
641.03	Π
2,705.99	✓
1,954.24	-
	Π
4660.23	Π
2,705.99	
1,954.24	-
	Π
751.75	Π —
2,479.09	✓
1,680.82	-
	Π
798.27	Π —
2,334.97	✓
791.92	-
	Π
1,543.05	Π —
2,171.27	✓
70.52	-
	Π
2,100.75	Π —
2,228.03	✓
33.40	-
	Π
2,194.63	Π —
	Π

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Table 2. NUMBER AND DEPOSITS OF OPERATING BANKS IN KANSAS PARTICIPATING AND NOT PARTICIPATING IN THE DEPOSIT GUARANTY SYSTEM, 1910-1928

NOTE: This table not used in final report prepared in 1957.

Participating only eligible	Call date nearest Sept 1	All banks operating in Kansas	Participating in deposit guaranty	Not participating in deposit guaranty		Participation banks as percentage of -		
				Eligible ²	Ineligible ³	Total operating banks	Eligible banks	
258	1910	1068	201	652	215	18.8	23.6	
925	1914	1147	491	434	222	42.8	53.1	
1030	1918	1279	604	426	249	47.2	58.6	
1090	August 28, 1920	1370	676	420	274	49.3	61.7	
1077	August 31, 1922	1361	703	374	284	51.7	65.3	
1016	August 21, 1924	1292	651	365	276	50.4	64.1	
969	September 1, 1926	1246	577	392	277	46.3	59.5	
840	September 15, 1928	1112	47	798	272	3.8	5.0	
95,014	Deposits (in thousands of dollars)	1910	182,591	26,371	68,648	87,567	14.4	27.8
111,448		1914	198,428	70,329	41,119	86,980	35.4	63.1
261,906	1918	445,992	181,572	80,334	184,086	40.7	69.3	
300,865	August 28, 1920	504,069	217,241	63,625	203,203	43.1	72.2	
242,633	" 31, 1922	429,328	185,989	56,643	186,495	43.3	76.7	
240,300	" 21, 1924	449,631	176,473	63,827	209,331	39.2	73.4	
250,375	Sept. 1, 1926	471,150	158,788	91,587	220,774	33.7	63.4	
226,543	" 15, 1928	470,410	4791	221,753	248,856	1.0	2.1	

Of these, only 225 were in good standing, that is, had paid all assessments due. The others were in the process of withdrawing from the guaranty system, eighteenth.

Call dates for national and state banks are not identical.

2 Biennial Reports of the Bank Commissioner. Deposits of participating banks tabulated from statements for the individual banks. Number and deposits of ineligible banks obtained by deducting data for participating banks and for trust companies and private banks from consolidated statements for all State banks and trust companies.

3 Figures for national banks from Annual Reports of the Comptroller of the Currency, plus those for trust companies and private banks, from Biennial Reports of the Bank Commissioner.

identified in some years by statement of memberships and in other years by presence of the item, "Security fund with State Treasurer" in the assets of the bank.

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the Bank Commissioner
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Table 3. NUMBER AND DEPOSITS OF GUARANTEED STATE BANKS IN KANSAS, SEPTEMBER 12, 1914, AND SEPTEMBER 15, 1922 ✓ 57

	Number of banks	Amount of deposits (thousands of dollars)	Percentage of number of banks	Percentage of aggregate deposits
<u>All guaranteed banks, September 12, 1914</u>	<u>491</u>	<u>70329</u>	<u>100.0</u>	<u>100.0</u>
<u>Banks with deposits of</u>				
\$100,00 or less	251	16148	51.12	22.96 ^{23.0}
\$100,00 to \$250,00	197	28194	38.29	40.18
\$250,00 to \$500,00	40	14107	8.75	20.06
\$500,00 to \$1,000,00	9	5971	1.88	8.21
\$1,000,00 to \$2,000,00	3	3913	0.61	5.56
More than \$2,000,00	1	2206	0.27	3.14
Largest bank		2206	0.20	3.14
Largest 5 banks		6960	1.02	9.90
Largest 10 banks		10217	2.04	14.53
<u>All guaranteed banks, September 15, 1922</u>	<u>703</u>	<u>185915</u>	<u>100.0</u>	<u>100.0</u>
<u>Banks with deposits of</u>				
\$100,00 or less	160	11074	22.76 ^{6.0}	5.96 ^{6.0}
\$100,00 to \$250,00	348	57947	49.58	31.19
\$250,00 to \$500,00	126	42955	17.92	23.10
\$500,00 to \$1,000,00	47	32269	6.71	17.36
\$1,000,00 to \$2,000,00	17	23296	2.42	12.53
More than \$2,000,00	5	18374	0.71	9.88
Largest bank		5856	0.14	3.15
Largest 5 banks		18374	0.71	9.88
Largest 10 banks		26752	1.42	14.39

↓ Tabulated from statements for individual banks as given in the reports of the Bank Commissioner. The figure for ^{total deposits in} 1922 differs slightly from that given in Table 2, because of rounding.

Supplement to Table 2.

CLASSIFICATION AND DEPOSITS OF BANKING INSTITUTIONS OPERATING UNDER STATE LAW IN KANSAS - BIENNIAL REPORT DATES, 1920-1928

Date	Total operating under state law ¹	Trust companies ²	Private banks ³	State banks ³	State banks		
					Participating in deposit guaranty ⁴	Not participating in deposit guaranty ⁵	
<u>Number of banks</u>							
Aug 28, 1920	1113	13	4	1096	676	420	
Aug 31, 1922	1094	15	2	1077	903	374	
Aug 21, 1924	1034	16	2	1016	651	365	
Sept 1, 1926	989	17	3	969	577 ⁶	392	
Sept 15, 1928	863	18	5	840	42	798	
Aug 15, 1910	860	3	4	853	201	652	
Sept 12, 1914	936	8	3	925	491	434	
Aug 31, 1918	1044	12	2	1030	604	426	
<u>Deposits (same dates)</u> (dollars)							
1920	307,511,588	61,259,40	52,029,6	300,865,303	217,240,540	93,624,813	
1922	249,336,587	64,259,02	27,796,2	242,632,723	185,989,246	56,643,477	
1924	248,555,418	79,248,18	33,056,3	240,300,038	176,472,642	63,827,396	
1926	259,012,562	71,830,99	45,438,4	250,375,078	158,788,414	91,586,664	
1928	235,543,632	85,176,67	47,266,4	226,543,302	47,907,40	221,752,592	
1910	96,367,504	8,617,49	4,919,91	95,013,764	73,848,844	29,582,350	
1914	113,208,207	14,178,87	3,425,02	111,447,818	26,371	68,643	
1918	266,290,141	39,453,89	3,885,61	261,906,191	90,329	41,119	
					181,572	80,334	

¹ Biennial Reports of Bank Commissioner

² Number as given in Biennial Reports of Bank Commissioner. Deposits tabulated from statements for the individual trust companies and private banks, identified by list of names.

³ From preceding columns.

⁴ Tabulated from list and individual statements in Biennial Reports of Bank Commissioner.

⁵ From two preceding columns.

⁶ Of these, only 225 were in good standing, that is, had paid all assessments due.

Supplement A to Table 2, continued
 Banks not eligible for deposit guaranty in Kansas

Call date nearest Sept 1	Date of national bank call	Number of banks			Deposits (thousands) (dollars)		
		National	Trust and savings	Total	National banks (thousands)	Trust companies + private banks	Total
1920	Sept 8, 1920	257	17	274	196,557	66,462 35	203,203
1922	" 15, 1922	267	17	284	179,791	67,054 84	186,495
1924	Oct 10, 1924	258	18	276	201,076	82,553 33	209,331
1926	June 30, 1926	257	20	277	213,137	76,374 84	220,974
1928	Oct 3, 1928	249	23	272	234,866	89,903 30	243,856
1910	Sept 1, 1910	208	7	215	86,213	1,354	87,567
1914	Sept 12, 1914	213	11	222	95,220	1,760	86,980
1918	Aug 31, 1918	236	14 ^v	249	179,702	4,384	184,086

^v Consolidated statement heading says 13 trust companies, and 2 private banks, but list of trust companies shows only 12.

NUMBER AND DEPOSITS OF STATE BANKS IN KANSAS, 1910-1928

As tabulated by Wilhelmina Sharpe from individual statements

All data approximately Sept 1	Number of banks under State law			Deposits (in thousands of dollars)		
	Total	Guaranteed	Not guaranteed	Total	Guaranteed	Not guaranteed
1910	862	201	661	96777	26371	70406
1914	936	491	445	113672	70329	43343
1918	1044	604	440	266513	181572	84941
1920	1112	678	434	307278	219352	87926
1922	1094	703	391	249927	185915	64012
1924	1037	660	377	251155	179114	72041
1926	973	555	418	257760	145543	112217
1928	864	46	818	235691	6004	229687

Note. Differences between total number of banks under State law shown here and in Supplement A to table 2 for the years ¹⁹¹⁰ 1920, 1924, 1926, and 1928 are due to differences between the number for which individual statements are given in the report of the Bank Commissioner and the number shown in the heading of the consolidated statement given in the report. The reason for the differences, so far as they have been ascertained, are given below.

	Number of individual statements given	Number given at top of consolidated statement	Reason for difference
1920	1112	1113	One trust company listed as not open for business on date of report, though chartered.
1924	1037	1034	Individual statements include three banks reorganized after date of call.
1926	973	989	No explanation in Commissioner's report - presumably failed to report.
1928	864	863	Separate statements shown for two banks reported as merging one week prior to date of call.
1910	862	860	No explanation in Commissioner's report. May be reports used to date of tabulating cut printed.

Includes trust companies and private banks. For number and deposits, see back of Supplement A to table 2.

Notes on number of operating trust companies in
Kansas 1917-1928

For this period number of trust companies is not given in the reports for each call date. To obtain number for call dates nearest January 1 of each year, the list given in each biennial report has been checked with changes occurring during each two-year period and the dates thereof.

Changes Sept 1, 1928 to Dec 26, 1928
 in Dec. (Independence) } deduct 1 from Sept 1928 equals 17
 as of Dec 26, 1928
 Sept. 1, 1928 - Nineteenth Biennial Report } 18 trust companies

Changes Dec. 15, 1927 to Sept 1, 1928 - none

Changes Dec. 27, 1926 to Dec 15, 1927:
 Chartered { Union Trust, Wichita } deduct 2 } equals 17 as
 Fidelity Trust, Winfield } of Dec. 27, 1926
 Became mortgage investment co. add 1 }
 (Farm Mortgage Trust, Topeka)

Changes Sept 1, 1926 to Dec. 27, 1926:
 Chartered (United Trust, Abilene) deduct 1 } equals 17 as per
 Eliminated { Not on list of changes in ink } add 1 } 16th Biennial Report
 { But on list as of Sept. 1, 1926 }
 Amer. Title Trust, Kansas City

Changes Dec. 10, 1925 to Sept 1, 1926:
 Chartered (Ahelek-Kelly-Hagney, Wichita) deduct 1 equals 16 on Dec. 10, 1925

Changes Dec. 26, 1924 to Dec 10, 1925:
 Chartered { Amer. Title & Tr. Kansas City } deduct 2 } equals 16 on Dec. 26,
 Nat. Mortgage Trust, Topeka } 1924
 In liquidation { Pioneer Trust, Emporia } add 2 }
 Prudential Trust, Topeka }

Changes Aug 21, 1924 to Dec. 26, 1924:
 None equals 16 on Aug 21, 1924 as given
 in list in 17th Biennial Report

Number of trust companies - 17th Biennial Report 16

Changes Nov. 15, 1923 to Aug. 21, 1924:

In liquidation (Ranchman's Trust, Wichita) add 1 equals 17 on Nov. 15, 1923

Changes Dec. 11, 1922 to Nov. 15, 1923

Chartered ^{Some mortgage with T & C, Wichita} _{Jellison Trust, Junction City} deduct 2 equals 15 on Dec. 11, 1922

Changes Aug. 31, 1922 to Dec. 11, 1922

Chartered (Peterson Trust, Salina) deduct 1 } equals 15 on Aug. 31, 1922 as
In liquidation (Union Trust, Topeka) add 1 } = 16th Biennial Report

Changes Dec. 31, 1921 to Aug. 31, 1922:

None

equals 15 on Dec. 31, 1921

Changes Dec. 18, 1920 to Dec. 31, 1921:

Chartered (Security Trust, Topeka) deduct 1 } equals 15 on Dec. 18, 1920
Failed (Banking Trust, Kansas City) add 1 }

Changes Sept. 1, 1920 to Dec. 18, 1920:

Chartered (Union Trust, Topeka) deduct 1 } equals 13 on Sept. 1, 1920
Expanded (Columbian Title ^{part of} _{not - Columbia}) deduct 1 } as in 15th Biennial Report
Changes Nov. 15, 1919 to Sept. 1, 1920: _{not yet opened}
none equals 13 on Nov. 15, 1919

Changes Nov. 27, 1918 to Nov. 15, 1919

none

equals 13 on Nov. 27, 1918

Changes Sept. 1, 1918 to Nov. 27, 1918

Chartered ^{Perrier Trust, Topeka} _{Ranchman's Trust, Wichita} deduct 2 } equals 12 on Sept. 1, 1918
Liquidation (Topeka Inter Shoppers Trust) Add 1 } as per list in 14th Biennial Report
_{Date unknown - assigned to this point}

Changes Nov. 24, 1917 to Sept. 1, 1918

Chartered (Kansas Savings & Loan, Topeka) _{not -} net - 1 equals 11 on Nov. 24, 1917
_{as per report}

Notes on private banks in Kansas 1917-1928

For this period number of private banks is not given in the reports for each call date. To obtain number of private banks for all dates recent June 1 of each year, the list in each Biennial report has been checked with changes occurring during each two-year period and the dates thereof

Changes Sept 1, 1928 to Dec 26, 1928
In Aug. (Wakeenaw)

deduct 1 from Sept 1 figure equals 4
as per Dec 26, 1928
5 private banks

Sept 1, 1928 - 19th Biennial Report

Changes Dec 15, 1927 to Sept 1, 1928!

Failed (Lyndon)

add 1 equals 6 on Dec 15, 1927

Changes Dec 27, 1926 to Dec 15, 1927:

Opened { St Marys }
 { Ulipols }
 { }

deduct 2 equals 4 on Dec 27, 1926

Changes Sept 1, 1926 to Dec 27, 1926

Opened (Wakeenaw)

deduct 1 equals 3 on Sept 1, 1926
as in 18th Biennial Report

Changes Dec. 10, 1925 to Sept 1, 1926

Opened (Lyndon)

deduct 1 equals 2 on Dec. 10, 1925

No other changes back to Sept 1, 1924

equals 2 on Dec 26, 1924

No changes back to Sept 1, 1922

equals 2 on Nov. 15, 1923

" 2 on Dec 11, 1922

" 2 on Dec 31, 1921

" 2 on Dec 18, 1920

" 4 on Sept 1, 1920 as per Biennial Report.

One became national bank Sept. 7, 1920 (Poncha) "

One became state incorporated bank Nov. 16, 1920 (Eureka) "

One organized Feb. 20, 1920 (Eureka) "

equals 3 on Nov. 15, 1919

One organized July 3, 1919 (Poncha) "

" 2 on Nov. 27, 1918

" 2 on Aug 31, 1918 as per 14th Biennial Report

Insured banks with more than
 \$5,000,000 deposits on dates for
 which deposits in individual banks are available

	<u>Number</u>	<u>Deposits</u>	<u>Location & name</u>
Sept 1, 1918	1	5665	Wichita - American State Bank
.. 1920	2	{ 5314	Topeka - The Bank of Topeka
		{ 5634	Wichita - American State Bank
Sept 15, 1922	2	{ 5597	Topeka - The Bank of Topeka
		{ 5856	Wichita - American State Bank
1924	1	6217	Topeka - The Bank of Topeka

For Table 14

DO NOT USE

guaranty

DO NOT USE

USE

Table NUMBER AND DEPOSITS OF STATE BANKS IN KANSAS 1910-1928

Banks grouped by amount of deposits

Call letters nearest

DO NOT TYPE

	Aggregate for eight dates	Aug. 15	Sept 15	Sept 31	Sept 1	Sept 1	Sept 1	Sept 15	Average 1910-1926	Average	
		1-1910	1914	1918	1920	1922	1924	1926	1910-1928		
<u>Number of Banks total</u>	3,938	201 ✓	491 ✓	604 ✓	678 ✓	703 ✓	660 ✓	555 ✓	46 ✓	492.3640	463.0
<u>Banks with deposits of</u>											
100,00 or less	966	116	251	82	94	160	136	104	23	120.8115 ²	133.3
100 000 to 250,000	1,781	63	187	281	295	348	324	265	18	222.6303	203.1
250 000 to 500 000	829	17	40	173	198	126	139	132	4	103.6154	88.6
500 000 to 1,000,000	248	4	9	48	58	47	40	41	1	31.047	26.1
1 000 000 to 2 000 000	87	1	3	16	25	17	14	11	—	10.916	9.1
2 000 000 to 5000 000	21	—	1	3	6	3	6	2	—	2.6	2.2
5 000 000 and over	6	—	—	1	2	2	1	—	—	.8	.6
										3.4	2.8
										.8	.1
<u>Deposits total (thousands of dollars)</u>		26371	70329	181572	219352	185915	179114	145543	6004	182299	111090
<u>In banks with deposits of</u>											
100 000 or less		7372	16148	5976	7006	11074	9324	7457	1612	8167 ⁴	8949
100 000 to 250 000		9281	28184	49389	50809	57947	54756	45347	2603	51650	33578
250 000 to 500 000		5835	14107	59057	66268	42955	47256	44633	1213	52034	30127
500 000 to 1 000 000		2651	5771	31548	37970	32269	28727	28421	576	31787	17636
1 000 000 to 2 000 000		1232	3913	21929	33219	23296	19486	14692	—	22524 ⁴	12291
2 000 000 to 5 000 000			2206	8008	13132	6921	13348	4993	—	9280 ⁴	5091
5 000 000 and over				5665	10948	11453	6217		—	6857	3428

State reports 651- only 65000 list difference is 95000 with funds but not marked

Weighting 1910-1914, 2, other years 1918-1928, 1

National.
Table NUMBER AND DEPOSITS OF STATE BANKS IN KANSAS 1910-1928

Banks grouped by amount of deposits

	Sept 10, 1910	Sept 12, 1914	Aug 31, 1918	Sept 8, 1920	Sept 15 1922	Oct 10, 1924	Dec. 31 1926	Dec 31 1928	Average 1910-1926	Average ⁴
Number of Banks total	208	213	236	257	267	258	256	248	255	236
Banks with deposits of										
100,00 or less	23	31	11	14	17	8	7	4	11 ⁴	17
100 000 to 250,000	101	96	49	60	88	85	73	65	71	81
250 000 to 500 000	50	51	92	92	79	75	75	79	83	69
500 000 to 1,000,000	22	24	47	52	48	47	54	51	50	39
1 000 000 to 2 000 000	11	9	30	29	21	22	24	24	25	19
2 000 000 to 5000 000	1	2	6	7	10	16	17	18	11	08
5 000 000 and over	0	0	1	3	4	5	6	7	4	3
Deposits total (thousands of dollars)	68539	70836	140343	164646	179660	211281	217049	234298	182596	142603
In banks with deposits of										
100 000 or less	1799	2363	671	772	1239	619	536	249	767	1241
100 000 to 250 000	16760	16011	8627	11141	15558	15094	13573	12270	12799	14180
250 000 to 500 000	17313	17771	32176	34549	28356	27170	25921	28638	29634	29699
500 000 to 1 000 000	15105	17502	33174	37190	34126	31313	37839	37727	34728 ⁴	27658 ³
1 000 000 to 2 000 000	15553	12837	39669	39685	30718	30155	32343	33373	34514	26272
2 000 000 to 5 000 000	2009	4352	19774	21689	29781	47166	49002	50328	33483	23046
5 000 000 and over			6252	19620	39882	59764	57835	71713	36671	25507

Note for period 1910-1922 deposits exclude due to banks, since this item is not given in the individual statements. For this reason totals shown here are less than totals obtained from consolidated statements for the State shown in the Comptroller's Reports.

⁴Wrightson 1910-1914 2, other years 1.

For Table 15

Table NUMBER AND DEPOSITS OF STATE BANKS IN KANSAS 1910-1928 - NOT MEMBERS OF GUARANTY SYSTEM
Banks grouped by amount of deposits

	Aug. 15 Sept 1 1910	Sept. 12 1914	Aug 31 Sept 1 1918	Aug 28 Sept 1 1920	Sept 1 Aug. 31, 1922	Sept 1 Aug. 21, 1924	Sept 1 1926	Sept 15, 1928	Average 1918-1926	Average ²
Number of Banks total	661	445	440	434	391	377	418	818	412	509.0
Banks with deposits of										
100,00 or less	428 ¹⁾	308	147 ²⁾	135 ²⁾	175	131 ²⁾	122 ²⁾	166 ¹⁾	142	234.8
100 000 to 250,000	185	109	190	191	158	1177	183	363	180	185.0
250 000 to 500 000	40	25	78	77	41	49	69	196	63	64.0
500 000 to 1,000,000	5	1	20	27	13	14	28	60	20	171.4
1 000 000 to 2 000 000	2	2	5	4	4	5	10	28	6	6.4
2 000 000 to 5000 000	1					1	6	5	1 ⁴	1.4
5 000 000 and over	0					0		0		
Deposits total (thousands of dollars)	70406	43343	84941	87926	64012	72041	112217	229687	84227	87832.2 ²⁾
In banks with deposits of										
100 000 or less	22919	16204	8829	7956	10494	8254	8000	11563	8706	13334.
100 000 to 250 000	27211	16297	30999	30677	24928	28170	30002	59222	28955	29107
250 000 to 500 000	12563	7856	26127	25496	14030	16916	24651	67117	21444	21518
500 000 to 1 000 000	3275	529	12293	18776	8997	10175	20129	41362	14074	11934.
1,000,000 to 2 000 000	2390	2457	6693	5021	5563	6380	14746	39209	7681	8730 ⁵⁷³¹
2,000,000 to 5,000,000	2048					2146	14689	11214	3367	3215
5,000,000 over.						0	0	0		

DO NOT TYPE

1) two banks with out deposits.
2) one

Weighting 1910 and 1914 2,
other years 1

STATISTICAL DATA REGARDING DEPOSIT GUARANTY FUND IN Kansas

I. COVERAGE AND ASSESSMENTS - page 2
note - see page 1

Year	All banks in State (Reports of Comptroller of Currency)			All banks in State (State reports) <i>Call date nearest Sept 1</i>			Banks members of guaranty fund <i>Call date nearest Sept 1</i>			Assessments			
	Number (including loan & trust companies)	Total capital account	Total deposits	Number	Total capital account	Total deposits	Number Sept 1	Total capital account	Total deposits	Insured deposits	Deposits on which assessments were based	Rate of assessment percent of deposits	Amount of assessments levied
					213								
1909				819	21865	97218							
1910				860	23821	96337							
1911				888	25355	96883							
1912				902	n.a. ²⁾	106049	456						
1913				928	28728	118170							
1914				936	n.a. ²⁾	113208	499						
1915				961	32583	129057							
1916				987	34694	165620	539						
1917				1016	36996	211133							
1918				1044	39943	266290	604						
1919				1084	44118	298435							
1920				1113	49024	307512	676						
1921				1110	50355	263275							
1922				1094	48236	249337	703						
1923				1072	46845	244501							
1924				1034	45051	248555	651						
1925				1015	43808	263879							
1926				989	44054	258012	564	[6,061]	225	1)			
1927				910	41962	225440							
1928				863	40914	235544	39	2)					
1929				824	40597	221192							

1) Number Sept. 1 in statement of balance of fund (Commissioner's Report, 1926, p. 511) - 564
 " " " " text of report " " " p. 3 - 225 in good standing (i.e. did not default on July assessment)
 2) List shows 42, 1 which 3 were stated to be withdrawing.

Kansas:

Guaranty Fund Banks.

amts in thousands of dollars.

	Number	Capital ^A	Deposits	Reserves
1910				
1912				
1914				
1916				
1918				
1920.	676	26111	222087	258511
1922	703	28358	188117	224478
1924	651	26125	176077	205531
1926	565 ¹⁾	20945	155148	178021
1928	42 ²⁾	962	4864	5845
1930.				

1) Contains 1 bank marked "Member of Guaranty Fund"; but not included in list of banks.
 2) Contain 3 banks with drawing.

A) Total Capital account. (Capital + Surplus.)

Table 16

EARNINGS DATA - ALL STATE BANKS IN KANSAS, 1909-1928

(In thousands of dollars)

DO NOT TYPE

Calendar year	Interest on deposits ↓	Gross losses ↓	Net profits ↓	Dividends ↓	Average capital invested during year	Total capital account
1909	797	361	2945	1692	15735	21375
1910	910	417	3131	1818	16520	23441
1911	1007	322	2879	1872	17360	25153
1912	1239	398	3126	2141	18009	27055
1913	1456	642	3143	2108	18753	28381
1914	1623	480	2892	1985	19315	30411
1915	1847	493	3444	2376	20004	32269
1916	2223	635	4204	2607		34723
1917	3178	849	4371	2933		37028
1918	3772	830	4643	3083		39814
1919	4291	978	5422	3369		43769
1920	4937	1437	5054	3366		48197
1921	4820	2093	2984	2669		49757
1922	4702	2575	2190	2209		48929
1923	4437	2514	1963	1902		47253
1924	4508	2262	1637	1748		45443
1925	4625	2519	1675	1780		44659
1926	4293	2955	1513	1611		44073
1927	3909	2923	1395	1481		42135
1928	3725	2430	2187	1676		40929
<u>Total for 20 years</u> <u>20-year totals</u>	62299	28113	60998	44426		754792

↓ Federal Reserve Bulletin, February 1938, p. 122. ^{Tabulated from data in the} ~~Biennial~~ Biennial reports of the Bank Commissioner.

- 2) From Biennial Reports of the Bank Commissioner. ~~But report in this form subsequent to 1915.~~
- 3) Capital surplus and reserves - computed average at all call dates in year, tabulated from consolidated statements of assets and liabilities in biennial reports of the Bank Commissioner.

Law enacted 1909 Effective June 30, 1909
 Repealed March 14, 1929

STATISTICAL DATA REGARDING DEPOSIT GUARANTY FUND IN Kansas
 I. COVERAGE AND ASSESSMENTS - page 1

Year	All banks in State ^{State} June 30 (Reports of Comptroller of Currency)			All banks in State (State reports) ^{State} Call date nearest Jan 1.		All State banks in State ^{State} Average of all call dates during year Bank members of guaranty fund				Assessments		
	Number (including loan & trust companies)	Total capital account Date	Total deposits	Number	Total capital account Date	Number <u>Smallest</u> <u>Largest</u>	Total capital account	Total deposits	Insured deposits	Deposits on which assessments were based	Rate of assessment percent of deposits	Amount of assessments levied
1909	(SR) 788	June 30	(SR) 88,490	742								
1910	(SR) 855	June 11	94,213	764	11-27-08	777	831	21375	94584			
1911	(SR) 871	June 7	93,564	831	12-31-09	843	869	23441	96244			
1912	(SR) 874	June 14	92,785	869	11-23-10	869	897	25153	96567			
1913	(SR) 899	June 4	98,687	897	12-27-11	896	903	27055	103109			
1914	(SR) 919	June 30	111,912	903	12-4-12	908	930	28381	112765			
1915	(SR) 932	June 23	112,476	930	12-4-13	927	939	30411	110279			
1916	(SR) 944	June 30	101,335	939	12-12-14	940	967	32269	130498			
1917	(SR) 978	June 6	129,978	967	12-31-15	972	997	34723	159022			
1918	(SR) 1003	June 6	145,685	997	12-11-16	1000	1020	37028	209861			
1919	(SR) 1037	May 8	202,131	1020	11-24-17	1027	1054	39814	249028			
1920	(SR) 1063	May 15	202,142	1054	11-27-18	1058	1092	43769	278988			
1921	(SR) 1084	May 13	236,514	1092	11-15-19	1098	1113	48197	293513			
1922	(SR) 1100	June 30	236,524	1109	12-18-20	1106	1112	49757	264219			
1923	(SR) 1112	June 6	262,814	1108	12-31-21	1084	1104	48929	242267			
1924	(SR) 1097	June 30	262,958	1084	12-11-22	1057	1080	47253	241846			
1925	(SR) 1068	June 30	244,186	1057	11-15-23	1033	1042	45443	242055			
1926	(SR) 1033	May 12	220,343	1040	12-26-24	1010	1029	44657	256809			
1927	(SR) 1019	June 2	250,195	1010	12-10-25	967	1003	44073	243766			
1928	(SR) 1021	May 20	234,383	967	12-27-26	896	924	42135	224070			
1929	(SR) 997	June 30	234,699	896	12-15-27	854	878	40929	225894			
	(SR) 993	June 30	227,099	854	12-26-28	823	840	39903	214645			
	(SR) 923	June 30	227,651									
	(SR) 864	June 30	224,335									
	(SR) 830	June 27	214,889									

1) "Number" and "deposits" are from Comptroller's reports, unless marked SR which means figures are taken from State reports. If Comptroller's figures do not agree with those in State reports for the date of call nearest June 30, figures from State report are written in above Comptroller's figures. (1928-30, pp 420-21)

"Date" refers to date of call nearest June 30 used in State report. State report does not include "dividends declared but not paid" or "stockholders' special reserve fund" in "total deposits," but Comptroller evidently does for some years.

2) Reports ^{of condition} for September, 1912, and September, 1914, are not published in any of the State reports for the period 1911-1916, so capital account cannot be computed. Deposit figures were obtained from 1928-30 State report (see footnote 1.)

Deposits in Active Kansas State Banks during operation of the
 Guaranty Fund, as of June 30th each year

Year	Total	State	Stock Savings	Private	Loans Trust Cos
1910	847 93564	827 88336	13 3763	4 502	3 903 ✓
1911	874 92665 ✓	855 87107 ✓	11 3970 ✓	4 437 ✓	4 1151 ✓
1912	899 98860	877 92491 ✓	13 4422	4 447	5 1500 ✓
1913	919 112476 ✓	896 105470 ✓	13 5067 ✓	4 433 ✓	6 1506 ✓
1914	932 101335 ✓	911 95158 ✓	11 4557 ✓	3 342 ✓	7 1278 ✓
1915	944 130061	921 122794	10 5029	3 348	10 1890 ✓
1916	978 145785	964 142861 ²⁾		²⁾ 3 347	11 2576 ✓
1917 June 6	1003 202142	987 197397	2 ³⁾ 653	3 472	11 3620 ✓
1918 May 8	1037 236524	1022 231581	2 715	2 400	11 3828 ✓
1919 Aug. 23	1084 298453	1068 ⁴⁾ 292467	1 295		15 5691 ✓
1920	1100 291952	1083 284708		4 534	13 6710 ✓
1921	1112 262958	1112 ⁵⁾ 262958			
1922 June 6	1097 238154	1080 231113		2 308	15 6733 ✓
1923	1068 244304	1050 235228		2 328	16 8748 ✓
1924	1033 220361	1015 213113		2 308	16 6940 ✓
1925 June 2	1021 250217	1004 242410		2 385	15 7422 ✓
1926 May 20	993 234699	974 227175		2 351	17 7173 ✓
1927	923 227651	898 219701		7 519	18 7431 ✓

Comptroller

1) See note on Nebraska sheet

2) Includes stock savings banks with state banks

3) Banks which do a strictly savings business

4) Includes private banks

5) Includes all banks other than national

quaranty funds reported to state & tabulated from
 Indorsement Statement of S. B. W. 1918 - by Parks;

par

	Page 1 46 ✓	Page 2 42 ✓	Page 3 40 ✓	4 43 ✓	5 42 ✓	6 40 ✓
	1000	1000	—	1500	1000	500
	2000	1500	500	1000	500	500
	500	500	2000	500	1000	500
	500	2000	1000	1000	500	1500
	1000	500	1000	1000	500	1000
	1000	500	3000	1000	500	500
	500	500	1100	500	5000	1500
	500	1000	1000	1000	—	500
	1000	1500	500	2000	500	500
	1000	500	500	2000	1000	1000
	500	not made.	1000	1000	1000	500
	1000	3000	after the report.	500	2500	500
	1000	after the report.	2500	—	1500	1000
	not made No right.	1000	1000	500	after	3500
	1000	500	1000	—	1000	after
	1000	1500	1000	1000	500	500
	500	1000	500	500	2000	1000
	500	—	1500	1000	1000	500
	500	1000	—	500	1000	1000
	500	1000	2000	5500	2000	1000
	1000	500	2000	1000	1500	1500
on list time	500	1037	1000	—	1000	500
	1000	—	1000	4000	500	500
	2000	1000	1000	8000	1000	500
	2000	1200	—	—	1500	1000
	500	500	500	500	500	—
	500	1250	—	500	500	—
	1000	500	1000	500	500	2000
	1000	1000	500	1000	2000	—
	500	—	1000	2000	2000	1000
	7000	1500	500	1500	500	745
	1000	500	1000	1000	1000	—
	1000	1000	1500	500	—	2000
	1500	(not checked)	1500	500	1100	1000
	1000	1000	2500	3500	—	1000
	—	500	500	1000	500	—
	1000	1000	500	500	500	5500
	1500	2500	1500	1000	1000	7000
	1000	2500	1000	1500	1000	1000
	500	1000	500	1500	not made. 1500	3000
	500	1000	—	2000	—	1000
	1000	not made. 500	—	1000	500	1000
	500	500	500	1000	500	5000
	1000	1000	1000	1000	500	2000
	3000	500	500	2000	1000	1000
	1000	500	500	1000	1000	1000
	500	500	500	1000	1500	1000

	Page 7 41 ✓	Page 8 37 ✓	Page 9 41 ✓	10 41 ✓	11 45 ✓	12 41 ✓
1000		528	500	1000	1000	500
1500		2200	—	1000	500	500
—		3000	1500	2500	1500	500
1000		6000	1000	1000	500	1500
—		1000	500	500	1000	—
1500		500	1500	1000	—	1000
500		—	—	500	1000	1000
1500		500	1000	500	500	500
1000		—	1000	1000	1000	1000
2500		—	1000	500	500	500
—		1500	1000	500	1000	1000
2000		1000	500	500	4500	500
2500		500	1500	500	2000	1500
2000		1000	1500	500	500	1000
<i>in funds</i>		—	1500	4500	1000	1000
7500		500	2000	1000	1000	1000
1500		1500	1500	1000	1500	1500
2038		2000	1000	—	500	500
500		500	1000	500	1000	500
—		—	500	2000	1000	79.8
2000		1000	cl 18 -	1000	500	3000
1000		2500	1000	—	1000	500
—		2000	<i>in funds</i> 4400	500	500	—
500		2000	500	500	1000	4500
4500		—	500	—	—	1000
500		500	500	—	4000	500
600		—	500	1500	1000	2000
1500		500	1000	1500	500	1000
1000		500	1500	1500	1500	500
3000		500	500	2500	600	—
1000		1000	—	500	500	1000
1000		(cl 19)	—	500	1000	500
1500		500	500	500	1000	500
500		500	500	1000	500	2500
1500		1000	1000	1000	1000	500
1000		—	500	1000	500	1000
500		1000	—	1500	1000	cl 18 -
—		1000	500	1500	500	2000
500		2000	1000	1000	500	2000
1000		—	1000	1000	1000	1000
1000		500	500	1000	500	500
500		500	1000	1500	500	500
1000		600	1000	—	1000	500
500		500	1000	1000	1000	500
2000		1500	1000	—	1500	1000
2500		1500	500	500	1500	—
500		1500	1000	3176	1000	2000

Aug 13
46 ✓

14
38 ✓

15
15 ✓

500	Mr Bird's	1000
500	500	-
500	500	1000
500	500	500
1500	500	500
500	1000	1600
500	500	4000
500	500	500
1000	500	500
500	1000	500
1000	500	1500
1500	1000	1000
500	1500	500
500	1750	-
1000	1500	1000
1500	1500	500
500	500	
500	1500	
500	1500	
1000	500	
500	500	
2000	500	
500	-	
500	500	
500	500	
1000	1500	
1000	-	
1000	1000	
1500	1943	
13500	1500	
2500	1000	
13000	1000	
3000	500	
4500	21500	
8000	2500	
3500	chk 19	
500	-	
2000	-	
500	4500	
1000	-	
500	Choptw	
1000	3000	
500	6000	
500	5000	
-	1000	
1000	-	
500	2500	

noted in log

March 5-1942

Dr. Warburton:

Re;, Kansas

Three ~~State~~ size distributions of active banks.

A- Guaranteed Banks;

In the individual statements they report the amount of Guarantee funds with the Treasurer of the State.

In compiling this data I have used only the statements that have funds with the treasurer; In some cases the statements are marked members of the Depositors guaranty fund, but have no funds reported to the treasurer these are not in the tabulation of Guaranty banks.

1909- 1910 Reports 855 State banks
3 Trust Co
4 Private abnks

862 Banks of which 208 are members of the guarantee fund.

Deposits include.

Ind. Deposits
Banks and Bankers
Time
Demand
Cashier's and Cer, Checks.

6666

years	Reported by state mem fund	state banks	trust co	private	tabulated as Guaranty	not guaranty	total
1909-10	862	855	3	4	208	661	862
1911-12	901 456	892	5	4			
1913-14	936 499	925	8	3	491	445	936
1915-16	987 539	973	11	3			
1917-18	1044 1604	1029	13	2	604	440	1044
1919-20	1113 676	1099	13	with state	678	434	1112
22	1094 703	1079	14	with state	703	391	1094

a - 1 In cv. not yet open for business difference in totals.

only 1098 statements of State Bank

years	Reported by state mem fund	state abnkd	trust co	Private	tab.as Guarantee	not guaranty	total
1923-24	1036	651	1021	16	660	377	1037
1925-26	973	564	956	17	555	418	973
1927-28	863	39	845	18	45	819	864

All the above figures are as of sept 1.

B

b. Nonguaranteed; See (A)

C. National Bankd tabulated from the Comptroller of Currency 1910 to 1922 annual reports and deposits consist of the following items:

Demand and time deposits and u.s. Deposits.

1922-1928 Deposits consist of the following items ; Due to banks, Time and Demand, and U. S. Deposits,

1924-1928 tabulated from the individual statements of national banks and the years are as of december 31 . 1910 -1924 are as of September 1.

0 100 250 500 1000 2000 5000 -

✓ 627	8	1845 ¹⁰	1678 ⁵ ✓		2739 ²		8889	25
✓ 641	11	2511 ¹⁶	2083 ⁶ ✓				5235	33
✓ 800	13	1930 ¹²	3060 ⁹ ✓	857 ¹			6647	35
✓ 419	7	872 ⁶	816 ² ✓				2107	15
✓ 387	6	1251 ⁷	1217 ⁴ ✓	542 ¹			3397	18
✓ 92	1	790 ⁴	681 ² ✓	517 ¹			2080	8
✓ 507	9	1070 ⁶	1109 ³ ✓	589 ¹			3269	19
✓ 629	10	3005 ²⁹	2177 ⁷ ✓	2471 ⁴	1174 ¹		10456	46
✓ 94	1	637 ³	251 ¹ ✓	791 ¹			982	5
✓ 144	2	213 ⁹					357	4
✓ 376	7	822 ⁶	1222 ³ ✓	734 ¹			3154	17
✓ 565	10	2425 ¹⁴	2370 ⁷ ✓		1450 ¹		6910	32
✓ 300	11	2593 ¹⁶	951 ³ ✓	1189 ²			5333	32
✓ 285	5	732 ⁵	261 ¹ ✓				1278	11
✓ 366	5	822 ⁶	-	528 ¹			1716	12
✓ 394	9	1365 ⁹	1295 ⁴ ✓	-	1330 ¹		4384	23
✓ 312	4	850 ⁵	1122 ³ ✓	586 ¹			2870	13
✓ 496	9	1520 ²⁰	1768 ⁶ ✓	526 ¹			7310	26
✓ 102	-	1330 ⁸	-	1272 ²			2704	12
-	-	331 ²					331	2
✓ 123	2	434 ³	809 ²	-			1366	7
✓ 680	12	2651 ¹⁶	3257 ¹⁰ ✓	2482 ⁴			9080	42
✓ 99	1						99	1
✓ 97	1						97	1

146 10190 78 20 5 439

8829 30,999 26/27 12293 6693⁵ ok

✓

quaint -

1918

100	100	250	500	1000, 2000	5000		g total		
539 ⁷	3414 ¹⁹	1895 ⁶	1970 ³	1401 ¹		✓ 9219	36 ✓	16108	64
426 ⁶	3858 ²²	4415 ¹³	549 ¹			✓ 9248	42	14483	75
437 ⁶	3559 ¹⁹	5498 ¹⁶	5105 ⁸			✓ 14594	49	21240	84
79 ¹	2133 ¹²	1157 ⁴				✓ 3369	17	5476	32
158 ²	1670 ¹⁰	3177 ¹⁰	3439 ⁵	2044 ¹		✓ 10988	28	13885	46
154 ²	1527 ⁹	880 ³	750 ¹	1318 ¹		4629	10	6709	24
339 ⁵	2025 ¹¹	3791 ¹¹	538 ¹			6693	28	9962	47
465 ⁶	2789 ¹⁶	1956 ⁶	1583 ³	3537 ²		10330	33	20786	79
-	740 ⁴	1010 ³	781 ¹	1032 ¹		3583	9	4546	14
50 ¹	217 ²	1340 ⁴				1607	7	1964	11
44 ¹	1164 ⁶	3203 ⁹	1554 ²	2903 ²		8868	20	12022	37
285 ³	4633 ²⁰	3471 ⁹	3478 ⁵			11867	43	18677	75
M 575 ⁸	4592 ²⁶	6029 ¹⁸	1162 ²			12358	54	17692	86
411 ⁶	1466 ⁷	687 ²	859 ¹			3423	16	4701	27
95 ¹	1591 ⁹	4343 ¹²	1196 ²			7225	24	8941	36
246 ³	3018 ¹⁶	2761 ⁸	578 ¹	2335 ²		8938	30	13322	53
✓ 90 ¹	455 ³					545	4	545	4
✓ 205 ³	3020 ¹⁷	1587 ⁵				4812	25	7682	38
688 ⁹	3622 ²²	4008 ¹⁴	2581 ⁴	1152 ¹		12048	47	16358	73
193 ³	467 ³	2111 ⁶	2183 ³	4669 ³	3821 ¹	13444	19	16148	32
-	151 ¹	-	-	-	-	151	1	482	3
84 ¹	636 ⁵	293 ¹				1013	7	2379	14
413 ⁷	2128 ¹³	4752 ¹⁴	3242 ⁵	3582 ³	2143 ¹	5665 ¹	44	30995 ¹³	86
97 ¹	181 ¹	701 ²				882	3	981	4
9 ¹	333 ²					333	2	430	3
82 ⁸	281 ¹	173	48	16	3		604 ✓		1144
5976	49,389	59,059	31,548	(21,929)	8008	18,572		266,509	
✓	✓	✓	✓	✓	✓	5665			

Reducta

Bigelow	-	not noted	Graves
Brewster	"	"	" "
Montenoe	"	"	" "
Greenland	"	"	" "

Hessing	marked	noted
East	"	" funds

quantities

1920

	0	100	250	500	1000	2000	5000				
A	546	3188 ¹⁸	2539 ⁸	2308 ³	2885 ²			38	11466	17858	644
B	555	3705 ²³	4792 ¹⁵	1448 ²	-	-	-	47	10506	16605	882
C	579	4060 ²³	5871 ⁶	5405 ⁸				55	15915	23215	88
D	230	2008 ¹¹	1241 ³	600 ¹				18	4099	6527	32
E	140	1997 ¹¹	3707 ¹⁰	1250 ²	1191 ¹	4218 ²		28	12503	16371	48
F	168	1024 ³	1932 ⁸	777 ¹	2349 ²			17	6250	7892	26
G	124	2600 ¹⁴	3041 ⁹	1736 ³				29	7506	11549	49
H	410	2750 ¹⁸	4049 ¹²	1270 ²	1694 ¹	2338 ¹		39	12511	21748	79
I	-	838 ⁵	1058 ³	-	2291 ²			10	4187	4870	15
J	133	273 ²	1551 ⁵	-				9	1957	2349	12
K	-	949 ⁶	1987 ⁶	5123 ⁸	3923 ³	2440 ¹		24	14320	16270	36
L	447	3377 ²³	4926 ¹⁶	4009 ⁹	2345 ²			54	15466	21333	77
M	637	4706 ²⁸	7755 ²²	838 ¹				59	13936	19353	88
N	207	1739 ¹¹	607 ²	1634 ²				19	4187	5474	28
O	291	1648 ⁹	3842 ¹²	2835 ⁵				30	8616	10140	39
P	264	3455 ¹⁸	2633 ⁸	1448 ²	2704 ²			32	10501	15007	60
Q	-	473 ³	276 ¹					4	749	749	4
R	397	2204 ¹³	2371 ⁸	597 ¹				27	5569	8694	42
S	551	4358 ²⁴	4650 ¹⁴	1314 ²	2664 ²			50	13537	18562	78
T	173	1176 ⁶	1214 ⁴	1759 ²	2485 ²	4136 ²	5314	19	16257	17590	28
U	-	173 ¹						1	123	653	3
V	345	621 ⁴						9	966	2338	16
W	673	2818 ¹⁶	5230 ¹⁵	3628 ⁶	8748 ⁶	-	5634 ¹	54	26781	34390	79
X	49	-	1046 ³					4	1095	1095	4
Y	90	171 ¹						2	261	514	3
Z	-										

94 295¹ 198 58⁵ 25 6 2

7006 ~~56981~~ ~~66429~~ ~~3748~~ 332913132 10948 219223 309,149

56989 66268 31970 219412 338

✓ ✓ ✓ 219352

0 100 250 500 1000 2000 5000

357⁷ 1518¹⁰ 2094⁷
 860¹⁸ 2654¹⁵ 2591⁸
 732¹² 2025¹³ 843³ 3700⁵
 246⁴ 985⁷ 662² 555¹
 292⁵ 2085¹¹ 910³ 581¹
 104³ 586⁴ 313¹ 639¹
 414⁸ 1124⁶ 1774⁵ 736¹
 671¹⁰ 2829¹⁹ 2295¹ 3442⁵
 71¹ 342³ 270¹
 54¹ 338²
 389⁵ 758⁵ 883²
 124³ 2156¹⁴ 1218⁴ 639¹ 1557¹
 514⁴ 2219¹⁴ 1960⁶ 724¹
 194³ 818⁶ 275¹
 252³ 644⁴ 628²
 895¹² 1917¹² 749² 945¹
 430⁶ 847⁵ 777² 1071²
 496⁸ 2048¹³ 1832⁶ 655¹
 190² 1143⁷
 195¹ 285¹
 62² 550³ 760²
 544¹⁰ 2500¹⁵ 2634⁷ 2041³
 78² 175¹
 73¹ 221² 1743⁵ 3095⁴ 1041¹

26 6392
 41 6105
 33 7300
 14 2448
 20 3868
 9 1642
 20 4048
 40 9237
 5 683
 3 392
 12 1950
 23 5694
 29 5417
 10 1287
 9 1524
 27 4506
 15 3125
 28 5025
 9 1333
 2 480
 7 1372
 35 7719
 3 254
 13 253
 13 6126

134 191 77 | 27 | 4
 7956 30677 25496 | 18776 | 5021

433 112
 433 87926
 7 87926
 420
 678
 1098
 2012

	585 ¹¹	1504 ⁹	966 ³	907 ¹	1020 ¹	4976	25
	1632 ¹⁷	2386 ¹⁵	603 ²			4021	34
	885 ¹⁴	1071 ⁶	317 ¹	1793 ³		9066	24
P	482 ⁷	527 ⁴	350 ¹	504 ¹		1863	13
	191 ³	1021 ⁷	898 ²			2110	12
F	2804	443 ³				723	7
g	383 ⁹	1414 ⁸	321 ¹	683 ¹		2721	19
	998 ¹⁶	3621 ¹⁹	2407 ⁷	1459 ²		7885	44
	208 ³	351 ²				559	5
	53 ¹	132 ¹				185	2
K.	327 ⁶	538 ³	670 ²			1535	11
L	368 ⁷	1537 ¹⁰	550 ²	1678 ¹		4133	20
M.	719 ¹²	1699 ¹¹	1162 ⁴	580 ¹		4160	28
N	62 ¹	756 ⁶				818	7
O	339 ⁶	637 ⁵				1976	11
	700 ¹¹	1674 ¹⁰		904 ¹		3278	22
	501 ⁷	377 ²	1347 ⁴			2225	13
	671 ¹²	1878 ¹²	678 ²			3227	26
	184 ³	712 ⁵	474 ¹			1370	9
	97 ¹	353 ²				450	3
V.	197 ⁴	510 ³	318 ¹			1025	8
W.	882 ¹⁴	1712 ¹¹	1571 ⁴	664 ¹		4829	36
X							
Y.	176 ³					176	3
Zn:	174 ³	675 ⁷	1404 ⁴	1583 ²	2865 ²	6701	15

175 159 41 13 4 391
10,444 24,928 14,030 8997 5563 64012

not marked - June

arcadio

Douglas "

Mulvome "

Sage City ✓

Protection ✕

Seneca ✓

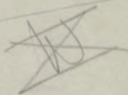
Severy ✓

Smith Center ✓

Witchita ✓

arcadio 1 marked June

1 not marked



658

Quartered

1924

	0	100	250	500				Value
	700 ⁹	3557 ²¹	1120 ⁴	2219 ³	-	2140 ¹		✓ 38 9736 -1 +1 14721 59
	848 ¹²	4508 ²⁹	2023 ⁷	1681 ²				✓ 48 9060 -1 -1 13678 80
	797 ¹³	4043 ²⁵	5124 ¹⁴	3298 ⁵				✓ 57 13262 -2 -3 17855 80
	348 ⁵	1336 ⁹	1117 ³	529 ¹				✓ 180 3330 -2 0 5439 31
	314 ⁵	2668 ¹⁵	9140 ⁹	1553 ²	1409 ¹			✓ 32 9084 0 0 11349 44
F	220 ³	1052 ⁶	1654 ⁵	1151 ²				✓ 16 4077 0 0 4996 23
	287 ⁴	2965 ¹⁶	1663 ⁵	644 ¹				✓ 26 5559 0 -1 8215 42
*	466 ⁷	2988 ¹⁸	2397 ⁷	656 ¹	3241 ²			✓ 35 9748 0 +2 17409 75
	76 ¹	1010 ⁵	277 ¹	1610 ²	1277 ¹			✓ 10 4252 0 +1 4934 15
	156 ²	872 ⁵	875 ³					✓ 10 1903 0 2064 12
K.	69 ¹	834 ⁵	4194 ¹³	4511 ⁶	2307 ²	4833 ³		✓ 29 17448 0 -1 19163 42
	545 ⁸	4492 ²⁸	4606 ¹³	1466 ²	1091 ¹			✓ 52 12200 0 -3 16823 73
M	906 ¹³	5956 ²⁸	4341 ¹³	676 ¹				✓ 55 10879 0 -1 18945 86
N	323 ⁴	1478 ⁹	565 ²	1394 ²				✓ 19 3760 0 0 4629 26
O	373 ⁵	1332 ⁷	3470 ¹⁰	1119 ²				✓ 24 6298 0 -1 7852 36
P.	343 ⁵	3207 ²⁹ 3456	2408 ⁶ 2274 ⁷	507 ¹	2861 ²			✓ 34 9486 +1 +1 12894 54
	59 ¹	281 ²						✓ 3 340 0 0 340 3
Q.	503 ⁸	1643 ¹¹	1693 ⁶					✓ 25 3939 0 0 6492 37
S	651 ¹⁰	5352 ³¹	2093 ⁶	1299 ²	1363 ¹			✓ 50 10758 0 -2 14672 75
T	210 ³	1741 ¹⁰	283 ¹	2718 ³	2884 ²	2124 ¹	6217 ¹	✓ 21 16177 0 18643 30
U	-	179 ¹	-	-	-	-	-	✓ 1 179 0 636 4
V	170 ³	617 ⁴						✓ 7 787 0 +1 2029 15
W	707 ¹⁰	3291 ²⁰	2756 ⁸	1696 ²	3051 ²	4251 ²		✓ 44 15752 0 -1 21066 71
X	66 ¹	222 ¹	667 ²					✓ 4 955 0 955 4
Y.	87 ¹	128 ¹						✓ 2 215 0 432 4
		55005	47256	28727	13348 ¹			114
	9324	54756	46977	19486	6217			179 187
Total	126 - 324 -	139	40	14	6	1	660	114
							199084	243231
								231

List Reports: 651 - only has 650 names on;
 believe those records - always Member -
 the other differences are -
 9 Banks with funds - but not marked as to membership
 in the text.

	295 ⁵	1592 ¹⁰	1269 ⁴	1829 ²		21	4985
	818 ¹⁴	1976 ¹²	1824 ⁶			32	4618
	975 ⁸	1575 ¹⁰	578 ²	1965 ³		23	4593
E	466 ⁶	787 ⁵	305 ¹	551 ¹		13	2109
	151 ²	956 ⁷	1158 ²			12	2265
	137 ²	782 ⁵				7	919
	424 ⁸	1117 ⁶	470 ¹	645 ¹		16	2656
H	794 ¹²	2932 ¹⁸	3059 ⁹	878 ¹		40	7661
	61 ¹	621 ⁴				5	682
I	30 ¹	131 ¹				2	161
K	416 ⁷	895 ⁵	404 ¹			13	1715
L	468 ⁷	1771 ¹¹	595 ²	1789 ¹		21	4623
M	730 ¹²	2307 ¹⁴	1250 ⁴	779 ¹		31	5061
N	47 ¹	822 ⁶				7	869
O	167 ³	1387 ⁹				12	1554
	502 ⁷	1629 ¹¹	360 ¹	987 ¹		20	3478
	182 ³	1044 ⁶	741 ²	586 ¹		12	2553
	672 ¹⁰	1944 ¹²	720 ²	578 ¹		25	3914
	317 ⁴	633 ⁴		1576 ¹		9	2466
		457 ³				3	457
	111 ³	238 ²	893 ³			8	1242
	729 ¹⁰	1740 ¹¹	2133 ⁵	712 ¹		27	5314
	57 ¹	160 ¹				2	219

64117

127	173	46	13	2	361
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8049	27496	15757	9510	3305	
205 ³	674 ⁴	1159 ³	665 ¹	3075 ³	2146
130	177	49	14	5	1
8254	28120	16910	10,175	6380	2146

155	7924
11	72041
377	72041
	72041

Quantities

	less	100	250	500	1000	2000	5000				
6	470	2885 ¹⁷	2102	1436	2644	2		0	9537 ¹⁰ (34) - 14951	57	
11	907	3438 ²¹	3134	841	1471	1		+	9791 ¹⁰ (4) 0 14755	79	
9	523	3983 ²⁴	3537	4877		7		-	12920 ¹⁰ (50) +3 19232	73	
2	98	1047 ⁷	1208	1270		2		0	3623 ¹⁵ (15) +1 5836	27	
5	292	2379 ¹³	2263	730	2647	2		0	8251 ²⁷ (27) - 12514	41	
7	215	1467 ⁸	1539					0	3221 ¹⁵ (15) +1 5453	23	
	271	1572 ⁹	2457	1199		2		0	5499 ²² (22) 0 8365	38	
3	210	1936 ¹²	2059	1118				+	5323 ²³ (23) +2 18702	68	
	85	587 ³		1529				0	2201 ⁶ (6) 0 4735	14	
1	91	766 ⁴	950					0	1807 ⁸ (8) -3 2031	10	
8		500 ³	3181	4448			2800	-	110929 ¹⁹ (19) +2 1382	41	
7	523	3677 ²³	4540	2141	1057			+	11938 ⁴⁷ (47) +3 17550	71	
9	659	5002 ²⁹	3667	1868				-	11196 ⁵¹ (51) +1 17223	82	
5	317	1706 ¹⁰	601	1397				0	4021 ¹⁹ (19) 0 4773	25	
3	187	1517 ⁹	2427	1068				-	5199 ²⁰ (20) -1 7392	34	
4	313	2260 ¹³	2650		1417			0	6640 ²⁶ (26) 13220	47	
	62	309 ²						0	371 ³ (3) 0 571	3	
5	445	1644 ¹⁰	1460					0	3549 ²⁰ (20) +1 6647	34	
9	604	3978 ²²	2619	1242	1226			-	9669 ⁴² (42) -1 15107	71	
2	141	1841 ⁸	531	1830	2399		2193	0	8435 ¹⁷ (17) 14219	28	
		208 ¹						0	208 ¹ (1) 0 846	4	
3	171	52 ³						-	693 ⁶ (6) +1 2132	15	
9	694	2397 ¹⁴	3074	1427	1831			-	942335 ¹² (12) 21768	63	
	97	226	694					0	1017 ⁴ (4) 1017	-4	
	82							0	82 ¹ (1) 0 354	4	
									555	7183	16
	104	265	132	41	11	2			555	973	
									145,543	973	
	7457	45347	44633	28421	14692	4993			145543	257760	
									257760	257760	

	358 ⁶	1880 ["]	1361 ⁴	1815 ²				5414 ²³
	974 ¹⁵	2817 ¹⁷	566 ²	607 ¹				4964 ³⁵
	430 ⁶	1511 ⁹	1037 ³	3334 ⁵				6312 ²³
	330 ⁴	783 ⁵	1100 ³					2213 ¹²
E	204 ³	277 ²	2328 ⁷	1456 ²				4265 ¹⁴
F	85 ¹	757 ⁶	425 ¹	965 ¹				2232 ⁸
	237 ¹⁰	1546 ⁹	441 ¹	642 ¹				2866 ¹⁶
H	613 ¹	3169 ¹⁹	4053 ¹²	1199 ²	1723 ¹	2622 ¹		13379 ⁴⁵
	—	1312 ⁷	—	—	1222 ¹	—		2534 ⁸
	27 ¹	197 ¹	—	—	—	—		224 ²
K	487 ⁷	588 ⁴	1567 ⁴	3636 ⁵	1597 ¹	2578 ¹		10453 ²²
L	474 ⁷	2140 ¹³	776 ²	544 ¹	1678 ¹	—		5612 ²⁴
M	499 ⁹	2031 ¹⁴	2606 ⁷	891 ¹	—	—		6027 ³¹
N	140 ²	612 ⁴	—	—	—	—		752 ⁶
O	2614 ¹	1451 ⁹	481 ¹	—	—	—		2193 ¹⁴
P	504 ⁷	1650 ⁹	301 ¹	1368 ²	2757 ²	—		6580 ²⁸
	—	—	—	—	—	—		—
R	224 ³	819 ⁵	1535 ⁵	520 ¹	—	—		3098 ¹⁴
S	472 ⁷	2567 ¹⁶	2399 ⁶	—	—	—		5438 ²⁹
	252 ³	941 ⁶	—	—	1918 ¹	2673 ¹		5784 ¹¹
	—	320 ²	318 ¹	—	—	—		638 ³
	169 ³	571 ⁴	699 ²	—	—	—		1439 ⁹
W	814 ¹¹	1164 ⁷	2019 ⁵	1532 ²	—	6816 ³		12345 ²⁸
	—	—	—	—	—	—		—
	142 ²	130 ¹	—	—	—	—		272 ³
Jr.	304 ⁵	769 ⁴	639 ²	no digit	21620 ²	3851 ³		0 ¹
	—	—	—	—	—	—		7183 ¹⁶

121 183 69 28 10 6 1 418

8000 30,002 24651 20129 14746 14689 0 11227

Marked guaranteed	No Fund.	Not marked	Funds.
allen	Kiowa	Berw	Small Center
athia	Lafontaine	Bluff City	Topeka. atym B.
Brewster	Lansbury	Douglas	17 Shawnee
Dennis	Mulvane	Elk Gore (19) on list	Warrego
Esbon	Oxford	Farley	Waldron
Fredonia	Parsons	quidley	Wichita Merch
Fredona	Pantaul	Isa	" Paylis
Hillsboro	Russell	LeCompton	
Highland	Saffordville	Montezuma	
Kansas City: Com St B.R.	Salina	Narcotes	
" Fidelity	St Francis	Onago	
guaranty B.B.	Stanley	Otis	
River view B.B.	Winkfield	Piqua	
Safety B.B.	Woodbine	Patwin	

Not marked - No funds.

Kansas City Twin City & B:

$$\begin{array}{r} 956 \\ 17 \\ \hline 973 \end{array}$$

VIII. Statistical data -
failures

Worksheets showing
deposits, recoveries,
and losses in each
failed bank

In folder in cabinet

~~7 of files re suspension~~

Banks re revised lists of failed banks
not on lists for Commissioner's Report
showing causes of failure

Auburn La May 15, 1920

~~Durham La 7/1/20~~

~~Crawfordsville La Feb-23, 1922~~

Kansas City Mo Dec. 6, 1926 (Ames, Feltt
& Grant)

Bevens Mo Mar 7, 1927

Kingman Mo Jan 13, 1927

Note. This list relates to the
banks referred to in Table 10, note 1

banks, for which figures are also available as of date of closing in a report by a special Commissioner to the State Supreme Court, the deposits at date of closing were 7 percent less than those given on the schedules prepared for the Federal Reserve Committee.

not to be typed - Banks suspended, reopened and closed again

<i>Osawatimille State Bank</i>	<i>2-23-22</i>	<i>Reopened 3-4-22 closed 4-19-23</i>
<i>Burlington - Ripon State Bk</i>	<i>9-1-22</i>	<i>" 10-5-22 " 11-22-23</i>
<i>Adair - Cedar State Bk</i>	<i>10-22-23</i>	<i>" 7-22-24 " 8-19-25</i>

Differences in data for Kansas

List of 29 banks paid in full

On Dept list - not FDIC list Garden City: Peoples State Bank failed 4-15-24
Dept gives amount of payment. FR schedules show no inf. re g.f. payment
FR + Bank Comm Report show reorg 10-27-24

On FDIC list - not Dept. list Salina: Peoples State Bank
Dept shows full payment from assets (was guaranteed but no payment from fund needed)
FR schedules + Bank Com report do not show payment from fund - but all liability paid.
List of 2 banks paid (not in full) b/c F. Leavenworth failed 7/30/22 and Cherryvale - ~~check of~~

Deposits at date of failure: Frequently differ from those taken from Commissioner's report. Ask whether Dept figures are for claims proved, or deposits in books of bank at time of failure (probably latter from balance sheet shown in Dept. book). Also frequently differ from those on FR schedules, which may be due to use of call report data for ~~FR~~ schedules.

Deposits usually larger than guaranty certificates issued - due to exclusions from guaranty - deposits otherwise secured, primarily representatively redemptions or money borrowed, a carrying higher rate of interest than that prescribed.

Large difference in first failure - Abilene - may be due also to limitation on guaranty of savings deposits to \$100 per person (law changed in 1911). Look for asset and liability statement, but redrafted statement given in Dept report.

I Mtg. Eventually try to check in Bank Com report for last previous statement and watch for sketches in bankers' journals

Payments from guaranty fund Hope State Bank of Hope failed 4-26-22 ~~what about~~
For ~~cash~~ or two exp. Garden City - Dept shows amount from G.F. not shown on FR schedules or other previous sources. ~~2070 check~~

From inspection of statements - deposits at date of failure in Dept. record excludes cashier's checks

KANSAS

(see over)

Re American State Bank Wichita - closed
June 18, 1923

Data available

Deposits at time of failure - \$ 4,966,007 P
3,927,012 State records

Receivers certificates issued 3,704,732
Savings fund certificates 201,565

Certificates in favor of State Reserve Bank
(presumably deposits taken over by that bank) 3,599,929

Of which marked "credited by offset liability" 1,423,988

which presumably represents contributions of operating banks

Percentage dividends paid 42.11

In tabulations for detailed tables for Part Three of 1956 Annual Report FDIC

Guaranty fund certificates paid by receiver 84,879
@ 42.11 percent of such certificates issued 116,686
Guaranty fund certificates in loss at insured depositors

Receivers certificates not paid - in loss to other depositors and creditors 57.89 of those certificates \$ 2,144,670

It is presumed that of this loss a portion was assumed by operating banks (in insurance system) amounting to amount "credited by offset liability," a 1,423,988

Data sheet (typed) from Bank Commissioner gives "loss to guaranty banks in reorganization of American State Bank, Wichita" as

1,500,000

An alternative treatment of the American State Bank, per the Kansas report, might be to assume that the receivers' certificates in favor of the State Reserve Bank represented by "credited by offset liability" were insured deposits - and hence move this amount to insured deposit - Table 54 and 56, and charge notes

Another alternative treatment might be to assume that the amount "credited by offset liability" represents a loss on insured deposits of 57.89 percent. That is, to add

\$2,459,817 to insured deposits in Table 54 and
 10,358,291 to recoveries from liquidation of assets
 "credited by offset liability"

and, hence, the 1,423,988 to the loss on insured deposits (at the debit from loss on insured deposits)
 This would give 68.0% of deposit at time of failure as guaranteed

A third alternative treatment is to assume that all the receivers certificates in favor of the successor bank, amounting to \$3,599,929 represented insured deposits and to add this amount to the figure in Table 54, with a corresponding 1,515,930 to the left side of Table 55, and the 57.89% loss to left side of Table 56. 42.11% recovery
 This would give 96.8% of deposits at time of failure as guaranteed.

This is the most reasonable and is used for the FRB

Total - 119
 \$25,269
 47-82,747 8-8640
 A \$100,000 or less C 49-81,119
 49-81,119 DURING PERIOD OF DEPOSIT GUARANTEE BY AMOUNT OF DEPOSITS
 \$100,000 to B \$250,000 \$250,000 to B \$500,000
 \$500,000 to \$1,000,000 \$1,000,000 to \$2,000,000 \$2,000,000 to \$5,000,000 \$5,000,000 to \$10,000,000 \$10,000,000 or more
 A - Guaranteed banks June 30, 1949 to August 1, 1950
 B - Banks at 1, 1926 & Aug 31, 1928 - banks guaranteed on Sept 1, 1926
 C - Not guaranteed

701, 100 or less	100, 100 or less	100, 100 or less	101, 100 - 250, 000	101, 100 - 250, 000	101, 100 - 250, 000	251, 000 - 500, 000	251, 000 - 500, 000	501, 000 - 1,000, 000	1,000, 000 - 2,000, 000	2,000, 000 - 5,000, 000	5,000, 000 or more																		
43 ✓ 47 ✓ 81. 62 ✓ 10 ✓ 82 ✓ 149 ✓ 113 ✓ 189. 129 ✓ 116 ✓ 347. 455 ✓ 14-84,592 ✓ 648. 738 ✓ 1269 ✓ 4966 ✓	71 ✓ 53 ✓ 70. 35 ✓ 89 ✓ 19 ✓ 139 ✓ 157 ✓ 102. 185 ✓ 103 ✓ 260. 360 ✓ 408 ✓ 938. 693 ✓ 1216 ✓ 3927 ✓	32 ✓ 88 ✓ 81. 56 ✓ 39 ✓ 82 ✓ 143 ✓ 110 ✓ 188. 167 ✓ 169 ✓ 311. 346 ✓ 493 ✓ 599. 968 ✓ 4 ✓	87 ✓ 72 ✓ 69. 40 ✓ 46 ✓ 79 ✓ 235 ✓ 207 ✓ 151. 186 ✓ 105. 127 ✓ 294. 261 ✓ 317 ✓ 966. 543 ✓ 204 ✓	72 ✓ 79 ✓ 66. 59 ✓ 38 ✓ 83 ✓ 122 ✓ 196 ✓ 125. 107 ✓ 155. 222 ✓ 279. 312 ✓ 387 ✓ 565. 501 ✓	88 ✓ 49 ✓ 43. 88 ✓ 52 ✓ 64 ✓ 125 ✓ 146 ✓ 122. 167 ✓ 196. 208 ✓ 497. 336 ✓ 409 ✓ 448 ✓ 560. 567 ✓ 64 ✓	74 ✓ 71 ✓ 32. 80 ✓ 18 ✓ 8 ✓ 216 ✓ 149. 163 ✓ 150. 109 ✓ 481. 297 ✓ 265 ✓ 560 ✓	71 ✓ 60 ✓ 86. 85 ✓ 24 ✓ 43 ✓ 145. 205 ✓ 139. 207 ✓ 170. 110 ✓ 316. 285 ✓ 205 ✓ 2318 ✓ 560 ✓	30 ✓ 63 ✓ 72. 48 ✓ 41 ✓ 29 ✓ 151. 128 ✓ 143. 250 ✓ 122. 228 ✓ 274. 435 ✓ 2318 ✓ 570 ✓	12 ✓ 73. 41 ✓ 53 ✓ 67 ✓ 131. 142 ✓ 235. 178 ✓ 129. 229 ✓ 252. 481 ✓ 916 ✓ 336. 570 ✓	75 ✓ 59 ✓ 71. 29 ✓ 93 ✓ 22 ✓ 214. 196 ✓ 122. 200 ✓ 185. 113 ✓ 351. 274 ✓ 435. 543 ✓	82 ✓ 21 ✓ 29. 59 ✓ 89 ✓ 192. 112 ✓ 186. 146 ✓ 167. 118 ✓ 399. 286 ✓ 286. B ✓	55 ✓ 49 ✓ 62. 86 ✓ 33 ✓ 196. 158 ✓ 107. 152 ✓ 108 ✓ 254. 253 ✓ 383. 570 ✓	76 ✓ 69 ✓ 35. 47 ✓ 80 ✓ 146. 150 ✓ 166. 166 ✓ 105 ✓ 277. 354 ✓ 293 ✓ 575 ✓	49 ✓ 85 ✓ 56. 67 ✓ 49 ✓ 215. 106 ✓ 163. 129 ✓ 105 ✓ 277. 354 ✓ 293 ✓ 575 ✓	71 ✓ 23 ✓ 40. 28 ✓ 86 ✓ 86 ✓ 205. 120 ✓ 205. 226 ✓ 270 ✓ 270 ✓ 270 ✓ 270 ✓	60 ✓ 49 ✓ 55. 75 ✓ 51 ✓ 128. 137 ✓ 238. 241 ✓ 399 ✓ 399 ✓ 399 ✓ 399 ✓	63 ✓ 87 ✓ 93. 44 ✓ 42 ✓ 142. 135 ✓ 117. 196 ✓ B 399 ✓	12 ✓ 93 ✓ 48. 87 ✓ 17 ✓ 112. 123 ✓ 198. 154 ✓ 399 ✓ 399 ✓ 399 ✓ 399 ✓	56 ✓ 87 ✓ 41. 87 ✓ 15 ✓ 157. 214 ✓ 188. 208 ✓ 383 ✓ 383 ✓ 383 ✓ 383 ✓	21 ✓ 77 ✓ 56. 71 ✓ 61 ✓ 100. 170 ✓ 118. 196 ✓ 270 ✓ 270 ✓ 270 ✓ 270 ✓	69 ✓ 55 ✓ 47. 88 ✓ 36 ✓ 120. 233 ✓ 226. 113 ✓ 256 ✓ 256 ✓ 256 ✓ 256 ✓	85 ✓ 19 ✓ 62. 88 ✓ 94 ✓ 137. 106 ✓ 238. 124 ✓ 278 ✓ 278 ✓ 278 ✓ 278 ✓	23 ✓ 98 ✓ 28. 80 ✓ 91 ✓ 135. 248 ✓ 196. 194 ✓ 283 ✓ 283 ✓ 283 ✓ 283 ✓	49 ✓ 54 ✓ 74. 85 ✓ 20 ✓ 122. 189 ✓ 142. 166 ✓ 403 ✓ 403 ✓ 403 ✓ 403 ✓	74 ✓ 89 ✓ 44. 85 ✓ 61 ✓ 193. 103 ✓ 173 ✓ 173 ✓ 173 ✓ 173 ✓ 173 ✓ 173 ✓	54 ✓ 70 ✓ 82. 85 ✓ 45 ✓ 233. 188 ✓ 156 ✓ 156 ✓ 156 ✓ 156 ✓ 156 ✓ 156 ✓	19 ✓ 81 ✓ 49. 85 ✓ 59 ✓ 105. 152 ✓ 134 ✓ 134 ✓ 134 ✓ 134 ✓ 134 ✓ 134 ✓	98 ✓ 70 ✓ 87. 85 ✓ 43 ✓ 249. 128 ✓ 110 ✓ 110 ✓ 110 ✓ 110 ✓ 110 ✓ 110 ✓	54 ✓ 66 ✓ 93. 85 ✓ 62 ✓ 123. 83 ✓ 110 ✓ 110 ✓ 110 ✓ 110 ✓ 110 ✓ 110 ✓

Totals - Banks 39 Bks - 19 Bks - 41 58 Bks - 36 Bks - 28 Bks - 14
 3458 Ault - 1104 Ault - 2180 1961 Ault - 5624 Ault - 4743 Ault - 2065
 Totals - 154 60 214 40569
 Totals - 154 60 214 40569
 Totals - 154 60 214 40569

Bank failure rates in Kansas and contiguous States, 1910-1928
 E. By States and class of bank for entire period

State and national banks	Average annual failure rate		Aggregate Average number of operating banks	Number of failed banks	Failed per 100 operating	Assets (thousands)		Deposits in failed banks	Deposits in failed banks per 100 in operating banks
	Number	Deposits				Assets	Deposits		
<u>State and national banks</u>									
Kansas	.973	\$.67	23525 1225 1230	229	15.49 1869	6,546,355 5,444,405 3,443,540	43,750 44,671	\$ 12.70 12.97	
Four contiguous States	1.300	.56	3771	423 731	24.48 24.69	1896,471	205,281	10.71 10.72	
Nebraska	1.135	.30	1048	226	21.56	3,574,772	54,261	15.16 15.14	
Missouri	1.014	.30	1500	289	19.27	9,904,974	56,080	5.66	
Oklahoma	1.866	1.19	883	305 313	34.58 35.45	3,059,34	68,772	22.48 22.55	
Colorado	1.594	.52	340	103	30.29	2,425,91	24,091	9.93	
Entire United States	1.433	.28	28196	6067	21.53	31,808,000	1,699,659	5.34	
<u>State banks</u>									
Kansas	1.156	1.08	18,771 798 988	217	21.96 21.96	3,668,940 1,931,02 1,931,02	29,718 40,639	20.57 21.05	
Four contiguous States	1.446	.88	2962	806 814	27.21 27.48	9,028,37	151,400	16.77 16.78	
Nebraska	1.232	1.16	850	199	23.41	1,889,75	41,740	22.08 22.04	
Missouri	1.089	.51	1367	283	20.70	5,585,42	54,599	9.78	
Oklahoma	2.444	2.64	534	240 248	44.94 46.44	869,63	43,452	49.97 50.23	
Colorado	2.045	.89	211	84	39.81	683,57	11,609	16.98	
Entire United States	1.360	.40	20,426	5278	25.84	19,354,000	1,315,419	7.58	
<u>National banks</u>									
Kansas	.253	.14	4754 237 250	12	4.80 5.06	2,877,415 1,513,03 1,514,43	4,032	2.66 2.66	
Four contiguous States	1.761	.27	809	117	14.46	9,936,34	51,744	5.21	
Nebraska	1.718	.39	198	27	13.64	1,684,97	12,461	7.40	
Missouri	1.337	.02	133	6	4.51	4,319,32	1,481	3.4	
Oklahoma	1.931	.61	349	65	18.63	2,189,71	25,320	11.56	
Colorado	1.775	.38	129	19	14.73	1,742,34	12,482	7.16	
Entire United States	1.536	.14	7750	789	10.18	14,455,000	38,4240	2.66	
<u>Kansas - guaranteed banks</u>									
guaranteed State	1.392	81.31	10,124 533 521	141 158	26.45 29.4	2,249,636 118,402 1,255,16	29,560 33,044	24.97 26.33	
guaranteed State	.914	8.73	8,647 467 455	64 79	13.7 17.36	1,412,204 675,86 747,00	12,383 9,698	13.91 11.38	
guaranteed State (no national)	1.340		704	76	10.8	4,576,713	11,722	5.36	
national	.679	.34	705	71	12.91	2,261,43	14,420	6.38	

Subject to Kansas

Subject to Kansas

To be read

W. M. W.

Estimated average deposits in guaranteed & non-guaranteed State banks 1910-1926

Call date nearest	Thousands of dollars		Total	Percent of total in guaranteed
	Guaranteed	Non-guaranteed		
Sept 1, 1926	145543	112217	257760	56.5
1924	179114	72041	251155	71.3
1922	185915	64012	249927	74.4
1920	219352	87926	307278	71.4
1918	181572	84941	266513	68.1
1916	107984	57636	165620	65.2
1914	70329	43343	113672	61.9
1912	63342	42228	105570	60.0
1910	26371	70406	96777	27.2
Total	1179522	634750	1814272	
Average	131058	70528	201586	
Percent of total	65.0	35.0		

Interpolated on basis of change in proportion of non-guaranteed

Annual average in all banks from other side

Estimated guaranteed & non-guaranteed at above percentages } 125516 67586

193102

70-100
 BANK FAILURE RATES IN KANSAS AND CONTIGUOUS STATES, 1910-1928

A. Number of suspended banks

In green as revised for deposit quantity state reports (revised in 1957).

Year	Kansas	Total of contiguous states	Nebraska	Iowa	Missouri	Arkansas	Oklahoma	Colorado
State banks				Exclude int. contiguous		Exclude int. contiguous		
<u>Total</u>	<u>217</u>	<u>814</u> 806	<u>199</u>		<u>283</u>		<u>240</u> <u>248</u>	<u>84</u>
1910	1	4			1	1	3	
1911	-	11			1	1	8	2
1912	-	8			3	4	4	1
1913	5	22		1	2	1	16	4
1914	2	11	1		3	13	56	1
1915	2	10			2	4	56	2
1916	-	3	1			1	1	1
1917	-	2				3	2	
1918	2	9			3		3	1
1919	3	8			1	2	56	1
1920	4	20	5		3	9	8	4
1921	11	81	26	6	16	5	25 <u>29</u>	11
1922	20	74	23	7	11	2	31 <u>33</u>	7
1923	33	90	15	27	21	6	36	18
1924	13	102	14	44	41	9	41	6
1925	19	82	20	52	43	7	11	8
1926	45	101	22	89	56	13	13	10
1927	35	91	22	85	45	14	20	4
1928	22	89	50	36	31	13	3	3
<u>national banks</u>								
<u>Total</u>	<u>12</u>	<u>117</u>	<u>27</u>		<u>6</u>		<u>65</u>	<u>19</u>
1910	-							
1911	-							
1912	-							
1913	1	3	1					2
1914	1	1	1	1				
1915	-	1				2		1
1916	-					1		
1917	-							
1918	-							
1919	-	1					1	
1920	-					1		
1921	-	8	4	3			3	1
1922	-	10	1	2		1	8	1
1923	1	20	2	1	1		17	
1924	3	20	8	4			9	3
1925	-	18	1	16	1		9	7
1926	1	17	3	31	2	3	8	4
1927	1	12	3	21	1	2	8	
1928	4	6	3	6	1		2	

Includes trust companies and private banks, as follows:

		Number	Deposits
1913	Private	1	49
1919	Trust co	1	not available (probably refigured)
1921	Trust co	1	88
1926	Trust Co	1	87
1928	Private	2	78 (are not available)

Sources of data: state banks

Kansas - Reports of Bank Commissioner + F.R. Committee schedules (see other tables)
 Nebraska - Reports of Bank Commissioner + F.R. Committee schedules (see Nebraska quarterly fund material)
 Iowa
 Missouri
 Arkansas
 Oklahoma
 Colorado } 1921-1928, from Federal Reserve schedules

Private banks are included in Kansas, excluded in other States

Sources - national banks

1910-1920: Banks placed in receivership - Annual Report of Comptroller of the Currency 1931
 1921-1928: Federal Reserve Bulletin, Sept 1937

Articles
(over)

BANK FAILURE RATES IN KANSAS AND CONTIGUOUS STATES 1910-1928

B. Number of active banks *shown as revised for reports*

Year all data revised Jan State banks	Kansas w revised	Total & Contiguous States	Nebraska w revised	Iowa Exclude mt Contiguous	Missouri	Arkansas Exclude mt Contiguous	Oklahoma w revised	Colorado
<u>Total</u>								
1910	832	2595	662	951	1101		668	164
1911	869	2691	666	984	1144		695	186
1912	897	2685	669	1016	1193		633	190
1913	903	2768	694	1068	1260		617	197
1914	930	2828	728	1114	1308	431	583	209
1915	939	2884	765	1134	1352	413	563	204
1916	967	2943	803	1190	1374		557	209
1917	997	2993	839	1235	1382		547	225
1918	1020	3116	920	1285	1398		566	232
1919	1054	3176	942	1311	1408		581	240
1920	1092	3338	999	1233	1484		599	256
1921	1109	3428	1009	1355	1535	397	622	262
1922	1108	3315	986	1345	1528	397	556	250 <i>FR. d.</i>
1923	1094	3151	955	1329	1498	396	463	235
1924	1057	3086	938	1312	1506	396	428	214
1925	1040	2974	928	1238	1463	389	383	200
1926	1010	2884	903	1189	1416	389	376	189 <i>x</i>
1927	967	2772	883	1112	1345	376	367	177
1928	896	2646	855	1074	1280	364	343	168
<u>National banks</u> 18,771		56,268	16,144		25,970		10,147	4,007
<u>Total</u>								
1910	206	687	222		130	46	219	116
1911	208	721	237		129	45	229	126
1912	210	790	247		133	48	281	129
1913	210	807	241		133	49	306	127
1914	211	823	237		132	55	330	124
1915	214	822	218		130	59	350	124
1916	219	802	204		132	65	346	120
1917	223	874	192		132	67	428	122
1918	230	779	190		132	69	335	122
1919	237	803	191		132	78	355	125
1920	246	803	189		137	76	345	132
1921	265	887	187		133	83	355	142
1922	267	842	184		133	81	382	143
1923	265	906	182		134		447	143
1924	266	890	180		133		434	143
1925	257	851	173		131		407	140
1926	259	814	169		135		379	131
1927	256	781	160		136		358	127
1928	257	758	157		136		341	124
<u>Total</u> 4506		15,370	3760		2523		6627	2480

✓ Includes trust companies and private banks. Figures from Reports of Bank Commissioners.

✓ Figures 1910-1914, figures are for June 30.

Sources:

Kansas - Biennial Reports of Bank Commissioner
Nebraska - Annual Reports of State Banking Board
Iowa - Annual Reports of Sup't of Banks and (in early years) Biennial Reports of Auditor of State
Missouri -
Arkansas - 1921-1928, Form S-16a (basic source Paul McNally + FR Board reports)

Oklahoma 1910-1923 see report w/ deposit guaranty in Oklahoma
1924-1928, Form S-16a

Colorado 1910-1921 and 1926
Biennial + Annual Reports of Bank Commissioner (in some cases number for call date nearest Jan 1 is not given in report and has been obtained from number in next nearest call date and list of changes). 1922-1925 and 1927-1928 (not given in Commissioner's report for any date from Federal Reserve Bulletin Nov. 1937, p. 1107 adjusted in 1922-1925 for private banks)

Arkansas 1914-1915 (March - Oct 1914 calls) - First Annual Report of Bank Commissioner. Note, This is the copy received from Library of Congress but Fed. Res. library states that latest report published is 1923.

BANK FAILURE RATES IN KANSAS AND CONTIGUOUS STATES, 1910-1928

D. Deposits of active banks (thousands of dollars) *July 1928*

Year All State Deposits State Banks	Kansas no reserves	Total 4 Contiguous States	Nebraska no reserves	Iowa no reserves	Missouri no reserves	Arkansas no reserves	Oklahoma no reserves	Colorado no reserves
<u>Total</u>								
1910	99,505	446,040	73,282	246,921	284,770		54,769	33,219
1911	91,761	458,711	71,676	249,930	292,386		61,309	33,840
1912	100,374	470,316	73,890	278,962	315,813		44,604	36,009
1913	105,570	509,784	82,528	304,795	340,054		46,579	40,623
1914	107,234	539,719	92,747	314,129	354,989	513,22	46,631	43,352
1915	118,692	528,501	100,812	308,111	334,369	380,64	44,773	45,549
1916	134,674	584,568	114,488	329,634	369,972		48,460	51,648
1917	183,489	762,187	165,528	384,484	444,132		84,999	67,928
1918	225,321	964,129	223,499	455,656	519,438		137,392	83,800
1919	249,788	1,048,182	259,875	500,793	581,431		120,660	86,216
1920	292,721	1,252,446	278,769	654,254	679,153		190,900	103,622
1921	271,578	1,178,085	255,067	597,919	655,626	132,091	160,673	106,719
1922	246,004	1,046,266	216,478	532,159	674,086	118,886	112,579	93,123
1923	241,511	1,251,222	238,954	576,922	840,533	138,505	75,027	96,908
1924	231,666	1,164,030	239,985	625,914	759,447	136,919	77,719	86,879
1925	270,599	1,240,031	271,529	617,519	810,930	154,253	78,466	79,106
1926	247,909	1,264,414	281,547	595,883	824,908	153,555	86,122	71,837
1927	233,497	1,196,035	275,552	565,376	759,645	145,748	90,166	70,672
1928	217,126	1,204,236	274,525	564,497	770,609	153,633	90,661	68,441
<u>National Banks</u>	366,893	1,153,902	3,599,531		10,612,293		1,652,289	1,298,789
<u>Total</u>								
1910	89,879	585,031	115,709		304,931	17,269	51,046	113,345
1911	79,368	577,722	107,981		306,567	21,644	59,703	103,469
1912	79,185	592,164	119,701		299,979	19,803	62,094	110,390
1913	83,165	626,679	122,397		314,832	24,375	76,223	113,227
1914	83,556	614,314	120,979		299,093	26,471	88,602	105,640
1915	96,430	580,068	115,984		273,720	21,112	84,528	105,836
1916	98,678	680,815	126,382		319,895	26,707	109,693	124,845
1917	146,721	966,288	177,143		447,286	43,143	180,550	161,309
1918	174,655	1,096,525	195,733		480,963	56,382	244,543	175,286
1919	178,036	1,066,369	217,886		459,081	52,163	218,338	171,064
1920	194,252	1,387,546	234,442		620,383	67,626	322,171	209,550
1921	175,104	1,116,074	177,046		467,081	54,451	273,691	198,256
1922	164,928	998,309	171,163		398,245	52,092	247,112	181,789
1923	185,051	1,205,767	195,238		484,913		317,998	207,618
1924	178,953	1,170,709	190,235		450,086		312,199	218,189
1925	214,782	1,418,074	213,368		572,444		377,228	255,034
1926	209,070	1,385,767	205,744		559,087		371,745	249,191
1927	217,114	1,368,631	194,538		550,101		368,803	255,189
1928	225,838	1,445,203	199,775		598,026		394,182	253,220
<u>Total</u>	3,674,765	18,879,053	3,201,444		8,206,913		4,160,449	3,310,447

Sources: same as for member of banks, unless otherwise noted.
See page B.

Arkansas; figure for 1927 (for which no consolidated statement is given in the Bank Commissioner's Report) is interpolated on the basis of deposits tabulated in Form 5-16a.

Deposits for Colorado taken off from Bank Commissioner's

Reports for use in Nebraska study

Deposits

Call date report

Jan 1, 1929	67229
" 1, 1930	65252
" 1931	63921

No figure of member groups
for those dates

BANK FAILURE RATES IN KANSAS AND CONTIGUOUS STATES 1910-1928

C. Deposits of suspended banks - 2 green - no record

Year	Kansas	Total 4 Contiguous States	Nebraska	Iowa	Missouri	Arkansas	Oklahoma	Colorado
<u>State banks</u>		151,537 <u>151,400</u>	41,646 <u>41,740</u>	<u>Omni</u>	2245R [68% = 1527] 443L [90% = 444]	6083R [68% = 4136] 463L [90% = 417]	43,683 <u>43,452</u>	2254R [68% = 1533]
Total	40639				54599	<u>Omni</u>		11609
1910	47				59R	111-L	591 661	-
1911	-				493L	15-L	1040 1144	77R
1912	-				225R	282L	611 656	104R
1913	349			60	599R	25L	2002 1993	418R
1914	186		122		53R	2358R	431 501	48R
1915	72		-		991R	270R	311 360	177R
1916	-		111		-	30L	40 40	109R
1917	-		-		-	1031R	85 85	-
1918	72		-		182R	-	1199 1203	222R
1919	993		-		524	212K	902 1123	1099R
1920	641		1120 1026		136R	2212R	3567 2375	424
1921	2989		6090	2216	2536	771	5979 6603	777
1922	4618		4955 4958	1040	5158	651	8219 8404	751
1923	10,119		2417	2816	6466	1781	4128	4689
1924	3,221		1744 1743	25139	9782	912	5323	520
1925	2,815		5155 5154	21283	6124	2891	1998	1455
1926	5849		5849 5849	36303	13277	2803	1454	1378
1927	5,132		5629	11054	5407	3313	4991	318
1928	3536		8548 8549	8908	3354	3383	581	764
<u>National banks</u>								
Total	4032	51744	12461		1481		25320	12482
1910	-		-		-		-	-
1911	-		-		-		-	-
1912	-		-		-		-	-
1913	195		186		-		-	475
1914	263		235	232	-		-	-
1915	-		-		-	916	-	1502
1916	-		-		-	476	-	-
1917	-		-		-	-	-	-
1918	-		-		-	-	-	-
1919	-		-		-	-	284	-
1920	-		-		-	229	-	-
1921	-		2042	631	-	-	2220	187
1922	-		701	277	-	476	3475	635
1923	685		613	99	150	-	6930	-
1924	1,459		3177	3887	-	-	3301	1286
1925	-		597	8512	255	-	5157	7607
1926	281		1020	14278	274	911	1335	790
1927	275		2660	8218	251	215	2054	-
1928	874		1230	2825	551	-	564	-

Sources: see sheet A, except as follows:

Nebraska: 1910-1920 Bank Commissioner's Reports

1921-1928 Federal Reserve Committee figures, except for
addition of deposits for Nebraska in Commissioner's Report
but not in FR Report.

KANSAS

List of guaranteed banks deposits of which were paid by guaranty fund - excluding banks named in State Supreme Court opinion re disposition of fund

Location	Name	Date Failure	Completion liquidation	Guaranty certificates paid by fund.
1909-1920 (data from Commissioner's Report, P. 11)				
Abilene	The Abilene State Bank	9--10	11-27-13	\$28702
Auburn	The Auburn State Bank	5--20		
Homewood	The Homewood State Bank	12-6-20		
Salina	The Kansas State Bank	5--19		
1921-1924 (data from FR Committee schedules)				
Le Roy	The Farmers State Bank	2-4-21	11-28-22	22036
Salina	The Peoples State Bank	7-18-21	9-1-23	not available
McCune	The Farmers State Bank	9-22-21	2-24-30	209314
Brown's Rock	The Farmers Merchants State Bank	12-9-21	7-31-24	52801
Conway	The C. M. Condon & Co State Bank	3-1-22	5-15-30	13599
Hope	The State Bank of Hope	4-20-22	12-20-29	244764
Belmont	The Farmers State Bank	8-19-22	8-20-24	7174
Chetopa	The Farmers Merchants State Bank	9-18-22	8-4-24	178748
Labette	The Labette State Bank	10-3-22	9-1-24	40514
Cummins	The Cummins State Bank	10-7-22	6-20-24	54853
Wright	The Wright State Bank	4-25-23	2-25-25	15045
Cummins	The Farmers State Bank	7-14-23	12-16-24	237760
Adams	The Farmers State Bank of Adams	8-27-23	1-10-25	14090
Florence	The Marion County State Bank	1-28-24	12-27-24	89578

18 listed above

13 listed in decision of State Supreme Court (Nos. 1-A to 11-A inclusive, and 22-A and 23-A)

31 banks paid from guaranty fund in all (statistical data from Bank Commissioner)

Data for the 13 banks listed in Court decision are as follows

Number in Court record	Location	Name	Date Failure	Completion liquidation	Payments by guaranty fund (from FR schedule)	Principal amount paid (certificates from Court decision)
1-A	Marshall	Citizens State Bank	9-19-21	8-1-28	52771	29148
2-A	Lake City	Lake City Bank	11-18-21	8-1-28	82075	61929
3-A	Harper	Citizens State Bank	9-7-22	na	48134	40229
4-A	Olivet	Olivet State Bank	10-8-23	8-1-28	25095	20030
5-A	Farlington	Farlington State Bank	7-26-24	8-1-28	10766	7570
6-A	Punxsutawney	Punxsutawney State Bank	11-10-22	8-1-28	9002	7241
7-A	Eudora	State Bank of Eudora	3-31-23	8-1-28	90955	70631
8-A	Washington	Farmers State Bank	4-24-22	8-1-28	72642	56792
9-A	Halls Summit	Halls Summit State Bank	3-6-23	8-1-28	37364	29182
10-A	Cherryvale	American State Bank	7-26-23	10-10-28	12497	20829
11-A	Leavenworth	State Savings Bank	5-23-22	10-10-28	223687	372815
22-A	Quenemo	Farmers State Bank	2-18-22	12-18-24	139294	In litigation
23-A	Leuda Springs	Citizens State Bank	3-21-22	1-8-25	58970	In litigation

2-1-28 v. C. B. ...

∇ Difference between principal of guaranty certificate due, as given in State Supreme Court decision, and payments from the guaranty fund, as given in FPC schedule, is presumably due to interest. If this is reasonable, so far as the difference in amount is concerned, except in the case of 1-A, But in 1-A this confirmed by

- 15/ A - Dishonesty & excessive loans to favored interests mentioned in
Commissioner's report on KKK
or irregular practices mentioned
- B - Other causes mentioned by Commissioner
blank - no cause given by Com.

LIST OF GUARANTEED BANKS IN KANSAS CLOSED BECAUSE OF FINANCIAL DIFFICULTIES

B. Banks closed June 30, 1909, to date of Bloss report (11, 1927) ^{call for hearing July 11, 1927} (rather part of 1927), and completely liquidated between Feb. 28, 1925 and date of that report -- i.e., listed in Bloss report to Supreme Court (26 banks)

<u>Banks with remaining guaranty fund certificates paid in full by guaranty fund after Supreme Court decision (11 banks), and paid in part' (2 banks)</u>		Deposits (thousands of dollars) \downarrow	Loss to guaranty fund \downarrow	Dividends paid on deposits from assets \downarrow	<i>Depositors</i>
<u>Paid in full</u>					
Manhattan: The Citizens State Bank	A Sept. 19, 1921	360	52771	321776	
Lake City: The Lake State Bank	A Nov. 18, 1921	346	82075	53316	
Queneno: The Farmers State Bank	A Feb. 18, 1922	196	139294	95359	
Geuda Springs: The Citizens State Bank	A Mar. 21, 1922	77	58970	46945	
Washington: The Farmers State Bank	B Apr. 24, 1922	216	72642	85667	
Harper: The Citizens State Bank	B Sept. 7, 1922	71	48134	8785	
Runnymede: The Runnymede State Bank	B Nov. 10, 1922	12	9002	1593	
Halls Summit: The Halls Summit State Bank	A Mar. 6, 1923	59	37364	30721	
Eudora: The State Bank of Eudora	B Mar. 31, 1923	142	90955	63239	
Olivet: The Olivet State Bank	B Oct. 8, 1923	49	25095	24970	
Farlington: The Farlington State Bank	B July 26, 1924	55	10766	42820	
<u>Paid in part (93 percent)</u>					
Leavenworth: The State Savings Bank	A May 23, 1922	968	223687	465376	159466
Cherryvale: The American State Bank	B July 26, 1923	85	12497	57857	8521
		<u>2636</u>	<u>863252</u>	<u>1298424</u>	<u>167997</u>
<u>Banks receiving no payment from the guaranty fund (13 banks)</u>			Loss to depositors ³		
Spring Hill: The Farmers State Bank	Aug. 26, 1921				
Viola: The Viola State Bank	Oct. 21, 1921				
Arkansas City: Traders State Bank	A Mar. 1, 1922	693	325411	265240	
Larned: The Farmers State Bank	A Sept. 15, 1922	312	171410	61422	
Hanover: The Peoples State Bank	B Nov. 15, 1922	128	56230	66596	
Ossawatomie: The Ossawatomie State Bank	B Apr. 19, 1923	297	96998	184860	
Lane: The Citizens State Bank of Lane	B June 14, 1923	112	61803	41865	
Scottsville: The State Bank of Scottsville	A Sept. 24, 1923	120	95481	23870	
Gridley: The Gridley State Bank	B Sept. 27, 1923	137	62022	70111	
Smith Center: The Farmers State Bank	B Oct. 31, 1923	135	80622	62993	
Bartlett: The Citizens State Bank	B Nov. 5, 1923	123	98998	25365	
Dwight: The Dwight State Bank	B Aug. 8, 1924	106	22156	81941	
Zenda: The Farmers State Bank	B Mar. 28, 1925	98	66406	29364	
Peck: The State Bank of Peck	B Apr. 14, 1925	54	33601	18384	
Kanapolis: The Exchange State Bank	A May 2, 1925	89	51134	28503	
		<u>2404</u>	<u>1222172</u>	<u>960514</u>	

\downarrow From schedules collected by Federal Reserve Committee on Branch, Long and Chain Banking.
 \downarrow Estimated from difference between total claims and total payments, from data on Fed. Res. Com. schedules.

LIST OF GUARANTEED BANKS IN KANSAS CLOSED BECAUSE OF FINANCIAL DIFFICULTIES

C. Banks closed to July 1, 1927 (date of Commissioner's call for hearing on order of priority of completion of liquidation ^{and later} which were **not** placed in liquidation by the usual process.)

<u>Banks reopened or succeeded - no certificates paid by guaranty fund and no loss to depositors</u>		Date closed	Deposits (thousands of dollars) ^u
Burlingame: The Pioneer State Bank	A	Sept. 1, 1922	336
Osawatomie: Osawatomie State Bank		Feb. 23, 1922	543 ⁸⁷⁹
Elgin: The Elgin State Bank	A	Apr. 25, 1923	196
Chautauqua: The Chautauqua State Bank	B	Apr. 26, 1923	49
Bird City: The Bird City State Bank	B	Aug. 20, 1923	150
Langdon: The State Bank of Langdon	B	Oct. 9, 1923	87
McDonald: The State Bank of McDonald	B	Oct. 19, 1923	93
Cedar: The Cedar State Bank	B	Oct. 22, 1923	87 ⁶²
Lebo: The Peoples State Bank	A	Jan. 7, 1924	170
Eldorado: The Kansas State Bank	B	Jan. 29, 1924	435
Garden City: The Peoples State Bank	B	Apr. 15, 1924	481 ¹⁰⁸⁶
Wichita: The Industrial State Bank		Jan. 25, 1926	286
Elk Falls: The Elk Falls State Bank		Apr. 12, 1926	71
Waverly: The Commercial State Bank		June 26, 1926	88
Rantoul: The State Bank of Rantoul	B	July 15, 1926	122
Partridge: The Partridge State Bank		Sept. 7, 1926	129
Clifton: The Citizens State Bank	B	Sept. 20, 1926	185
Thayer: The Thayer State Bank		Nov. 15, 1926	167
Wamego: The Kaw Valley State and Savings Bank		Dec. 17, 1926	383
Spring Hill: The Spring Hill Banking Co.		Jan. 3, 1927	270 ¹⁴³¹
Quinter: The Farmers State Bank		Feb. 16, 1927	80
Cherokee: The First State Bank		Feb. 24, 1927	85
Mulberry: The Miners State Bank		Feb. 24, 1927	283
Clearwater: The Home State Bank		Nov. 22, 1927	208 ²²⁶
Caldwell: The Caldwell State Bank		Mar. 5, 1928	403
			<u>5387</u>

✓ From schedules collected by Federal Reserve Committee on Branch, Group and Chain Banking.

LIST OF GUARANTEED BANKS IN KANSAS CLOSED BECAUSE OF FINANCIAL DIFFICULTIES

D. Banks closed to July 1, 1927 (date of Commissioner's call for hearing on order of priority of completion of liquidation) which had not been completely liquidated by that date. (63 banks)

Final liquidation report, 1, 1929

Banks closed in liq	Grade	Date closed	Deposits (in thousands of dollars) ¹	Loss to depositors ² (thousands)	Dividends paid ³
Spring Hill: The Farmers State Bank	A	Aug. 26, 1921	157	103 685	148 909
Viola: The Viola State Bank	A	Oct. 21, 1921	72	38 389	24 052
El Dorado: The Butler County State Bank	B	Mar. 30, 1923	1269	716 873	490 990
Vernon: The Vernon State Bank	A	May 4, 1923	69	na	
Wichita: The American State Bank	A	June 18, 1923	4966	1 500 000 approx	
Minneola: The First State Bank	B	Sept. 20, 1923	106	42 432	56 616
Greensburg: The Home State Bank	A	Oct. 10, 1923	285	198 428	103 588
Burlingame: The Pioneer State Bank	B	Nov. 22, 1923	214	33 769	159 198
Kingman: The Farmers State Bank	B	Jan. 16, 1924	501	220 897	239 000
Kansas City: The Central State Bank	B	Feb. 4, 1924	567	157 590	40 7853
Garnett: The Farmers State Bank	A	Mar. 31, 1924	74	none	68 835
Riverdale: The Riverdale State Bank	A	Oct. 6, 1924	19	865	16 436
Moran: The Moran State Bank	B	Nov. 10, 1924	248	131 183	94 024
Blue Mound: The Bank of Blue Mound	B	Jan. 9, 1925	189	69 353	121 798
Osawatomie: The Farmers and Mechanics Bank	B	Feb. 24, 1925	560	108 851	428 857
Tonganoxie: The Farmers and Merchants State Bank	B	Mar. 26, 1925	274	202 533	97 219
Haddam: The Haddam State Bank	B	Apr. 16, 1925	103	34 096	65 486
Dunlap: The Farmers Bank of Dunlap	B	May 11, 1925	70	27 454	38 701
Scranton: The Scranton State Bank	A	July 3, 1925	188	157 641	165 204
Harveyville: The Harveyville State Bank	B	July 14, 1925	81	10 656	70 554
Cedar: The Cedar State Bank	B	Aug. 19, 1925	70	56 981	16 742
Hope: The Farmers State Bank	B	Sept. 5, 1925	152	73 760	71 003
Geneseo: Central State Bank	B	Oct. 7, 1925	128	49 041	76 278
Barnes: The Barnes State Bank	A	Nov. 7, 1925	66	25 016	57 006 ✓
Goddard: The Goddard State Bank	A	Dec. 5, 1925	123	89 704	54 796 ✓
Randall: The State Exchange Bank	B	Jan. 11, 1926	149	74 803	76 927 ✓
Mulvane: The Farmers State Bank	A	Feb. 8, 1926	139	325 443	89 928 ✓
Hewins: The Hewins State Bank	B	Apr. 9, 1926	43	none	40 791
New Albany: The New Albany State Bank	B	Apr. 19, 1926	32	5792	25 102 ✓
Colony: The Colony State Bank	B	Apr. 20, 1926	87	29 938	50 690
Dennis: The Dennis State Bank	B	May 5, 1926	72	21 091	47 098
Esbon: The Farmers State Bank	B	June 1, 1926	143	100 158	40 909 ✓
Frontenac: The Frontenac State Bank	A	June 4, 1926	253	190 323	71 469 ✓
Mulberry: The Mulberry State Bank	A	June 9, 1926	235	82 979	128 163 ✓
Chanute: The Fidelity State Bank	A	June 14, 1926	354	81 874 86 827	312 670 312 561 ✓
Stockton: The Citizens State Bank	B	July 6, 1926	74	39 776	33 207 ✓
Kanona: The Kanona State Bank	B	Aug. 7, 1926	71	24 620	36 547 ✓
Webster: The Webster State Bank	B	Aug. 7, 1926	30	15 032	12 935 ✓
Plainsville: The Farmers and Merchants State Bank	B	Aug. 14, 1926	125	64 191	60 452 ✓

To Aug 21, 1926

Excluding banks
 12358
 3610164
 3604917
 3999924
 4005013

LIST OF GUARANTEED BANKS IN KANSAS CLOSED BECAUSE OF FINANCIAL DIFFICULTIES

D. Banks closed to July 1, 1927 not completely liquidated by that date--continued

	Date closed	Deposits (in thousands of dollars)	Loss to depositors	Dividends paid	
Saxman: The Saxman State Bank	B Oct. 13, 1926	62	24612	39733	✓
Winifred: The Winifred State Bank	B Oct. 28, 1926	35	none	34077	
Hays City: The Citizens State Bank	B Nov. 10, 1926	399	243197	125985	
Valeda: The Valeda State Bank	B Nov. 16, 1926	56	30961	27091	✓
Altoona: The Altoona State Bank	B Nov. 19, 1926	186	97730	70191	✓
Lansing: The First State Bank	A Nov. 29, 1926	107	51213	46709	✓
Olathe: The Olathe State Bank	B Nov. 29, 1926	167	20506	140325	✓
Topeka: The Peoples State Bank	B Dec. 3, 1926	163	103283	51564	✓
Earlton: The Earlton State Bank	B Dec. 4, 1926	40	2366	35491	✓
Otego: The Otego State Bank	B Dec. 10, 1926	59	9520	40588	✓
Linwood: The Linwood State Bank	B Dec. 17, 1926	88	40436	30504	✓
Kansas City: The Roanoke State Bank	A Dec. 21, 1926	207	103563	85766	✓
Kansas City: The Intercity State Bank	B Dec. 30, 1926	250	144396	89254	✓
Kansas City: The Packers State Bank	A Jan. 5, 1927	256	46414	171150	✓
Garnet: The Citizens State Bank	B Jan. 31, 1927	278	50332	204115	
Arma: The Commercial State Bank	B Feb. 24, 1927	118	62998	50512	✓
Englevale: The Farmers State Bank	B Feb. 24, 1927	48	20588	22304	✓
Fort Scott: The Midwest State Bank	B Feb. 24, 1927	200	100162	72530	✓
Opolis: The Farmers State Bank	B Feb. 24, 1927	41	20118	12594	✓
Pittsburg: The Pittsburg State Bank	B Feb. 24, 1927	146	113904	64349	✓
Coffeyville: The American State Bank	B Mar. 31, 1927	570	153483	369455	✓
Burlington: The Burlington State Bank	B Apr. 7, 1927	152	17835	109560	✓
Tribune: The Kansas State Bank	B Apr. 18, 1927	29	12453	16507	✓
Altamont: The Altamont State Bank	B June 3, 1927	166	28161	118131	✓
	Sept 1, 1926 to July 1, 1927	3823	1498231	2028485	
	Entire Group D	16181	5108563	6028409	
			6603245	6033518	

(A) Excluding American State Bank, + one other bank
(B) Deliberly " " " but including Vernon bank

- 4 Loss to guaranteed banks and stock purchased - statement from Bank Commission.
- 3 From Bank Commission report or Federal Reserve Committee schedules - See footnote 2.
- 4 From schedules collected by Federal Reserve Committee on Branch, Camp and Chain Banking.

2 For banks paying final dividend subsequent to April 1, 1929, estimated from percentage and amount of dividends paid, as given in Commission Report, 1932, pp. 12-20 and 1934, p. 14, for banks completely liquidated prior to April 1, 1929, estimated from difference between total claims and total assets as reported on FR. Committee schedules.

LIST OF GUARANTTED BANKS IN KANSAS CLOSED BECAUSE OF FINANCIAL DIFFICULTIES

E, Banks closed subsequent to July 1, 1927 - excluding those reopened or succeeded

	Date closed	Deposits (in thousands of dollars) ^{1/2}	Loss to depositors ³	Dividends paid ²	
Angola: The Angola State Bank	A July 14, 1927	57	12923	40471	✓
Summerfield: The State Bank of Summerfield	B Aug. 2, 1927	129	7976	109313	✓
Rossville: The Rossville State Bank	A Aug. 18, 1927	226	77354	177937	✓
Mound Valley: The Mound Valley State Bank	B Aug. 26, 1927	86	24948	48425	✓
Anthony: The Home State Bank	A Sept. 19, 1927	241	nme	216300	✓
Council Grove: The Citizens State Bank	A Sept. 23, 1927	196	88563	88563	✓
New Cambria: The New Cambria State Bank	B Sept. 27, 1927	47	4110	41555	✓
McCracken: The Bank of McCracken	B Sept. 29, 1927	154	nme	143739	✓
Lehigh: The State Bank of Lehigh	B Oct. 28, 1927	62	32603	30095	✓
Lovewell: The Lovewell State Bank	B Nov. 4, 1927	28	4659	19230	✓
Mound Valley: The Peoples State Bank	A Dec. 19, 1927	186	nme	152881	✓
Severy: The Greenwood County Bank	B Jan. 12, 1928	113	17178	90670	✓
Ludell: The Ludell State Bank	B Jan. 18, 1928	75	5842	67179	✓
Manhattan: The Farmers & Stockmen's State Bank	B Feb. 7, 1928	124	nme	106185	✓
McDonald: The Farmers State Bank of McDonald	B Mar. 2, 1928	194	25381	149661	✓
Kensington: The Citizens State Bank	A Mar. 3, 1928	166	81236	75591	✓
Sabetha: The Citizens State Bank	A Mar. 22, 1928	575	289592	307505	✓
Cummings: The Farmers State Bank	A Mar. 27, 1928	44	16998	27383	✓
Bird City: The Farmers State Bank	B Apr. 4, 1928	173	39866	99525	✓
Atwood: The Rawlins County State Bank	B Apr. 10, 1928	156	nme	151971	✓
Hartford: The Farmers State Bank	A July 3, 1928	134	29694	93578	✓
Powhattan: The Bank of Powhattan	B Jan. 11, 1929	82	11848	58676	✓
		3248	770771	2296373	

^{1/2} From schedules collected by Federal Reserve Committee on Branch, Savings and Chain Banking.

² See footnotes 2 and 3 on List D.

OPERATING AND CLOSED
 NUMBER AND DEPOSITS OF GUARANTEED AND NONGUARANTEED
 STATE BANKS IN KANSAS, 1919-1928 - BANKS GROUPED BY SIZE

	Number of banks			Deposits		
	Average number of operating banks	Number of suspended banks	Suspended per 100 operating	Average deposits in operating banks (thousands)	Deposits in suspended banks (thousands)	On suspended banks per 100 in operating banks
<u>Guaranteed banks</u>						
<u>Total</u>	<u>640</u>	<u>152</u>	<u>23.8</u>	<u>182299</u>	<u>32957</u>	<u>\$ 19.08</u>
Banks with deposits of						
\$100,000 or less	115	56	48.7	8167	3433	42.03
\$100,000 to \$250,000	303	64	21.1	51650	10367	20.07
\$250,000 to \$500,000	154	21	13.6	52034	7007	13.47
\$500,000 to \$1,000,000	47	9	19.2	31787	5915	18.61
\$1,000,000 to \$2,000,000	16	1	6.3	22524	1269	5.63
\$2,000,000 to \$5,000,000	4.5	1	22.0	9280	4966	30.77
More than \$5,000,000	1			6857		
				16137		
<u>Nonguaranteed State banks</u>						
<u>Total</u>	<u>412</u>	<u>55</u>	<u>13.3</u>	<u>84227</u>	<u>7156</u>	<u>\$ 8.50</u>
Banks with deposits of						
\$100,000 or less	142	34	23.9	8706	1853	21.28
100,000 to 250,000	180	12	6.7	28955	1946	6.38
250,000 to 500,000	63	6	9.5	21444	2318	10.81
500,000 to 1,000,000	20	2	10.0	14074	1139	8.09
1,000,000 to 2,000,000	6	-	-	7681	-	-
2,000,000 to 5,000,000	1	-	-	3367	-	-
Not available	-	1	-	-	-	-
<u>DO NOT TYPE</u>						
<u>National banks</u>						
<u>Total</u>	<u>255</u>	<u>10</u>	<u>3.9</u>	<u>182596</u>	<u>3574</u>	<u>19.6</u>
Banks with deposits of						
\$100,000 or less	11	-	-	767	-	-
100,000 to 250,000	71	3	4.2	12799	583	4.56
250,000 to 500,000	83	5	6.0	29634	1587	5.36
500,000 to 1,000,000	50	2	4.0	34728	1404	4.04
1,000,000 to 2,000,000	25	-	-	34514	-	-
2,000,000 to 5,000,000	11	-	-	33483	-	-
5,000,000 and over	4	-	-	36671	-	-

Includes trust companies and private banks,

American State Bank Wichita. This was largest bank in the system for several years prior to failure.

19 payments by fund - banks
paid ~~at~~ by 1923

Yours & signed

~~52~~

1/20/23??

El Prado	3-30-23	yo
Yosemite	9-20-23	yo
Greenbury	10-10-23	yo.
Barluggin	11-22-23	yo.

Lig. not complete in 1931

Yarrow	5-4-23	not known
--------	--------	-----------

~~262,447.91~~
 115.32
 39

2,771,445
 2,071,230

 700,215

PAYMENTS BY KANSAS
BANK DEPOSITORS GUARANTY
FUND

	28,702	ii
In banks completely liquidated, and payments made by fund, prior to postponement because of problem of priority.	22,036	
	208,314	
	52,801	
	13,599	
	244,764	
	7,174	
	178,748	
	40,514	
	54,853	
	15,045	
	237,760	
14 banks not available	14,090	
	89,578	
<hr/>	1,207,978	ii
18		

In banks in which payments were made after decision of State Supreme Court, Jan. 1928 term:	52,771	
	82,075	
	48,134	
	25,095	
	10,766	
	9,002	
	90,955	
	72,642	
	37,364	
	12,497	
	223,687	
	139,294	
	58,970	

13 banks	863,252	ii
14 banks	1,207,978	
<hr/>	2,071,230	
27 banks out		
131		

Total payments to 31 banks (data from # 2,771,445 - Bank Commissioner)

Total amount in 31 banks \$ 700,215

These payments, except for one bank, from Federal Reserve Committee

DATA FOR BANK FAILURE RATES IN THE UNITED STATES, 1910-1928

Sources: see

Number of banks	All commercial banks		National banks		Banks other than national	
	Active	Failed	Active	Failed	Active	Failed
Total	535337	6069	147251	789	388086	5278
1910	25155	55	7138	4	18017	51
1911	26275	87	7270	5	19005	82
1912	26809	77	7366	6	19443	71
1913	27521	105	7467	13	20054	92
1914	28078	159	7518	15	20560	144
1915	28082	157	7597	20	20485	137
1916	27792	55	7571	8	20221	47
1917	28161	53	7599	5	20562	48
1918	28949	49	7699	2	21250	47
1919	29242	63	7779	2	21463	61
1920	30395	155	8024	7	22371	148
1921	30659	506	8150	52	22509	454
1922	30190	366	8244	49	21946	317
1923	29970	646	8236	90	21734	556
1924	29116	975	8080	122	21036	653
1925	28554	617	8066	118	20488	499
1926	27826	975	7972	123	19854	852
1927	26701	669	7790	91	18911	578
1928	25862	498	7685	57	18177	441

Deposits	(millions)		(thousands)		(millions)		(thousands)	
	Total	(millions)	Total	(thousands)	Total	(millions)	Total	(thousands)
Total	604359	1699659	274637	384240	329722	1315419		
1910	15730	24426	7227	2476	8503	21950		
1911	16605	22143	7542	2967	9063	19176		
1912	17515	15705	8077	1355	9438	14350		
1913	18041	41026	9205	28142	9836	12884		
1914	18695	36216	8355	5921	10340	30295		
1915	20972	43748	9349	10730	11623	33018		
1916	25242	10871	11487	1391	13755	9480		
1917	28752	15156	13548	4221	15204	10935		
1918	30254	15433	14534	1543	15720	13890		
1919	35171	17035	16524	881	18647	16154		
1920	37301	65353	16839	2903	20462	62450		
1921	34011	172806	15022	20777	18989	152829		
1922	35891	91182	16299	20197	19592	70985		
1923	39430	149601	17201	34244	21229	115357		
1924	41776	210150	18764	64890	23012	145260		
1925	44808	166937	20076	55574	24732	111363		
1926	46475	260153	20561	43998	25914	216155		
1927	48397	199332	21959	45547	26438	153785		
1928	50293	142386	23068	36483	27225	105903		

Sources

Number of active banks, both national and other than national, from Federal Reserve Committee on Research, Group and Chain Banking, "Changes in the Number and Size of Banks", pp 92-93.

Number of failed banks, final manuscript "Losses in Operating and Closed Commercial Banks, 1865-1940", pp. 64-65.

Deposits of active banks, same manuscript, pp. 132-33,

Deposits of failed banks, same manuscript, pp. 68-69

of figure
KANSAS

Banks with largest loss to guaranty fund or depositors

Loss over \$500,000
 1,540,674 Wichita - American State Bank (1923)
 716,873 El Dorado - Butler County State Bank (1923)
 Bad loans & inability to make collect

Loss from \$200,000 to \$500,000
 402,233 Salina - Kansas State Bank (1919)
 316,011 Mesquite - State Bank of Texas (1922)
 223,682 Tecumseh - Farmers + Merchants State Bank (1922)
 237,760 Cummins - Farmers + Merchants State Bank (1922)
 Bad loans & inability to make collect

325,411 Arkansas City - Farmers + Merchants State Bank (1922)
 295,526 Mesquite - Farmers + Merchants State Bank (1922)
 434,622 Mesquite - Farmers + Merchants State Bank (1922)
 212,134 Mesquite - Farmers + Merchants State Bank (1922)

This is 32.7% of loss incl bank

208,314 McClure - Farmers State Bank
 244,764 Hope - State Bank of Hope
 220,897 Kingman - Farmers State Bank
 212,533 Torgerson - Farmers State Bank
 184,946 Torgerson - Farmers State Bank

325,443 Milburn - Farmers State Bank
 289,592 Sabetha - City State Bank
 176,698 Farmers State Bank
 186,463 State Bank of Hope
 196,078 Farmers State Bank
 187,037 Farmers State Bank
 184,946 Farmers State Bank

N9.

Total loss to fund 2,143,379
 Loss to depositors 7,475,138
 9,910,517

A B C D E

1922 continued ✓ Coffeyville Dishonesty
 ✓ Cummings Dishonesty
 ✓ Wichita
 ✓ Kansas City (Ind) Dishonesty

Irregular practice

1924 42 B ✓ Harper
 #43 ✓ Sarned Dishonesty
 ✓ Chetopa
 ✓ Sabetha
 ✓ Cunningham
 ✓ Runnymede
 ✓ Hennes
 ✓ Hills Summit
 ✓ El Dorado
 ✓ Eudora
 ✓ Bertram
 ✓ Wright
 ✓ Elgin Dishonesty
 ✓ Chautauqua
 ✓ Permian
 ✓ Leve
 ✓ Wichita Dishonesty
 ✓ Cunningham
 ✓ Cherryvale
 ✓ Bird City
 ✓ Adams
 ✓ Nevada
 ✓ Scottsville
 ✓ Embury
 ✓ Clinton
 ✓ Langdon
 ✓ Kearsburg Dishonesty
 ✓ McDowell
 ✓ Ober
 ✓ Smith Center
 ✓ Bartlett
 ✓ Burlingame (not done 11/22)
 " 11/22/23
 ✓ Lebo Dishonesty
 ✓ Kergman

Bad loans, etc
 inability to make collections

Bad loans, etc
 Bad " "
 Bad " "
 Bad " "
 Bad " "

Irregular practice

Bad " "
 Bad " "
 Bad " "

Bad loans
 bad loans and inability to make collections

Irregular practice

Other bank failure

Bad loans, etc

"
 "
 "
 "
 "
 "
 "
 "
 "
 "
 "
 "

Irregular practice

"

1924 42 B #43
 "With the neglect of the security audit bank failures in this area were due to a lack of supervision on the part of the bank examiners. This supervision must be beyond a department in nature, not merely a check on the part of the examiners and not done on a haphazard basis. There were few failures which were not of the "irregular practice" type, and, still worse, plain dishonesty and misrepresentation of facts by bank officials." (pages 3)

1924 continued

- ✓ Florence
- ✓ El Dorado
- ✓ Kansas City
- ✓ Burnett
- ✓ Garden City
- ✓ Farlington
- ✓ Dwight
- ✓ Argoson
- ✓ Andale
- ✓ Havena
- ✓ Hutchinson
- ✓ Holliswell
- ✓ Belpre
- ✓ Blom
- ✓ Argonia
- ✓ Kirwin
- ✓ Wells
- ✓ Bradford
- ✓ Oswego

12 Ng
-1
=

A B C D E

Bad loans + inability
to make collections
Bad "
Bad "

Irregular practices

Bad "
Bad "
Bad "
Bad "
Bad "

Dishonesty

Bad "
Bad "
Bad "
Bad "
Bad "
Bad "
Bad "

1926 35 G

- ✓ Riverside
- ✓ Moran
- ✓ Blue Mound
- ✓ Bentonville
- ✓ Tongeropol
- ✓ Zenda
- ✓ Peck
- ✓ Hadden
- ✓ Kinopolis
- ✓ Paulays
- ✓ Scammon
- ✓ Harveyville
- ✓ Cedar
- ✓ Hope
- ✓ Beresco
- ✓ Barry
- ✓ Briddad
- ✓ Randall
- ✓ Wichita
- ✓ Mulvane

An examination of the record books of the first 100 stores
 failures were due largely to incompetency and in some few
 instances dishonesty. A check of the past 100 stores and other
 banks to make certain of the failures. The result shows that
 the majority of the failures were due to incompetency and
 not to dishonesty in making the loans. The result shows
 that the majority of the failures were due to incompetency
 and not to dishonesty in making the loans.

Dishonesty

Bad loans Incompetency
Bad loans Incompetency
Bad loans Incompetency
Bad loans Incompetency
Bad loans + inability
to make collections
Bad loans "
Bad " "
Bad loans Mismanagement
Bad loans Incompetency

Dishonesty

Bad loans + inability
to make collections
Bad "
Bad loans Incompetency
Bad loans Incompetency
Bad loans Mismanagement
Bad loans Incompetency

Dishonesty

Dishonesty

Not given

1926 continued

- ✓ Hewins
- ✓ Elk Falls
- ✓ New Albany
- ✓ Colony
- ✓ Danville
- ✓ Esbon
- ✓ Frontenac
- ✓ Mulberry
- ✓ Cherokee
- ✓ Waverly
- ✓ Stockton
- ✓ Pantouf
- ✓ Kanon
- ✓ Webster
- ✓ Plainville

Dishonesty

10 Ng

- ✓ Belvue
- ✓ Cunningham
- ✓ Wilson
- ✓ Belle Plaine
- ✓ Wetmore
- ✓ Emmett
- ✓ Westwood
- ✓ Kirwin
- ✓ Kimball
- ✓ Dumas

Dishonesty

Bad loans Incompetency Not given

Bad loans Incompetency

Bad loans or inability to make collections

Bad " "

Bad " "

Bad loans Mismanagement

Bad loans Mismanagement

Bad loans

Bad loans + inability to make collections

Bad " "

Bad " "

Bad " "

Bad " "

Bad loans Mismanagement

Bad loans Incompetency

Bad loans or inability to make collections

Bad loans Incompetency Not given

Bad loans Incompetency

Bad loans or inability to make collections

Bad loans Incompetency

Bad loans or inability to make collections

Not given

Not given

Not given

1928 55 G
-15
40

- ✓ Partridge
- ✓ Clifton
- ✓ Sacron
- ✓ Winifred
- ✓ Hays
- ✓ Thayer
- ✓ Valda
- ✓ Attona
- ✓ Lansing
- ✓ Clatwa
- ✓ Topeka
- ✓ Chilton
- ✓ Steg
- ✓ Wamego

Dishonesty

Bad loans Incompetency Not given

Bad loans Incompetency

Bad loans

Bad loans

Bad loans Incompetency

Bad loans

Bad loans Incompetency

Bad loans

Bad loans Incompetency

Bad loans

Bad loans

Check returned for liquidation

Not given

Not given

1928 continued

	A	B	C	D	E
✓ Leniwood			Bad loans		
✓ Kansas City	Dishonesty		Bad loans		
✓ " "			Bad loans		
✓ Spring Hill					Not given
✓ Kansas City	Dishonesty		Bad loans		
✓ Barnett			Bad loans	Incompetency	
✓ Quinter					Not given
✓ Arma			Bad loans	Incompetency	
✓ Charles			Bad loans	Incompetency	
✓ Englewood			Bad loans	Incompetency	
✓ Fort Scott			Bad loans	Incompetency	
✓ Malberry					Not given
✓ Oppola			Bad loans	Incompetency	
✓ Pittsburg			Bad loans	Incompetency	
✓ Coffeyville			"	"	
✓ Burlington			"	"	
✓ Tribune			"	"	
✓ Altemor			"	"	
✓ Angola	Dishonesty		Bad loans		
✓ Schwanfeld			Bad loans	Incompetency	
✓ Potosi	Dishonesty		Bad loans		
✓ Mound Valley			Bad loans	Incompetency	
✓ Anthony			Bad loans	Management	
✓ Council Grove	Dishonesty		Bad loans		
✓ New Cambria			Bad loans		
✓ McCracken			Bad loans	Incompetency	
✓ Lehigh			"	"	
✓ Lovewell			Bad loans		
✓ Clearwater					Not given
✓ Mound Valley	Dishonesty		Bad loans		
✓ Severy			Bad loans	Incompetency	
✓ Ludell			Bad loans		
✓ Manhattan			Bad loans		
✓ McDonald			Bad loans		
✓ Kensington			Bad loans	Management	
✓ Caldwell					Not given
✓ Sabetha			Bad loans	Management	
✓ Cynthias	Dishonesty		Bad loans		
✓ Big City			Bad loans	Incompetency	
✓ Atwood					closed voluntarily for liquidation

✓ No
✓ No
✓ No

✓ No

✓ No
✓ No
✓ No

✓ No
✓ No
✓ No
✓ No

✓ No
✓ No

1928 Continued
 17 N
 +15
 32

✓ Hutchins Dishonesty
 ✓ Westwood Dishonesty
 ✓ Ellsworth
 ✓ Walker
 ✓ Purcell
 ✓ Ake Dishonesty
 ✓ Halton
 ✓ Horan
 ✓ Zuch Dishonesty
 ✓ Elkhart
 ✓ Zurich
 ✓ Seneca
 ✓ Covert
 ✓ Phillipsburg
 ✓ Kinross City
 ✓ Lawrence
 ✓ Wheeler
 ✓ Lyndon

Bad loans
 Bad loans
 Bad loans
 "
 Bad loans Incompetency
 Bad loans
 Bad loans Mismanagement
 Bad loans Incompetency
 Bad loans Incompetency
 "
 "
 Bad loans
 Bad loans Mismanagement
 "
 Bad loans
 Failure of correspondent
 Insufficient reserves
 Failure of correspondent

28
 1930 #1 G
 -5 N
 4 N

✓ Pawlattan
 ✓ Reschke
 ✓ Tipton Dishonesty
 ✓ Longtin
 ✓ Delevan Dishonesty
 ✓ Ford

Foreign assets
 "
 Poor loans
 Foreign assets
 Poor loans
 Foreign assets

Commissary state.
 The records of this office disclose the fact
 that the failures were largely due to the improper
 kind of expansion of business. There were no
 four instances of the failure and incompetency.

KANSAS

Star number in Table
9, original copy

Causes of suspension listed under item "other causes (specify)"

	Primary	Contributor
29	✓ 12	20
b		✓ 11
a		✓ 6
c	✓ 5	
g		✓ 20
h	✓ 19	
a		✓ 6
m		✓ 19
f	✓ 17	
u		✓ 6
a		✓ 6
	✓ 23	
	✓ 22	
b		✓ 11
a	✓ 7	
29		✓ 12 20
a		✓ 6
h		✓ 6
i		✓ 22
i		✓ 22
h		✓ 21
v	✓ 2	
a		✓ 6

	Premium	Entailty	Specified but not checked
--	---------	----------	---------------------------

a Excess loans

✓ 6

a One large excess loan

✓ 6

a Excess loans

✓ 6

a Excess loans

✓ 6

a Heavily overboard

✓ 7

a Excess loans

✓ 6

d Irregularities, Overboard, Community could not support free banks

✓ 8

a Overboard

✓ 7

a Excess loans & heavily overboard

✓ 6

a Heavy loans

✓ 12

a Heavy loans

✓ 23

c Lack speculation by president

5

✓

a Excess loans

✓ 6

g Insufficient earnings

20

a Badly overboard

✓ 7

a Heavy loans to officers, oil speculation

4
5

d Depleted reserves

✓ 22

j Large holdings real estate in Missouri

13

a Excess loans, no man bank

✓ 6

d Irregularities

✓ 8

a Bad loans

12

a Bad loans

✓ 12

h x g Insufficient earnings & bad loans

✓ 12
20

Primary Contingents

- g Insufficient earnings ✓ 20
- a Excess loans ✓ 6
- e Oil + other speculations / Callahan family ✓ ^{same} 5 bank
- f Frozen loans ✓ 12
- d Irregularities ✓ 8
- m Loss in paper purporting to be sold without recourse ✓ 19
- a Excess loans + overboard ✓ 6
- d Irregularities ✓ 8
- i Excessive real estate holdings ✓ 13
- a Excess loans ✓ 6
- g Insufficient earnings ✓ 20
- g Deficit in earnings + depleted reserves ✓ 20
- g Overboard ambition + insufficient earnings ✓ 20
- g Expenses exceeded earnings ✓ 20
- g Suicide of president - no irregularities ✓ 23
- a Sparsely overboard + excess loans ✓ 6
- g Insufficient earnings ✓ 20
- Automobile paper ✓ 23
- e Shortages in various accounts ✓ 2
- f Bad loans + inability to make collections ✓ 12
- c Misorganization of bank ✓ 2
- a Excess loans ✓ 6
- h Bad loans ✓ 12

Primary ~~Contributions~~

- a Excess loans ✓ 6
- d Irregular practice in part cashier ✓ 8
- j Real estate holding ✓ 13
- a Excess + overboard ✓ 6
- m Purchased papers from Federal Trust ✓ 19
- d Irregularly assisted cashier ✓ 8
- i Depleted reserves ✓ 22
- g Lack of earnings ✓ 20
- h Volume of business too small ✓ 21
- a Excess loans ✓ 6
- f bad loan ✓ 17
- a Heavy excess loans ✓ 6
- g Insufficient earnings ✓ 20
- g Very small bank earnings not sufficient to continue } ✓ 20
 some frozen stockholders loans 4
- m Purchased papers from out-of-country, Oklahoma ✓ 19
- Loss in liquidation acct of merged bank ✓ 23
- e Speculation of officers ✓ 5
- h Insufficient volume of business ✓ 21
- a Excess loans ✓ 6
- h Volume of business insufficient ✓ 21
- w Excess loans ✓ 6
- a Depleted reserves ✓ 22

Bank Failures in Iowa 1910 - 1920

Date	Bank Name	Deposits
Apr 1, 1913	Hazelton-Kuiper Savings	60,000
Apr 24, 1919	Carroll-Carroll Trust & Savings Bank	496,267 (June 29 1918)
May 9, 1919	Decorah-Decorah State Savings Bank	809,034 "
June 27, 1919	Hartley-Iowa Savings Bank	648,504 "

No others mentioned in reports of Dept of Banking
 except following during year ending June 30, 1921

- Anita Citizens Savings Bank
- Braddyville Farmers Savings Bank
- Clarenda Clarenda Trust & Savings Bank
- Elliott Elliott Savings Bank
- Harper Farmers Savings Bank
- Marathon Marathon Savings Bank
- Onawa Citizens Savings Bank
- Rome Rome Savings Bank
- Sixes City Union Trust & Savings Bank
- Ulmer Farmers Savings Bank

DEPOSITS OF NATIONAL BANKS IN KANSAS
In thousands of dollars
(From reports of Comptroller of the Currency)

12-31-18
237 banks

12-29-20
265 banks

12-31-21
267 banks

12-29-22
265 banks

98
2,262
10,751
92,797
25,775
1,797

1,594
4,121
4,791
595
135

993
820
5,138
152
470

6,352
5,811
9,307
3,733
544

2,246
6,245
64
1,137
93,840
30,364
695

1,273
2,876
11
59
4,707
1,557
55

756
762
4
100
6,255
340
503

2,991
3,732
18
228
11,035
3,170
81

1,945
5,668
59
1,288
84,708
31,151
647

1,226
2,062
2
141
4,961
1,111
43

1,015
1,023
8
97
6,244
261
442

2,890
4,325
30
154
9,961
3,272
194

2,541
7,946
64
1,231
91,376
32,317
1,679

1,571
2,538
18
41
5,578
1,194
101

1,138
1,095
2
199
7,584
348
450

4,223
5,023
14
473
11,292
4,867
127

178,036 H

175,104 H

164,928 H

185,030 H

12-31-19
246 banks

2,735
8,100
61
1,436
101,879
29,665
1,239

958
3,099
5
147
5,692
967
68
974
868
152
6,472
260
376
5,818
6,362
33

893
12,101
3,798
94
194,252 H

DEPOSITS OF NATIONAL BANKS IN KANSAS
 In thousands of dollars
 (From Reports of Comptroller of the Currency)

<i>11-27-08</i> 210 banks \square	<i>1-31-10</i> 206 banks \square	<i>1-7-11</i> 208 banks \square	<i>12-5-11</i> 210 banks \square
837		881	1,185
4,078		3,361	4,344
38	952	131	245
2	3,956	1	3
4	124	86	26
52,483	5	56,762 ³	55,781
1,682	33	282	212
362	58,567	200	350
4,537	220		
4,519	277	1,139	1,233
249	4,284	1,932	1,941
3,943	5,075	158	222
50	554	2	2,722
333	4,097	4,327	1
176	1	1	31
14	9		
2,355	386	399	463
186	273	217	319
37	13	24	5
	3,106	2,443	2,673
	113	131	112
1,231	28	17	44
1,710			
58	1,017	914	1,368
3,877	1,998	1,655	2,031
269	82	52	75
	1	2	3,787
83,031 \square	4,704	4,247	3
	3	3	9
	1		
	89,869 \square	79,367 \square	79,185 \square

DEPOSITS OF NATIONAL BANKS IN KANSAS
 In thousands of dollars
 (From reports of Comptroller of the Currency)

<i>11-26-12</i> 210 banks H	<i>1-13-14</i> 211 banks H	<i>12-31-14</i> 217 banks H	<i>12-27-16</i> 223 banks H
1,132	1,026	1	3
4,373	4,037	142	15,368
2,222 +207	242	8,258	56
12	6	171	71,515
5	50	51,581	20,527
58,073	59,388	13,865	
336	572		6,568
288	236	4,193	2
	39	9	4,134
1,317		3,156	230
2,258	1,087	91	
155	1,680		3,296
1	130	1,497	4,152
2,962	1	6	131
1	2,943	3,394	
	101	32	11,469
546	120		7,220
288		5,154	2,050
5	705	9	
2,818	439	4,190	
127	3	681	146,721 H
146	2,985		
	99	96,430 H	
1,641	18		
2,067	175	<i>12-31-15</i> 219 banks H	<i>12-31-17</i> 230 banks H
92		22	2,543
4,189	1,471	6,457	12,320
3	1,607	206	89,451
	70	54,879	26,231
82,858 H	4288	14,906	823
+ 207	3	139	
<u>83,165</u>	35	962	1,734
	83,556 H	10	3,834
		3,705	4,133
		74	513
			155
		3,269	1,494
		10	982
		3,391	4,532
		121	181
			368
		4,324	
		9	5,669
		4,949	7,200
		1,245	8,950
			3,261
		98,678 H	281
			174,655 H

KANSAS - Deposits in national banks

Dec 31, 1921
267 banks

Dec. 29, 1922
265 banks

Dec 31, 1923
266 banks

Dec 31, 1924
257 banks

1,945
5,668
59
1,288
84,708
31,151
647
5

2,541
7,946
64
1,231
91,376
32,317
1,679
8

1,966
6,356
40
1,211
88,013
33,759
556
~~259~~

4,284
10,547
56
1,109
95,505
36,943
392
4

1,226
2062
2
141
4,961
1,111
43

1,571
2,538
18
41
5,578
1,194
101

1
816
2,199
13
137
5,545
1,324
14

1,756
3,679
47
67
5,697
1,240
497

1,015
1,023
8
97
6,244
261
442

1,138
1,095
2
199
7,584
348
450

994
757
9
156
7,763
353
450

1,898
1,613
7
130
8,568
405
458

2,890
4,325
30
154
9,961
3,272
194
~~459~~

1,138
1,095
2
199
7,584
348
450

4,223
5,023
14
473
11,292
4,867
127
19
13,711
4,749
119
1

4,223
5,023
14
473
11,292
4,867
127
19
13,711
4,749
119
1

165,372
- 439

164,933

184,601
+ 450

185,051

178,953

214,192
+ 49
+ 1

214,782

KANSAS - Deposits in national banks

Dec 31, 1926
259 banks

Dec 31, 1926
256 banks

Dec 31, 1927
257 banks

2641	3184	2827
6808	7178	6698
65	66	38
1137	1182	1161
97336	99277	280
39635	41254	101342
696	410	45726
7	3	520
1066		1
2738	1131	
18	2401	
307	20	158593
5833	96	158593
1556	6185	1059
172	1707	2693
	131	22
1343		64
2515	1397	16
36	1845	5724
147	21	2996
13651	112	136
1555	14819	
373	1566	1697
	425	2160
4231		8
4186	4733	66
17	5754	42
271	45	13774
15135	471	1954
5442	15972	411
153	5611	
	118	4188
202070		5153
	217114	326
		367
		23
		18240
		6263
		53
		3
		4
		6
		225737

MISSOURI - deposits in national banks

Dec 29, 1922
134 banks

Dec 31, 1923
133 banks

Dec 31, 1924
131 banks

Dec 31, 1925
135 banks

743	1054	1449	1844
6013	5308	7748	8081
53	12	58	6
208	265	274	315
39,862	42,290	43,732	46,952
15,433	17,841	19,340	22,599
888	1059	359	576
20		1	5
	25,399		
35056	25307	49,131	31,206
31,767	112	35,496	27,705
323	4184	114	160
2206	58,598	3,930	4,303
6,4114	4,499	65,708	72,443
9,209	384	5,092	5,399
1,749	3	1,619	1,203
15		7	5
	2,526		
3035	7,122	4,947	2,469
9,436	4	10,895	8,220
10	152	4	4
216	8,428	120	156
8,226	6,132	9,537	9,345
5,683	40	6,875	6,309
224	1	51	122
1		3	1
	27,521		
35062	34,569	41,967	35,555
38,942	208	43,410	40,627
40	1,991	47	28
2,656	12,9012	1,921	1,561
12,9469	4,4404	15,6002	17,3129
3,9536	1,652	5,9672	5,6308
4,704	9	2,923	4,431
14		12	20

48

450,086

572,444

519,087

Dec 31, 1926
136 banks

Dec 31, 1927
136 banks

14913	2,185	2,579
1163	7,404	7,762
7001	2	147
9	161	30
272	8,407	10,311
45,873	6,020	6,486
24,100	42	109
138	1	1
	32,102	
	36,535	
28,560	67	32,889
26,320	1,747	41,284
333		31
4,931	173,199	3,547
60,728	67,251	7,304
12,197	2,524	179,846
803	9	80,017
14		1,822
	550,101	32
		73,939
		10,023
		431
		4

598

1026

OKLAHOMA - Deposits in national banks

Dec 29, 1922
447 banks

Dec 31, 1923
434 banks

Dec 31, 1924
407 banks

Dec 31, 1925
379 banks

20	18	90	204
5,908	5,531	9,321	6,724
3,659	4,082	7,353	5,759
156	66	32	137
5,081	7,278	7,582	7,042
122,327	128,996	148,190	147,976
34,412	36,878	37,279	36,274
889	697	354	451
8	13	6	2
1,905	1,500	2,562	1,586
576	397	924	683
13	12	16	23
719	727	649	376
8,019	6,446	6,508	6,275
4,333	4,670	4,098	2,634
114	208	134	133
1	1	1	1
10,774	13,928	28,147	15,873
4,247	4,273	7,800	5,512
19	35	19	20
1,596	1,701	3,668	3,476
26,649	23,913	27,615	36,139
11,420	12,753	14,407	12,710
611	168	444	583
7,436	4,936	444	200
3,751	4,409	12,379	8,885
104	108	7,812	10,846
6,877	6,863	42	43
38,398	30,728	4,778	4,192
9,760	9,250	32,708	45,042
1,210	1,608	12,178	12,094
6	6	132	47
		28	3

317,998

312,199

377,240

371,245

Dec 31, 1926 355 banks

Dec 31, 1927 341 banks

14,885	14,885	8	16,836
10	5,781	4896	7,412
4863	51	4576	24
4512	3,176	85	3,253
53	36,719	6,337	41
6,557	15,985	300	40,427
132,809	125	138,970	19,634
39,635	178	41,295	481
577	9,036	312	160
382	11,461	1	10,594
3	123	1,308	13,619
1241	5,766	464	64
385	48,923	19	5,167
13	14,430	525	50
723	233	25	49,050
6,621		6,878	17,928
2,892	368,803	3,186	162
655		95	

394,182

923
20
45

COLORADO - deposits in national banks

Dec 29, 1922
143 banks

Dec 31, 1923
143 banks

Dec 31, 1924
140 banks

Dec 31, 1925
131 banks

859.	1,222.	1	1,223.
1,404.	1,452.	1,452	1,742.
31.	29.	1,613	35.
1,083.	1,122.	34	1,253.
50,817.	49,828.	1,098	49,879.
25,926.	28,930.	53,438	29,611.
171.	139.	29,881	36.
7.	4.	69	4.
		3	
13,179.	11,348.		14,562.
6,368.	6,008.	20,109.	9,179.
262.	283.	9,926	245.
967.	1,515.	186	1,629.
52,782.	57,097.	1,997	74,923.
40,176.	46,067.	66,200	48,022.
296.	620.	51,087	1,073.
11.	18.	666	7.
		13	
1,375.	1,579.		1,908.
1,585.	1,568.	2,416	1,680.
5.	3.	2,521	6.
61.	123.	4	133.
7,695.	6,258.	138	8,036.
2,525.	2,952.	8,595	3,976.
33.	24.	3,557	29.
		30	

207,618.4

218,189.4

255,034.4

249,191.4

Dec 31, 1926
127 banks

Dec 31, 1927
124 banks

1,161.	1,197.
1,088.	1,288.
23.	21.
1,221.	924.
53,547.	70.
29,584.	53,249.
42.	33,398.
8.	64.
	7.
15,195.	
8,026.	15,493.
416.	7,596.
1,750.	443.
74,067.	1,495.
49,812.	146.
233.	70,307.
10.	49,989.
	182.
2,434.	6.
2,066.	
5.	2,897.
103.	2,286.
9,935.	13.
4,433.	169.
30.	5.
	6,827.
	5,128.
	26.

255,189.4

253,220.4

SIZE DISTRIBUTION OF FAILED BANKS IN KANSAS COMPARED WITH AVERAGE SIZE DISTRIBUTION OF OPERATING BANKS; PERIOD OF OPERATION OF DEPOSIT GUARANTY SYSTEM

	Number of banks			Deposits		
	Average number operating	Number failed	Failed per 100 operating	Average deposits in operating banks (thousands)	Deposits in failed banks (thousands)	In failed banks per \$1.00 in operating banks
<u>Total</u> <u>Guaranteed banks</u>	<u>463</u>	<u>154</u>	<u>33.3</u>	<u>111,090</u>	<u>33,086</u>	<u>29.8</u>
<u>Banks with deposits of-</u>						
\$100,000 or less	133	58	43.6	89,449	35,622	39.8
\$100,000 to \$250,000	203	64	31.5	33,578	10,367	30.9
\$250,000 to \$500,000	89	21	23.6	30,127	7,007	23.3
\$500,000 to \$1,000,000	26	9	34.6	17,636	5,915	33.5
\$1,000,000 to \$2,000,000	9	1	11.1	12,291	1,269	10.3
More than \$2,000,000	3	1	33.3	8,509	4,966	58.4
<u>Total</u> <u>Non-guaranteed State banks</u>	<u>509</u>	<u>66</u>	<u>13.0</u>	<u>87,832</u>	<u>7,835</u>	<u>8.9</u>
<u>Banks with deposits of</u>						
\$100,000 or less	235	43	18.3	133,334	23,133	17.3
\$100,000 to \$250,000	185	14	7.6	29,101	2,065	7.1
\$250,000 to \$500,000	64	6	9.4	21,518	2,318	10.8
\$500,000 to \$1,000,000	18	2	11.1	11,934	1,139	9.5
\$1,000,000 to \$2,000,000	6	-	-	8,730	-	-
More than \$2,000,000	1	-	-	3,215	-	-
Not available	-	1	-	-	-	-
<u>Total</u> <u>All State banks</u>	<u>972</u>	<u>220</u>		<u>198,922</u>	<u>40,921</u>	<u>20.6</u>
<u>Banks with deposits of</u>						
\$100,000 or less	368	101		222,283	58,752	26.4
\$100,000 to \$250,000	288	78		62,679	12,432	19.8
\$250,000 to \$500,000	153	27		51,645	9,325	18.1
\$500,000 to \$1,000,000	44	11		29,570	7,054	23.9
\$1,000,000 to \$2,000,000	15	1		21,021	1,269	6.0
More than \$2,000,000	4	1		11,724	4,966	42.3
Not available	-	1		-	-	-
More than \$1,000,000	19	2		32,745	6,235	19.0

NOTE: This table not used because of doubt about the averages for operating banks. Table for years 1919-1928 used in its place

KANSAS
SUMMARY OF NUMBER OF FAILED GUARANTEED BANKS BY YEARS

Year	List			D	E	Total Lists A, B, D, & E	Number given by Bank Commissioner's office	List C Responded by success
	A	B <small>First part</small>	<small>Second part</small>					
1909 - none								
1910	1	-	-	-	-	1	1	-
1911-1915 none								
1919	1	-	-	-	-	1	1	-
1920	2	-	-	-	-	2	2	-
1921	4	2	-	2	-	8	6	-
1922	6	6	3	-	-	15	15	2
1923	3	4	6	6	-	19	18	6
1924	1	1	1	5	-	8	10	3
1925	-	-	3	12	-	15	14	-
1926	-	-	-	27	-	27	27	8
1927	-	-	-	11	11	22	15	5
1928	-	-	-	-	10	10	3	1
1929	-	-	-	-	1	1	1	-
Total	18	13	13	63	22	129	115	25
Total 1909-1927						96	96	

Summary of loss - Group ~~A+B~~

To guaranty fund	2771445
To depositors:	
In Group B (2 banks)	167987
" B (13)	1222172
" D excl Amer.	5103145
" E	770771
Total loss to depositors	
excluding Amer. State	7264075
In 115 banks	6650872
Difference	613203

← This presumably represents loss in 13 banks on lists A & E which closed subsequent to withdrawal from guaranty.

✓ On sheet of abstract data enclosed with letter dated

KANSAS GUARANTEED BANKS IN PROCESS OF LIQUIDATION, FEBRUARY 28, 1920

	Number of banks	Deposits (thousands)	Eventual loss To fund	Eventual loss To depositors
List B - first part	13	2636	863,252	167,987
" second "	10	2163	-	1,071,031
D	14	4330	-	1,822,315
	<u>37</u>	<u>9129</u>	<u>863,252</u>	<u>3,061,333</u>

3,924,585

Summary of losses paid from liquidation of assets - all guaranteed banks
Payments paid from assets

4 banks	List A as given	634,229
Deposits 1559	Estimated for 4 banks	859
Est. paid by fund 700	List B - 1st section	1298
859	" B 2nd "	961
Ameristate	List D - excl Ameristate	6034
Deposits 4966	Ameristate Bank	3466
By banks 1500	List E	2296
3466	Total deposits banks	15548
	recovered with no loss	5387
	List C	<u>20935</u>

LOSSES IN FAILED BANKS PAID BY KANSAS BANK DEPOSITORS' GUARANTY FUND BY YEARS

By individual banks
1910 28,702

28,702

1921 22,036

208,314

52,801

52,771

82,075

417,997

1922 13,599

244,764

7,174

178,748

40,514

54,853

139,294

58,970

72,642

48,154

9,002

867,694

867,694

223,687

1,091,581

1923 12,497

15,045

237,760

14,090

37,364

90,955

25,095

432,806

1924 10,766

89,578

1,003,444

Summary of figures available by individual banks

<i>Failed in</i>	<i>Number of banks</i>	<i>Deposits</i>
1910	1	28,702
1921	5	417,997
1922	12	1,091,381
1923	7	432,806
1924	2	100,344
	27	2,071,230

1910 1 28,702

1921 5 417,997

1922 12 1,091,381

1923 7 432,806

1924 2 100,344

27 2,071,230

Estimated loss in 4 banks for which data are not available

Total paid from guaranty fund	\$2,771,405
Paid in 27 banks	2,071,215
Estimated paid in remaining banks	\$ 700,215

Of these four banks, 1 failed in 1919, 2 in 1920 and 1 in 1921

Estimated total loss in banks failed during the three years, 1919-1921, as follows:

In 5 banks available individually	\$417,997
In 4 " not " "	700,215
Total	\$1,118,212

LOSSES TO DEPOSITORS IN FAILED GUARANTEED BANKS IN KANSAS

Banks failed in

1921 10 3685 ✓
138389 ✓

142074 □

1922 159466 ✓
325411 ✓
171410 ✓
56230 ✓

712517 □

8521 ✓
96998 ✓
61803 ✓
95481 ✓
62022 ✓
80622 ✓
98898 ✓
716873 ✓
42432 ✓
198428 ✓
33769 ✓

1495847 □

1924 22156 ✓
220897 ✓
157590 ✓
865 ✓
131183 ✓
~~89353~~
~~69353~~

532691 □

1925 66406 ✓
33601 ✓
51134 ✓
69353 ✓
108851 ✓
202533 ✓
34096 ✓
27454 ✓
157641 ✓
10656 ✓
56981 ✓
73760 ✓
49041 ✓
25016 ✓
89704 ✓

1056227 □

1926 74803 ✓
325443 ✓
5792 ✓
29938 ✓
21091 ✓

100158 ✓
190323 ✓
82979 ✓
81574 ✓
39776 ✓
24620 ✓
15032 ✓
64191 ✓
24612 ✓
243197 ✓
30961 ✓
97730 ✓
51213 ✓
20506 ✓
103283 ✓
2366 ✓
9520 ✓
40436 ✓
103563 ✓
144396 ✓

1927 6414 ✓
62998 ✓
20588 ✓
100162 ✓
20118 ✓
113904 ✓
153483 ✓
17835 ✓
12453 ✓
28161 ✓
12923 ✓
7976 ✓
77354 ✓
24948 ✓
88563 ✓
4110 ✓
32603 ✓
4659 ✓

879584 □

1928 25381 ✓
81236 ✓
289592 ✓
16998 ✓
39866 ✓
29694 ✓

482767 □
17178
5842
505797

11848
1929 11848 □

~~442574 ✓
1495847 ✓
1056227 ✓
1927503 ✓
879584 ✓
505787 ✓
11848 ✓~~

5336575 □

Summary by lists

167987 □
1222172
6033518
6033518 -
6603148
770771

8764075 □

8764075 □
1500000 -
7264075 -
1500000

2,995,847 incl. Com. Sect. Bank
1,495,849
1,500,000

ESTIMATED LOSSES IN NATIONAL BANKS
 FAILED IN KANSAS DURING PERIOD OF OPERATION
 OF DEPOSIT GUARANTY (15 banks)

Year	No. banks	Receivings number	Estimated loss (thousands)	
1913	1	535	66	Claims paid minus dividend
1914	1	539	none	Restored to solvency
1923	1	719	196	From worksheets for 1865-1940 loss study
1924	3	788	none	
		852	117	
		812	143	
1926	1	996	211	
1927	1	1175	111	
1928 ^{to mar 4}	3	1194	119	
		1196	none	
		1203	less than 1	
Total (15 banks)			853	

Table 4.

NUMBER AND DEPOSITS OF GUARANTEED BANKS IN KANSAS
CLOSED BECAUSE OF FINANCIAL DIFFICULTIES, JUNE 30, 1909, TO MARCH 14,
1929

Banks grouped by amount of deposits

	Number of banks	Deposits (in thousands of dollars)	Percentage of total Number	Percentage of total Deposits
<u>Guaranteed banks</u>				
<u>Total</u>	<u>154</u>	<u>33086</u>	<u>100.0</u>	<u>100.0</u>
Banks with deposits of—				
\$10,000 or less	58	3562 ✓	37.26	10.77
\$10,000 to \$250,000	64	10367 ✓	41.52	31.35
\$250,000 to \$500,000	21	7007 ✓	13.64	21.17
\$500,000 to \$1,000,000	9	5915 ✓	5.84	17.88
\$1,000,000 to \$2,000,000	1	1269	.65	3.84
\$2,000,000 to \$5,000,000	1	4966	.65	15.01

DO NOT TYPE

Non-guaranteed State banks

<u>Total eligible</u>	<u>60</u>	<u>7483</u>		
Banks with deposits of—				
\$10,000 or less	38	1961		
\$10,000 to \$250,000	14	2065		
\$250,000 to \$500,000	6	2318		
\$500,000 to \$1,000,000	2	1139		
<u>Total eligible and ineligible</u>	<u>66</u>	<u>7835</u>		
Banks with deposits of—				
\$10,000 or less	43	2313		
\$10,000 to \$250,000	14	2065		
\$250,000 to \$500,000	6	2318		
\$500,000 to \$1,000,000	7	1139		
Not available	1			

National banks

Total

Table 5. NUMBER AND DEPOSITS OF STATE BANKS IN KANSAS CLOSED
BECAUSE OF FINANCIAL DIFFICULTIES, JUNE 30, 1909 TO MARCH 14, 1929,
BY YEARS

Year	Guaranteed banks		Nonguaranteed banks		Ineligible nonguaranteed State banks	
	Number	Deposits (thousands)	Number	Deposits (thousands)	Number	Deposits (thousands)
	8	10	9	10		
1909	-	-	-	-		
1910	1	47	-	-		
1911	-	-	-	-		
1912	-	-	-	-		
1913	-	-	3	54	1 private	49
1914	-	-	2	186		
1915	-	-	2	92		
1916	-	-	-	-		
1917	-	-	-	-		
1918	-	-	2	92		
1919	1	455	2	538	1 trust co.	na (trust co)
1920	2	166	2	475		
1921	8	2278	3	629	1 trust co.	88
1922	17	4336	3	282		
1923	25	9032	8	1087		
1924	11	2889	2	332		
1925	15	2245	4	570		
1926	35	5057	10	710	1 trust co.	82
1927	27	4342	8	790		
1928	11	2157	11	1434	2 private	133
1929	1	82	2	146		
Total	154	33086	60	7484	6	352
				7836		

↓ From Biennial Reports of Bank Commissioner. Banks which were members of the guaranty system on September 1, 1926 and failed during the following two years, are included with guaranteed banks, though some of them withdrawn from the fund prior to date of failure. Nonguaranteed banks include 6 ineligible for guaranty (3 trust companies and 3 private banks).
 1909-1929 Biennial Reports of Bank Commissioner (as of date of closing and partly for latest statement prior to failure). 1921-1924, calculated from deposits reported in schedules prepared for the Federal Reserve Committee on Bank, Group and Chain Banking. Deposits of the 6 banks ineligible for guaranty amounted to \$352,000.

DO NOT TYPE

Note. For 27 banks completely liquidated by 1927, deposits as of date of failure are also available. Deposits of these 27 banks were as follows:
 From Federal Reserve Committee schedules (last exam. call prior to failure) \$5,109,000
 From Bank Commissioner's Report to State Supreme Court (date of failure) 4,761,000

Table 6, SIZE DISTRIBUTION OF FAILED BANKS IN KANSAS COMPARED WITH AVERAGE SIZE DISTRIBUTION OF OPERATING BANKS, 1919-1928

	Number of banks			Deposits		
	Average number operating	Number failed	Failed per 100 operating	Average in operating banks (thousands of dollars)	In failed banks (thousands of dollars)	In failed banks per 100 in operating banks
<u>Guaranteed banks - total</u>	<u>640</u>	<u>152</u>	<u>24</u>	<u>182299</u>	<u>32957</u>	<u>418</u>
<u>Banks with deposits of-</u>						
\$100,000 or less	115	56	49	8167	3433	42
\$100,001 to \$250,000	303	64	21	51650	10367	20
\$250,001 to \$500,000	154	21	14	52034	7007	13
\$500,001 to \$1,000,000	47	9	19	31987	5915	19
\$1,000,001 to \$2,000,000	16	1	6	22524	1269	6
More than \$2,000,000	5	1	20	16137	4966	31
<u>Non-guaranteed State banks - total</u> ^v	<u>412</u>	<u>54</u>	<u>13</u>	<u>84227</u>	<u>7156</u>	<u>99</u>
<u>Banks with deposits of-</u>						
\$100,000 or less	142	34	24	8706	1853	21
\$100,001 to \$250,000	180	12	7	28955	1846	6
\$250,001 to \$500,000	63	6	10	31444	2318	11
\$500,001 to \$1,000,000	20	2	10	14074	1139	8
\$1,000,001 to \$2,000,000	6	-	-	7681	-	-
More than \$2,000,000	1	-	-	3367	-	-

^v Includes trust companies and private banks, except for one trust company for which deposits are not available.

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 Table 7. BANK FAILURE RATES IN KANSAS, 1910-1928, COMPARED
 WITH RATES IN CONTIGUOUS STATES AND IN THE UNITED STATES ✓

	Failures per 100 operating banks					Deposits in failed banks per \$100 in operating banks						
	State and national banks		State banks		National banks	State and national banks		State banks	National banks			
<u>Kansas - total</u>	18.7	19	22.0	22	5.1	5	\$12.97	13	\$21.05	21	\$2.66	3
Guaranteed banks	29.4	29	29.4	29	-	-	26.33	26	26.33	26	-	-
Non-guaranteed banks	10.8	11	13.7	14	5.1	5	5.36	5	11.38	11	2.66	3
<u>Four contiguous States</u>	24.5	25	27.2	27	14.5	15	10.71	11	16.77	17	5.21	5
Nebraska	21.6	22	23.4	23	13.6	14	15.16	15	22.08	22	7.40	7
Missouri	19.3	19	20.7	21	4.5	5	5.66	6	9.78	10	2.34	2
Oklahoma	34.6	35	44.9	45	18.6	19	22.48	22	49.97	50	11.56	12
Colorado	30.3	30	39.8	40	14.7	15	9.93	10	16.98	17	7.16	7
<u>Entire United States</u>	21.5	22	25.8	26	10.2	10	5.34	5	9.58	8	2.66	3

1/ Tabulated from data from the following sources: reports of bank commissioners in the various States; Willis, Banking Inquiry of 1925; annual reports of the Comptroller of the Currency; Federal Reserve Committee on Branch, Group and Chain Banking, "Changes in the Number and Size of Banks in the United States, 1834-1931;" and Federal Reserve Bulletin, September 1937.

2/ Less than 50 cents.

NOTE. These rates are for the entire period. ^{Approximate} Average annual rates can be obtained by dividing the figures by the number of years (19).

Typist
 Round all figures in this table to whole numbers, so as to eliminate decimals and cents. In the case of the last column, for Missouri only the footnote number will be typed.

Table 8. CAUSES OF BANK FAILURES IN KANSAS REPORTED BY THE BANK COMMISSIONER, PERIOD OF OPERATION OF THE GUARANTY SYSTEM

Biennial period ended Sept. 1	Total number of failures ✓	Number of failures ascribed in full or in part to the following causes					Cause not given
		Dishonesty of officials	Excessive loans to favored interests	Depreciation of values ^{2/}	Incom- petence ^{3/}	Other ^{3/}	

Guaranteed banks

1912	1	1	..	..	..	..	..
1914	None	..	..	..	..	..	..
1916	None	..	..	..	..	..	..
1918	None	..	..	..	..	..	..
1920	1	..	1	..	..	..	..
1922	17	15	1	..	5	..	..
1924	42	5	..	33	4	1	..
1926	35	5	..	29	14	..	3
1928	55	9	..	45	24	..	10
1930	<u>1</u>	..	..	<u>1</u>	..	..	..
Total	152	35	2	108	47	1	13

Nonguaranteed banks

1910	None	..	..	..	..	..	..
1912	None	..	..	..	..	..	..
1914	7	5	1	1	2	..	1
1916	2	1	..	..	..	..	1
1918	2	1	1	..	..	..	..
1920	2	..	2	..	..	..	..
1922	6	4	..	..	2	..	..
1924	12	1	..	11	..	..	..
1926	10	1	..	8	5	..	2
1928	17	3	..	14	7	4	..
1930	<u>5</u>	<u>2</u>	..	<u>5</u>	..	..	..
Total	63	18	4	39	16	4	3

^{2/} Includes causes described as "bad loans" or "frozen assets." Some of these should undoubtedly be classified in the preceding column.

^{3/} Includes failure of correspondent bank, other bank failures, and insufficient volume.

^{4/} Excludes two guaranteed banks and three nonguaranteed banks which were listed as suspensions by the Federal Reserve Committee on ~~Banking~~ Branch, Group and Chain Banking, but not in Biennial Reports of the Commissioner.

^{4/} Includes Banks closed from Sept 1, 1928, to March 14, 1929.

1921-1930.
 Table 9. CAUSES OF BANK FAILURES IN KANSAS, REPORTED BY THE
 FEDERAL RESERVE COMMITTEE ON BRANCH, GROUP AND CHAIN BANKING

Item no.	Item	Number of cases	
		Primary cause	Contributing cause
	<u>Dishonesty of officials - total</u>	<u>44</u>	<u>13</u>
1	Defalcation	42	12
2	Dishonesty, misappropriation, shortages	2	1
	<u>Excessive loans, speculation, irregularities</u>	<u>14</u>	<u>40</u>
3	Failure of large debtor	4	7
4	Heavy or frozen loans to officers or stockholders	1	1
5	Speculation	3	2
6	Excess loans	3	23
7	Heavily overloaned	1	3
8	Irregularities	2	4
	<u>Reversal of prosperous conditions in an industry or area and decline in values</u>	<u>6</u>	<u>66</u>
9	Decline in real estate values	-	40
10	Unforeseen agricultural or industrial disasters, such as floods, drought, boll weevil, etc.	3	4
11	Crop failure, general farm conditions	-	11
12	Bad loans, poor loans, frozen loans, inability to make collections	3	8
13	Excessive real estate holdings	-	3
	<u>or poor incompetent management</u>	<u>167</u>	<u>71</u>
14	Incompetent management	166	68
15	Insufficient diversification	1	3
	<u>Other causes</u>	<u>21</u>	<u>104</u>
16	Heavy withdrawals	5	72
17	Failure of affiliated institution	7	2
18	Failure of correspondent	4	1
19	Purchased paper, without recourse paper	1	4
20	Insufficient earnings	1	13
21	Volume of business too small	-	4
22	Depleted reserves	1	5
23	Miscellaneous	2	3

↓ Specific items are from schedules collected by the Federal Reserve Committee on Branch, Group and Chain Banking; the grouping by the author of this report. The tabulation was made by the author of this report from the schedules, which were made available through the courtesy of the Board of Governors of the Federal Reserve System.

LIST OF NONGUARANTEED BANKS IN KANSAS CLOSED BECAUSE OF FINANCIAL DIFFICULTIES DURING PERIOD OF DEPOSIT GUARANTY SYSTEM

Final check paid subsequent to Apr 11, 1929

On this page-failures to Sept. 1, 1926	Date closed	Deposits (thousands of dollars) ✓	Loss to depositors ✓	Dividends paid ✓
Courtland: The Farmers and Merchants Bank	Feb. 25, 1913	83	none	
Fostoria: The State Bank of Fostoria	Feb. 12, 1913	19	none	
Severy: The Severy State Bank	Dec. 15, 1913	82	none	
Ellinwood: The Citizens State Bank	Dec. 20, 1913	116	none	
Beattie: Bank of Beattie (private bank)	Dec. 1913	49	none	paid by relatives of owner
Cedar Point: The Farmers State Bank	Jan. 10, 1914	83	none	
Kansas City: The Minnesota Avenue State Bank	May 9, 1914	103	none	
Chautauqua: The Citizens State Bank	1915	94	na	
Russell Springs: The Russell Springs State Bank	1915	8	na	
Lehigh: The Menno State Bank	1918	43	na	
Williamson: The Williamson State Bank	1918	29	na	
Hanover: The Hanover State Bank	May 15, 1919	538	na	
Salina: The Continental Trust Company	1919	na	na	
Wamego: The Farmers State Bank	✓ Oct. 13, 1920	408	na	
Wellsford: The Wellsford State Bank	✓ Dec. 16, 1920	67	na	
Coffeyville: The Peoples State Bank	✓ Jan. 20, 1921	601	na	
Kansas City: The Banking Trust Co.	✓ Apr. 23, 1921	88	na	
Cummings: The State Bank of Cummings	✓ Oct. 14, 1921	22	15854	7910
Wichita: The Exchange State Bank	✓ Apr. 21, 1922	169	52716	92884
Arrinton: The State Bank of Arrinton	✓ Oct. 11, 1922	33	18991	10442
Audale: The Audale State Bank	Dec. 1, 1922	80	none	Reopened
Havana: The Havana State Bank	✓ June 16, 1923	49	none	Succeeded
Hutchinson: The Fourth State Bank	✓ July 5, 1923	493	none	Succeeded
Hallowell: The Hallowell State Bank	✓ Sept. 17, 1923	86	60787	11793
Belpre: The Farmers State Bank	✓ Oct. 1, 1923	127	76299	18979
Bloom: The Farmers State Bank	✓ Oct. 9, 1923	51	none	Reopened
Argonia: The Citizens State Bank	✓ Oct. 18, 1923	42	11544	31500
Kirwin: The Kirwin State Bank	✓ Oct. 23, 1923	222	none	Succeeded
Wells: The Wells State Bank	✓ Nov. 23, 1923	17	4235	9630
Groveland: The Farmers State Bank	✓ Mar. 25, 1924	15	none	14965
Oswego: The Oswego State Bank	✓ Apr. 18, 1924	317	171303	113253
Belvue: The Belvue State Bank	✓ Feb. 13, 1925	61	35145	26405
Cunningham: The First State Bank	✓ Sept. 8, 1925	36	25985	19034
Wilson: The Farmers State Bank	✓ Sept. 30, 1925	208	167261	116866
Belle Plains: The Valley State Bank	✓ Nov. 21, 1925	265	none	Reopened
Wetmore: The Wetmore State Bank	✓ Apr. 21, 1926	94	44776	56497
Emmett: The Emmett State Bank	✓ May 17, 1926	91	4396	50553
Westmoreland: The Farmers State Bank	✓ May 28, 1926	109	none	Reopened
Kirwin: The Exchange State Bank	✓ June 10, 1926	110	31717	74005
Kimball: The Kimball State Bank	✓ June 21, 1926	20	7653	9831
FRASER The Damar State Bank	✓ Aug. 21, 1926	61	24313	34988

Shaw paid by check

LIST OF NONGUARANTEED BANKS IN KANSAS CLOSED BECAUSE OF FINANCIAL
DIFFICULTIES DURING PERIOD OF DEPOSIT GUARANTY SYSTEM - Continued

Banks which were guaranteed on Sept. 1, 1926, but withdrew prior to August 31, 1928, and failed subsequent to withdrawal are excluded (they are on list of failed guaranteed banks)	Date closed	Deposits (thousands of dollars)	Loss to depositors	Dividends paid	
Westmoreland: The Citizens State Bank	✓ Oct. 16, 1926	85	none	77079	
Ellsworth: The Ellsworth State Bank	✓ Nov. 10, 1926	57	59878	21970	
Walker: The Farmers State Bank	✓ Nov. 10, 1926	83	36736	40930	✓
Kansas City: The American Title & Trust Co.	De c. 6, 1926	82	na	na	
Pierceville: The Pierceville State Bank	✓ Jan. 12, 1927	10	7719	2052	✓
Ada: The Ada State Bank	✓ Jan. 24, 1927	87	34273	51409	✓
Holton: The State Bank of Holton	✓ Mar. 10, 1927	228	none	200302	✓
Horace: The Horace State Bank	✓ July 9, 1927	39	na		
Zarah: The Zarah State Bank	✓ Sept. 22, 1927	46	10957	49914	✓
Elkhart: The Morton County State Bank	✓ Oct. 11, 1927	229	63348	131569	✓
Burns: The Exchange State Bank	✓ March 7, 1927	113	none	Taken over	
Kingman: The Citizens State Bank	✓ Jan. 13, 1927	36	none	Taken over	
Zurich: The Zurich State Bank	✓ Jan. 11, 1928	52	36598	21494	✓
Seneca: The Seneca First State Savings Bank	✓ Jan. 30, 1928	387	61055	338648	✓
Covert: The Covert State Bank	✓ Feb. 11, 1928	18	none	18273	✓
Phillipsburg: The Phillips County Bank	✓ Feb. 23, 1928	118	none	106893	✓
Kansas City: The Farmers Union State Bank	Feb. 27, 1928	448	85696	342784	✓
Lawrence: The Douglas County Farmers Union Bank (private bank)	✓ Feb. 28, 1928	91	1824	72640	✓ ^{to 1940}
Wheeler: The Farmers State Bank	✓ Apr. 23, 1928	24	none	27256	✓
Lyndon: The Lyndon Farmers Union Bank (private bank)	✓ Apr. 30, 1928	42	none	39721	✓
Neosho Rapids: The Neosho Rapids State Bank	✓ Nov. 2, 1928	41	2984	32122	✓
Tipton: The Home State Bank	✓ Dec. 2, 1928	108	none	102987	✓
Longton: The Longton State Bank	✓ Dec. 29, 1928	105	22038	73782	✓
Delavan: The Delavan State Bank	✓ Jan. 11, 1929	53	none	65768	✓
Ford: The Ford State Bank	✓ Jan. 23, 1929	93	58712	28269	✓

Total 7866

Total for 38 banks (excluding those reorganized, etc) for which data are available	3914	1234793	2544997	✓
Estimate for remaining banks, on basis of same rates to deposits (32 percent) estimated total loss	1997	639000		
		1874		

↓ Banks closed to Jan 31, 1914, from Bank Commissioners report, as a date of failure; banks closed Feb 1914 to Dec 31, 1920, from latest statement published in report of Bank Commission; banks closed 1921-1929, from schedules collected by Federal Reserve Committee on Branch, Group and Chain Banking, except for private banks which are from Bank Commissioners report.

↑ First seven listed, Bank Commissioners report. In most of these cases deposits were assumed by another bank, or bank reorganized with stockholders assessments. Banks closed 1921-1929, paying final dividend subsequent to April 1, 1929, estimated from percentage and amount of dividends paid, as given in Bank Commissioners reports for 1932 and 1934; other banks closed 1921-1929, from schedules collected by Federal Reserve Committee on Branch, Group and Chain Banking.

IX. Statistical data -
operation of fund

Data for each
participating bank

showing dates of admission
and termination

—
and assessment data

—
In folder in cabinet

Table 12. RECEIPTS, EXPENDITURES, AND DEFICIT OF THE
KANSAS DEPOSITORS' GUARANTY FUND

	Fund and assessment cost	Guaranty fund	American State Bank reorganization
<u>Receipts</u>			
Assessments collected, 1909-1929 ^{1/}	\$1,703,360	\$1,703,360	---
Other contributions by participating banks ^{2/}	2,220,750	796,762	\$1,423,988
Interest received ^{3/}	143,423	143,423	---
Source not identified ^{4/}	178,246	178,246	---
Total receipts ^{5/}	\$4,245,779	\$2,821,791	\$1,423,988
<u>Expenditures</u>			
Payments to depositors of failed banks, as tabulated from data for the individual banks:			
Principal of deposits	\$3,859,267	\$2,435,379	\$1,423,988
Interest ^{6/}	361,302	361,302	---
Additional payments or unidentified expense ^{7/}	7,144	7,144	---
Total expenditures ^{8/}	\$4,227,713	\$2,803,825	\$1,423,988
<u>Unpaid obligations</u>			
To depositors of failed participating banks ^{9/}	\$6,051,150	\$6,051,150	---

^{1/} As tabulated from entries in the "Guaranty Fund Individual Ledger" in the office of the Bank Commissioner. For the years 1925-1929, assessments paid were less than the amounts levied.

^{2/} Of guaranty fund, forfeiture of deposited bonds and cash by withdrawing banks, consisting of \$733,900 forfeited by banks that withdrew by the end of October 1927 (statement in records in Bank Commissioner's office), \$51,922 forfeited by banks that withdrew subsequent to October 1927 or participated to repeal of the law (estimated), and \$8,940 premiums and interest received by fund on the sale of forfeited bonds sold in December 1927. In American State Bank reorganization, portion of deposit liability assumed by participating banks.

^{3/} Includes amounts reported as "interest" and as "transfers from general fund," both apparently representing interest on the fund balance.

^{4/} Total received from Bank Commissioner, as given in biennial reports of the Treasurer of State, less reported receipts from assessments and forfeiture of deposited bonds and cash. This amount probably consists in part of collections on delinquent assessments, in part of additional receipts from sale of forfeited bonds, and in part of receivers collections on assets of failed banks after payment of depositors by receivers and the guaranty fund.

^{5/} From biennial reports of the Treasurer of State from beginning of fund to June 30, 1956. The excess of receipts over expenditures, amounting to \$17,966, remained to the credit of the depositors guaranty fund as of June 30, 1956.

^{6/} Includes court costs of \$15,631 which were met from the fund and deducted from the amount due depositors in the banks benefitting from the court decision regarding disposition of the assets of the fund.

Notes to Table 12 continued.

7/ Difference between total warrants redeemed (see note 3) and payments to depositors as tabulated for the individual banks.

8/ Total warrants redeemed, as shown in the biennial reports of the Treasurer of State from the beginning of the fund to June 30, 1956.

9/ Banks with no payments, or less than full payments, from the guaranty fund. Estimated from guaranty fund certificates issued, adjusted for percentage dividends paid by receiver.

Table 15. OBLIGATIONS TO CREDITORS PAID AND UNPAID, FAILED BANKS INVOLVING OBLIGATIONS ON THE KANSAS DEPOSITORS GUARANTY FUND, BY YEAR OF FAILURE ^{1/}

Year ^{2/}	Insured deposits paid ^{2/}				Noninsured deposits and other liabilities		
	Total ^{3/}	Directly from liquidation of assets	By fund or participating banks ^{4/}	Unpaid (loss to depositors)	Total ^{5/}	Paid ^{6/}	Unpaid
Total	\$21,151,418	\$11,240,901	\$3,859,367	\$6,051,150	\$3,763,185	\$1,805,042	\$1,958,143
1910	46,810	18,108	28,702	--	108,594	56,469	52,125
1919	496,584	94,351	402,233	--	150,951	28,681	122,270
1920	189,740	93,388	96,352	--	36,855	15,479	21,376
1921	1,910,270	1,484,781	328,512	96,977	328,807	141,163	187,644
1922	2,636,734	1,050,565	1,040,738	545,431	500,151	244,038	256,113
1923	5,824,674	2,459,402	1,790,121	1,575,151	1,461,713	634,791	826,922
1924	2,226,155	1,409,531	172,709	643,915	91,399	69,533	21,866
1925	2,080,697	1,216,296	--	864,401	242,425	145,668	96,757
1926	3,229,600	1,612,661	--	1,616,939	431,140	203,808	227,332
1927	2,244,030	1,588,909	--	655,121	389,882	247,484	142,398
1928	197,203	155,567	--	41,636	18,596	15,527	3,069
1929	68,921	57,342	--	11,579	2,672	2,401	271

^{1/} Tabulated from data for the individual failed banks published in the biennial reports of the Bank Commissioner, or shown in individual claims registers, receivership reports, or other surviving records in the Office of the Bank Commissioner. In a few cases some estimation has been necessary.

^{2/} There were no failures of participating banks in 1909 nor 1911-1918.

^{3/} Guaranty fund certificates issued, plus the portion of receivers' certificates issued in the American State Bank case estimated to have represented unusual deposits.

^{4/} Paid by fund, except for \$1,423,988 assumed by participating banks in the reorganization of the American State Bank, Wichita, in 1923.

^{5/} Receivers' certificates issued, excluding those in the American State Bank case estimated to have represented insured deposits.

^{6/} Preferred claims, assumed to have been paid in full, plus payments on receivers certificates estimated from percentage dividends paid.

Reconciliation of cumulative
 final ~~fund~~ deficiency (Table 17)
 with deficit (Table 12)

Deficit Table 12 \$6,051,150

add cost of
 American State Bank
 reorganization assumed by
 paper state banks

1,423,988

 \$ 7,475,138

Adjust for omission of
 interest paid and received

Paid \$ 361,302
 Received 143,423

217,879

Net-deduct \$ 217,879

 7,257,259

Adjust for additional payments
 and cash balance

Additional payments 7,144
 Cash balance 17,966

25,110

 35,110

7,232,149

 7,232,147

Kansas - Recoveries and Losses

Year	No. of depts.	Guaranteed deposits	Guaranty fund certificates paid		Recovery by Fund	Total recovery from assets	Loss to guaranty fund	Guaranty fund certificates not paid (Insured deposits unpaid)	Sum of last three columns
			By fund	Directly from assets					
1910	1	46,810	28,702	18,108	—	18,108	28,702	—	46,810
1911	—	—	—	—	—	—	—	—	—
1912	—	—	—	—	—	—	—	—	—
1913	—	—	—	—	—	—	—	—	—
1914	—	—	—	—	—	—	—	—	—
1915	—	—	—	—	—	—	—	—	—
1916	—	—	—	—	—	—	—	—	—
1917	—	—	—	—	—	—	—	—	—
1918	—	—	—	—	—	—	—	—	—
1919	1	496,584	402,233	94,351	—	94,351	402,233	—	496,584
1920	2	189,740	96,352	93,388	—	93,388	96,352	—	189,740
1921	8	1,910,270	328,512	1,484,781	—	1,484,781	328,512	96,977	1,910,270
1922	15	2,636,734	1,040,738	1,050,565	—	1,050,565	1,040,738	54,543	2,636,734
1923	19	3,364,854	366,133	1,423,573	—	1,423,573	366,133	1,545,151	3,364,854
1923	19	5,824,674	366,133	2,459,402	—	2,459,402	366,133	2,999,139	5,824,674
1924	10	2,226,155	172,709	1,409,531	—	1,409,531	172,709	64,395	2,226,155
1925	15	2,080,694	—	1,216,296	—	1,216,296	—	86,440	2,080,694
1926	27	3,229,606	—	1,612,661	—	1,612,661	—	1,616,939	3,229,606
1927	17	2,244,030	—	1,588,909	—	1,588,909	—	65,512	2,244,030
1928	3	197,203	—	155,567	—	155,567	—	41,636	197,203
1929	1	68,921	—	57,342	—	57,342	—	11,579	68,921
Total	119	18,691,604	2,435,379	10,205,072	—	10,205,072	2,435,379	6,051,150	18,691,601
<i>Add (1923)</i>		<i>2,459,817</i>		<i>1,035,829</i>		<i>1,035,829</i>		<i>1,423,988</i>	
<i>Adjusted</i>		<i>21,151,421</i>		<i>11,240,901</i>		<i>11,240,901</i>		<i>7,475,138</i>	<i>21,151,418</i>

Corrected figures 5/1/24

2. Include 1,423,988 loss in American State Bank in insured deposits accounted by other parties banks in 1919-1920

*Add (1923) 2,459,817
State Bank
Adjusted 21,151,421*

Loss to participating banks in reorganization of American State Bank

KANSAS - Losses and recoveries on failed banks for which guaranty fund payments were made or certificates issued.

Year	Number banks	Guaranty fund certificates paid		Guaranty fund certificates not paid	Total guaranty fund certificates	Receivers' certificates not paid
		Total	By receivers By fund			
1909	-	-	-	-	-	-
1910	1	46810	18108	28702	46810 ✓	52125
1911	-	-	-	-	-	-
1912	-	-	-	-	-	-
1913	-	-	-	-	-	-
1914	-	-	-	-	-	-
1915	-	-	-	-	-	-
1916	-	-	-	-	-	-
1917	-	-	-	-	-	-
1918	-	-	-	-	-	-
1919	1	496,584	94351	402,233	496,584 ✓	122,270
1920	2	189,740	93388	96352	189,740 ✓	21376
1921	8	1,813,293	1,484,781	328,512	1,910,270 ✓	187,644
1922	15	2,091,303	1,050,565	1,040,738	2,636,734 ✓	256,113
1923	19	2,825,535 1,787,706	2,459,402 1,423,573	366,133	2,999,139 2,264,854 ✓	826,922 2,250,910
1924	10	1,582,240	1,409,531	172,709	1,639,155 ✓	218,666
1925	15	1,216,296	1,216,296	-	2,080,697 ✓	96,757
1926	27	1,612,661	1,612,661	-	3,229,600 ✓	227,332
1927	17	1,588,909	1,588,909	-	2,244,030 ✓	142,398
1928	3	155,567	155,567	-	197,203 ✓	3069
1929	1	57,342	57,342	-	68,921 ✓	271
Total	119	12,640,451	10,205,072	2,435,379	18,691,601	3,382,131
before adjustment						
Adjustment in 1923 following State Bank		1,035,829	1,035,829		1423,988	-1423,988
Revised total		13,676,280	11,240,901	2,435,379	21,514,189	1,958,143

↓ Revised figure includes the "receivers certificates" paid by assumption in the State Reserve Bank, as reorganization of the American State Bank, Wichita, failed in 1923. These amounts - though classified in the receivership reports as "receivers' certificates" are taken to be insured deposits, and therefore amounts which would have been "guaranty fund certificates" except for the reorganization procedure.

↓ Revised figure for 1923 excludes losses on the receivers certificates included with guaranty fund certificates in the revised figure. See note 1.

KANSAS - Failed banks for which guaranty fund payments were made on certificates issued, 1910-1929

Year	Total number of failures		Number of banks with fund payments on certificates	Deposits at date of failure	Guaranty fund certificates issued	Percentage certificates issued to deposits
	on original report	as revised				
1909	-	-	-	-	-	-
1910	1	1	1	155404	46810	30.1
1911	-	-	-	-	-	-
1912	-	-	-	-	-	-
1913	-	-	-	-	-	-
1914	-	-	-	-	-	-
1915	-	-	-	-	-	-
1916	-	-	-	-	-	-
1917	-	-	-	-	-	-
1918	-	-	-	-	-	-
1919	1	1	1	647505	496584	76.7
1920	2	2	2	219478	189740	86.5
1921	8	8	8	2109525	1910270	90.6
1922	17	17	20	3357030	2636734	78.5
1923	25	25	6	7235319	5824674 3264859	80.5 45.2
1924	11	12	2	2593250	2226155	85.8
1925	15	15	-	2237286	2080698	93.0
1926	35	35	8	3599881	3229606	89.7
1927	27	21	4	2805638	2244030	80.0
1928	11	3	3	222930	197203	88.5
1929	1	1	1	82105	68921	83.9
Total	154	141	22	25265351	18691604 2459817	43.98
				25265351	21151421 418	83.7

1 From mimeographed report. These figures are OBSOLETE. Incorrect assumptions were made in some cases as to the guaranteed status, because of lack of information on dates of withdrawal from the fund.

2 Including insured deposits assumed by Successor bank in American State Bank case (they classified as "releaser certificates" in the summary table).

468.10 ✓
4965.84 ✓
1,897.40 ✓
18.13293 ✓
20,913.03 ✓
17,897.06 ✓
15,822.40 ✓
12,162.96 ✓
16,126.61 ✓
15,889.09 ✓
1,555.67 ✓
573.42 ✓

126.40 4.51 Π

181.08 ✓
943.51 ✓
933.88 ✓
14,847.81 ✓
10,505.65 ✓
14,235.73 ✓
14,095.31 ✓
12,162.96 ✓
16,126.61 ✓
15,889.09 ✓
1,555.67 ✓
573.42 ✓

102.05 0.72 Π

287.02 ✓
4022.33 ✓
963.52 ✓
3,285.12 ✓
10,407.38 ✓
3,661.33 ✓
1,727.09 ✓

24.35 3.79 Π

969.77 ✓
5,454.31 ✓
15,751.51 ✓
6,439.15 ✓
8,644.01 ✓
16,169.39 ✓
6,551.21 ✓
416.36 ✓
115.79 ✓

60.51 1.50 Π

468.10 ✓
4965.84 ✓
1,897.40 ✓
19,102.70 ✓
26,367.34 ✓
33,648.57 ✓
22,261.55 ✓
20,806.97 ✓
32,296.00 ✓
22,440.30 ✓
1,972.03 ✓
689.21 ✓

186.91 6.01 Π

521.25 ✓
1,222.70 ✓
213.76 ✓
1,876.44 ✓
2,561.13 ✓
22,509.10 ✓
218.66 ✓
967.57 ✓
2,273.32 ✓
1,423.98 ✓
30.69 ✓
2.71 ✓

33.82 1.31 Π

943.51
4022.33

4965.84 Π ✓

933.88
963.52

1,897.40 Π ✓

14,847.81
3,285.12

18.13293 Π

18.13293
969.77

19,102.70 Π ✓

10,505.65
10,407.38

2 0,9 1 3.0 3 Π

Π

2 0,9 1 3.0 3

5.4 5 4.3 1

Π

2 6.3 6 7.3 4 Π ✓

Π

1 4.2 3 5.7 3

3.6 6 1.3 3

Π

1 7.8 9 7.0 6 Π

1 7.8 9 7.0 6

1 5,7 5 1.5 1

Π

3 3.6 4 8.5 7 Π ✓

Π

1 4.0 9 5.3 1

1,7 2 7.0 9

Π

1 5,8 2 2.4 0 Π

1 5,8 2 2.4 0

6.4 3 9.1 5

Π

2 2.2 6 1.5 5 Π ✓

Π

1 2,1 6 2 9 6

8,6 4 4.0 1

Π

2 0,8 0 6 9 7 Π ✓

1 6,1 2 6.6 1

1 6,1 6 9.3 9

Π

3 2,2 9 6.0 0 Π ✓

Π

1 5,8 8 9.0 9

6.5 5 1.2 1

Π

2 2.4 4 0.3 0 Π ✓

Π

1,5 5 5.6 7

4 1 6.3 6

Π

1,9 7 2.0 3 Π ✓

Π

5 7 3.4 2

1 1 5.7 9

Π

6 8 9.2 1 Π ✓

Π

1 0 2.0 5 0.72
2 4.3 5 3.79

□

1 2 6 4 0 4.5 1 □

1 2 6.4 0 4.5 1

6 0.5 1 1.5 0

□

1 8 6.9 1 6.0 1 □

□

KANSAS - Amount of initial assessments for depositors
 guaranty fund by years - assessments collected
 Regular, and special

Year	Assessment rate (percent) %	Initial Amount	Regular	Special	Total
1909	.05	16,961.08	-	-	16,961.08
1910	.05	145.64	17,685.12	-	17,830.76
1911	.05	4,460.93	18,108.93	-	22,569.86
1912	.05	2,137.06	21,173.98	-	23,311.04
1913	.05	4,144.14	24,171.03	-	28,315.17
1914	.05	4,745.05	27,614.54	-	32,359.59
1915	.05	3,187.67	27,205.80	-	30,393.47
1916	.05	4,087.38	33,082.37	-	37,169.75
1917	.05	6,533.75	41,917.03	-	48,450.78
1918	.05	12,532.57	58,490.26	-	71,022.83
1919	.05	9,940.85	74,458.00	-	84,398.85
1920	.05	11,740.69	85,379.79	-	97,120.48
1921	.05	16,199.13	91,126.24	-	107,325.37
1922	.10	923.31	81,041.93	74,920.41	156,885.65
1923	.05	3,080.23	74,692.12	-	77,772.35
1924	.25	226.43	70,562.48	273,165.94	343,954.85
1925	.25	60.00	66,668.36	276,222.15	342,950.51
1926	.25	-	67,546.33	61,859.17	129,405.50
1927	.25	-	9,153.87	15,742.41	24,896.28
1928	.25	-	2,170.15	6,774.73	8,944.88
1929	.05	-	1,321.00	-	1,321.00
Total		101,105.91	893,569.33	708,684.81	1,703,360.05

Add for forfeited bonds in lieu of assessments
 Total assessments - including forfeited bonds
 975,008.59
2,678,368.64

✓ An average deposits of preceding year.

From entries in "Guaranty Fund Individual Ledger in office of Bank Commissioner"

Total fund receipts to June 30, 1934 (from Treasurer of State reports) 282,144.01

[Note: This is a little larger than figure of \$2,788,774.14 in letter from Commissioner, which may be for an earlier date.]

Of which, interest and transfers from general fund - also interest - is given as 142,775.37
 And as received from Bank Commissioner 2,678,368.64

Total assessments (from above) are deducted [which also exceeds figure in Commissioner's letter of 1,678,169.65] 1,703,360.05
 Balance is presumably from forfeiture of deposited bonds in lieu of assessments 975,008.59

This compares with amount at end of 1925 (about the process of withdrawal with) 1,015,834.56
 But some of " " " " " may have been returned to the banks.

254 2 1934 151

Noninsured deposits and other obligations, failed banks involving obligations
on the Kansas depositors guaranty fund, by year of failure

Year	Total	Preferred claims	Receivers' certificates	Paid 1/	Unpaid
<u>Total</u>	<u>3763185</u>	<u>284650</u>	<u>3478585</u>	<u>1805042</u>	<u>1958143</u>
1910	108594	—	108594	56469	52125
1919	150951	—	150951	28681	122270
1920	36855	—	36855	15479	21376
1921	328807	26175	302632	141163	187644
1922	500151	50252	449899	244038	256113
1923	1,461,713	50029	1,411,684 ²	634791	826922 ³
1924	91399	36876	54523	69533	21866
1925	242425	43396	199029	145668	96757
1926	431140	53556	377584	203808	227332
1927	389882	21588	368294	247484	142398
1928	18596	1717	16879	15527	3069
1929	2672	1061	1611	2401	271

1) Total (i.e., sum of preferred claims and receivers' certificates) less receivers' certificates unpaid.

2) Excludes \$2,459,817 in American State Bank, Wichita, assumed to represent insured deposits assumed by successor bank.

3) Excludes \$1,423,988, in American State Bank, Wichita, noted in receivership records as "credited by offset liability" and assumed to represent the loss on insured deposits assumed by successor bank.

Kansas - Assessments Levied and Paid

Year	Assessments Levied				Assessments Paid			
	Total	Regular	Special	Initial addition for banks admitted	Total	Regular	Special	Initial for banks admitted
Total	1,933,682	929,997	902,579	1,011,06	1,703,358	893,568	708,684	1,011,06
1909	16,961	—	—	16,961	16,961	—	—	16,961
1910	17,831	17,685	—	146	17,831	17,685	—	146
1911	22,570	18,109	—	4,461	22,570	18,109	—	4,461
1912	23,311	21,174	—	2,137	23,311	21,174	—	2,137
1913	28,315	24,171	—	4,144	28,315	24,171	—	4,144
1914	32,360	27,615	—	4,745	32,360	27,615	—	4,745
1915	30,394	27,206	—	3,188	30,394	27,206	—	3,188
1916	37,169	33,082	—	4,087	37,169	33,082	—	4,087
1917	48,451	41,917	—	6,534	48,451	41,917	—	6,534
1918	71,023	58,490	—	12,533	71,023	58,490	—	12,533
1919	84,399	74,458	—	9,941	84,399	74,458	—	9,941
1920	97,121	85,380	—	11,741	97,121	85,380	—	11,741
1921	107,325	91,126	—	16,199	107,325	91,126	—	16,199
1922	156,885	81,042	74,920	923	156,885	81,042	74,920	923
1923	77,772	74,692	—	3,080	77,772	74,692	—	3,080
1924	343,954	70,562	273,166	226	343,954	70,562	273,166	226
1925	368,209	66,668	301,481	60	342,950	66,668	276,222	60
1926	290,505	49,833	210,672	—	129,405	67,546	61,859	—
1927	65,899	32,056	33,843	—	24,896	9,154	15,742	—
1928	11,746	3,249	8,497	—	8,945	2,170	6,775	—
1929	1,482	1,482	—	—	1,321	1,321	—	—

Source: Summary of State Biennial Reports.

20000

Year ending June 30	Balance July 1 year previous	Receipts from bank loans	Interest	Warrants redeemed	Amounts from collection	Balance as of June 30	Balance deposited ch. 61, Laws	Contingent Receipts	Warrants redeemed	Balance June 30
1910		1696490				1696490	27637689	1939	388.38	18994.65
1911		3889779	98336			5684605	29061158	1940	383.14	19611.54
1912		2349562	134084			8168251	33674910	1941	411.49	18200.05
1913		2819411	128292			11115954	34158210	1942	-	18200.05
1914		3259571	163916	2870176		11669265	40615822	1943	143.59	18056.46
1915	113,952.82	3071678	252176			14993119	42980132	1944	-	18056.46
1916	144,669.60	4056735				19049854	48546358	1945	-	18056.46
1917		4770627	422226	1592	32338	24241115	58411358	1946	-	18056.46
1918		7155164				31396279	72546858	1947	9.03	18047.43
1919		8706147	480196		35634	40582622	80004681	1948	1.10	18046.33
1920		9398936	1318042	54636		51244964	94658400	1) Interest balance 7-1-1914 =		
1921		10780619	1143406		27098	63168989	113562200	2,739.83		
1922		8786609	1372094			73327692	115171700	6-30-1915 = 5261.59		
1923		15125745	2186000	6079452	26541	14559985	110699800	2) does not include interest balance		
1924		7076970	3080804	48992993		45724766	1,062,82456	3) In report included in Received Items.		
1925		53501902	1176745	97146264	45872	3257149	101583456	transferred from general account.		
1926		14308604	304046	2284407		15585392	93233456			
1927	155,853.92	8646799	483360	21859290	324701	2856261	89894382			
1928		84717547	464610	22004477		66033941	4750000			
1929	660,339.41	6015702	527046	67219130		5357559	3450000	1949	7.04	18039.29
1930		1653019	127754	821904		6316428	3450000	1950	73.47	17965.82
1931		2167144	158599	93105		8549066	With drawn	1951	-	17965.82
1932		3882104	148936	9557679		3022427		1952	-	17965.82
1933			70462	399441		2693448		1953	-	17965.82
1934			36407	275992		2453863		1954	-	17965.82
		2678368.64	14277537	279660538	4921.84			1955	-	17965.82
1935	Add returned	142975.37	490.88	2153.49		22876.02		1956	-	17965.82
1936		2821144.01	156.33	1313.09		21719.26				
1937	Warrants redeemed	2796605.38	-	637.41		21081.85				
1938	Balance in 1934	24538.63	-	1698.79		19383.06				

Not included in balance OMIT

STATISTICAL DATA REGARDING DEPOSIT GUARANTY FUND IN KANSAS

VI. Receipts, Disbursements and Balance
(From Biennial Reports of the Treasurer of State)

Year ending June 30	Guaranty fund interest collected	Receipts			Disbursements Warrants redeemed	Balance on June 30	Bonds deposited
		Bank Commissioner or receipts	Interest or transfers	Total including balance of prior year			
1910		16,964.90	<i>Interest</i>	16,964.90		16,964.90	276,376.89
1911		38,897.79	983.36	56,846.05		56,846.05	290,611.58
1912		23,495.62	1,340.84	81,682.51		81,682.51	336,749.10
1913		28,194.11	1,282.92	111,159.54		111,159.54	341,502.10
1914		32,595.71	1,639.16	145,394.41	28,701.76	116,692.65	406,158.22
1915		30,716.78	2,521.76	149,931.19		149,931.19	429,801.32
1916		40,567.35		190,498.54		190,498.54	485,463.58
1917		51,928.53		242,427.07	605.00	242,411.15	584,113.58
1918	} 323.35	71,551.64		313,962.79		313,962.79	725,868.58
1919	} 356.34	91,863.43		405,826.22		405,826.22	800,046.81
1920		107,169.78		512,996.00	546.36	512,449.64	946,584.00
1921	} 271.76	119,240.25		631,689.89		631,689.89	1,135,622.00
1922		101,587.03		733,276.92		733,276.92	1,151,717.00
1923	} 265.41	173,117.45		906,394.37	60,794.52	845,599.85	1,106,998.00
1924		101,577.74		947,177.59	489,929.93	457,247.66	1,062,824.56
1925	} 458.72	546,786.47		1,004,034.13	971,462.64	32,571.49	1,015,834.56
1926		146,126.50		178,697.99	22,844.07	155,853.92	932,334.56
1927		91,301.59		247,155.51	218,592.90	28,562.61	898,943.82
1928	3,247.01	851,821.57	<i>Transfers</i>	880,384.18	220,044.77	660,339.41	47,500.00
1929		60,157.02	5,270.46	725,618.70	672,191.30	53,575.59	34,500.00
1930		16,530.19	1,277.54	71,383.32	8,219.04	63,164.28	34,500.00
1931		21,671.44	1,585.99	86,421.71	931.05	85,490.66	<i>not reported</i>
1932		38,821.04	1,489.36	125,801.06	95,576.79	30,224.27	
1933			704.62	30,928.89	3,994.41	26,934.48	
1934			364.07	27,298.55	2,759.92	24,538.63	
1935		490.88		25,029.51	2,153.49	22,876.02	
1936		156.33		23,032.35	1,313.09	21,719.26	
1937		—	—	21,719.26	637.41	21,081.85	10946.10
1938		—	—	21,081.85	1698.79	19,383.06	
Totals (for checking) 1910-1938		2,803,331.14	18,460.08	4,872,162.08	2,800,071.96	6,072,090.14	
					2,802,408.16	6,112,555.03	

Fa Table 13

Fraser : over

↓ Reported entirely separate from statement of the bank guaranty fund.
However, since statement of the fund gives only the one item "received", it
is not clear whether guaranty fund interest collected is included among
receipts of the guaranty fund.

It is possible that the guaranty fund interest collected was
accumulated, and comprised the receipts in 1929 labelled
"transfers".

KANSAS

Interest received of

After 1934

490.88

156.33

647.21

To 1934

142,775.37

143,422.58

Still needs to figure
in last payment for fact
of 1936 pp.

Warrants redeemed

1935-1946

2,153.49

1,313.09

637.41

1,698.79

388.38

383.14

411.49

143.59

7,129.38

1934

2796,605.35

2803,734.76

90,64

1947-50

2803825.40

STATISTICAL DATA REGARDING DEPOSIT GUARANTY FUND IN
 III. RECEIPTS OF GUARANTY FUND

Kansas ²¹

*With Treasurer's Reports after 1918
 not found at Library of Congress.*

Year ending June 30	From report of Treasurer of State			Assessments collected	Interest received	Received from liqui- dation of closed banks	Other income	Total income	Receipts not income ^{1/}	Cash at beginning of year	Total receipts	Guaranty Fund interest collected ^{4/}
	Recd from Bank commissions or assessments	Interest	Transfers									
1909	3,802,683.93	7,768.04	10,327.97									492,184
1910	16,964.90											
1911	38,897.79	983.36										
1912	23,495.62	1,340.84										
1913	28,194.11	1,282.92										
1914	32,595.91	1,639.16										
1915	30,716.78	2,521.76										
1916	40,567.35 ³⁾											
1917	51,928.53 ³⁾											
1918	71,551.64 ³⁾											
1919	91,863.43											323.38
1920	107,169.78											356.34
1921	119,240.25											270.98
1922	101,587.03											265.41
1923	173,117.45											458.72
1924	101,577.74											
1925	546,786.47											
1926	146,126.50											
1927	91,301.59											
1928	851,821.57											3247.01
1929	60,157.02		5,270.46									
1930	16,530.19		1,277.54									
1931	21,671.44		1,585.99									
1932	38,821.04		1,489.36									
1933			704.62									

^{1/} Money borrowed, receipts from sales of assets, etc.

³⁾ Not specified as to source.

2) No statements of fund given in reports of Bank Commissioner, except balance in fund, See V.

4) First reported in Report of Treasurer of State for 1917-18. ^(beginning as liquid 1917) ^{entirely} The separate from the statement of the bank guaranty fund. However, since the statement of the guaranty fund gives only one item "received", it is not clear whether the guaranty fund interest collected is or is not included among the receipts of the guaranty fund.

STATISTICAL DATA REGARDING GUARANTY FUND IN
IV. DISBURSEMENT OF GUARANTY FUND

Year ending June 30	From report of Treasurer of State Warrants redeemed	Refunds on assessments	Payments to depositors in closed banks	Interest on claims, certified notes and borrowings	Administration expenses	Misc. expenses	Total expenses paid	Payments not classed as expenses $\frac{1}{2}$	Cash at end of year	Total disbursements
1909	2,793,845.66									
1910										
1911	none									
1912	none									
1913	none									
1914	28,701.76									
1915	none									
1916	none									
1917	15.92									
1918	none									
1919	none									
1920	546.36									
1921	none									
1922	none									
1923	60,794.52									
1924	489,929.93									
1925	971,462.64									
1926	22,844.07									
1927	218,592.90									
1928	220,044.77									
1929	672,191.30									
1930	8,219.04									
1931	931.25									
1932	95,576.79									
	$\frac{1}{2}$ Repayment of borrowed money									
1933	3,994.41									

STATISTICAL DATA REGARDING DEPOSIT GUARANTY FUND IN Kansas³¹
 V. ACCUMULATION OR DEFICIT IN FUND

Year	Balance in fund Bonds & cash to guarantee payment of assessments C - Cash B - Bonds	Assessment account	Balance in fund (income minus expenses paid to date)	Assessments levied but not yet collected	Unpaid certificates or claims outstanding	Accumulation or deficit in fund (sum of preceding three columns)	Assessments probably not collectable	Estimated value of unliquidated assets of failed banks (share of fund)	Estimated net accumulation or deficit in fund (sum of preceding three columns)	Balance in fund June 30 (from reports of Treasurer of State)	Bonds deposited as per schedule June 1909 or June 30	Reference to reports of Bank Commission (for balance in fund) or T-Trans. State
1910 - Sept										16964.90	276376.89	T 1912 p 17
1911										56846.05	290611.58	
1912 - Sept 1	\$341,349.10	\$83,231.03								81682.51	336749.10	1912 - p 3
1913										111159.54	341502.10	
1914 - Sept 1	A 117,537.27 B 410,301.76									116692.65	406158.22	1914 - p 9
1915										149931.19	429801.32	
1916	C 191,005.73 B 488,563.58									190498.54	485463.58	1916 - p 5
1917										242411.15	584113.58	
1918	1,065,556.09									313962.79	725868.58	1918 - p 4
1919										405826.22	800046.81	
1920										512449.64	946584.00	
1921										631689.89	1135622.00	
1922	C 733,430.79 B 1,143,292.00									733276.92	1151717.00	1922 - p 575
1923										845599.85	1106998.00	
1924	C 451,915.92 B 1,060,324.56									457247.66	1062824.56	1924 - p 3, 542
1925										32571.49	1015834.56	
1926	C 177,345.40 B 917,660.00									155853.92	932334.56	1926 - p 11
1927										28562.61	898948.82	
1928	not stated but negligible									660339.41	47500.00	
1929										53575.59	34500.00	
1930										63164.28	34500.00	
1931										85490.66	not mentioned	
1932										30224.27	" "	
1933										26934.48		

1) C. 451,845.24 } p. 542.
 B 1,060,324.56

4) shown as \$113,952.82 in next report in principal acct and \$2,739.83 in interest acct. See over.

Balance June 30

	Bank guaranty principal	Bank guaranty interest	Total
June 30			
1914	113,952.92	2,739.83	116,692.65
1915	144,669.60	5,261.59	149,931.19

See footnote 2, schedule III.

Assessments	2,617,876.16
Interest	138,631.33
	<hr/>
	2,756,507.49

warrants	2,693,343.21
Balance	63,164.28
	<hr/>
	2,756,507.49

Interest on cash in lieu of bonds	10,506.81
--------------------------------------	-----------

Kansas

Bank Depositors' Guaranty Fund

		Bonds	Assessments Receipts from Bk Com.	Interest	Warrants redeemed
	Balance				
1910	16,964.90	27637689	1696490		
June 1911	✓ 56,846.05	29061158	3889779	98336	-
1912	✓ 81,682.51	32674910	2349562	134084	-
1913	✓ 111,159.54	34150210	2819411	128292	-
1914	✓ 116,692.65	40615822	3259571	163916	2870176
1915	✓ 149,931.19	42980132	3071678	252176	-
1916	✓ 190,498.54	48546358	4056735	(526159)	-
1917	✓ 242,411.15	58411358	4770627	422226 32338*	1592
1918	✓ 313,962.79	72586858	7155164 ^{1/2}	-	-
1919	✓ 405,826.22	80004681	8706147	67992* 420196	-
1920	✓ 512,449.64	94658400	9398936	1318042	54636
1921	✓ 631,689.89	113562200	10780619	1143406 27098*	-
1922	✓ 733,276.92	115171700	8786609	1372094	-
23	✓ 845,599.85	110699800	15125745	2186006	6079452
24	✓ 457,247.66	106282456	7076970	3080804 26541*	48992993
25	✓ 32,571.49	101583456	53501902	1176745	97146264
26	✓ 155,853.92	93233456	14308604	45872* 304046	2284407
27	✓ 28,562.61	89894382	8646799	483360 324701*	21859290
28	✓ 60,339.41	4750000	84717547	464610	22004477
29	✓ 53,575.59	3450000	6015702	527046	67219130
30	✓ 63,164.28	3450000	1653019	127754	821904
			2,61787616 ^{ok}	13863133 ^{ok}	269334321 ^{ok}
	Warrants			1050687 ^{ok}	
	Balance		269334321	on cash)	
6,831.81	Total		275650749		
	Assessments		261787616		
	Interest		13863133		
			275650749		

1. 5261.59 transferred to Bank Guaranty Principal June 30
does not seem to be added in. 1915

(2) Labeled interest.

* Interest on cash deposited in lieu of bonds.
As per Senate Bill No. 288

Source - Biennial Reports of the Treasurer of State of Kansas
Jan 12, 1925 Bonds 1,049,766 Cash 8,564.56
Total 1,058,324.56

2,768,013.66

5,850,177.65

116,692.65

32,595.71

1,639.16

150,927.52

28,701.76

122,225.76

1,151,777.00
34,500.00
1,117,277.00

149,934

40,567

190,498

111,150.54

32,595

1,639

145,384

28,701

116,683

30,716

2,521

149,926

From Thirty-second Biennial Report of
the Treasurer of State, Kansas, for the fiscal years
ending June 30, 1939 and June 30, 1940

Bank guaranty fund is listed among trust funds. as
follows.

Balance, July 1, 1938	\$19,383.06
Warrants redeemed	388.38

Balance June 30, 1939	18,994.68
Warrants redeemed	383.14

Balance June 30, 1940	18,611.54
-----------------------	-----------

Average annual assessment necessary
to have met all losses in failed banks
in Kansas 1909-1929 (20 years)

Losses during period of operation of guaranty fund (thousands)	
Guaranteed banks (from Table 12)	11,535
Nonguaranteed State banks	1874
National banks	853
	<hr/>
	14,262

Aggregate deposits (thousands) - for 20 years

1910-1928 total State banks	3,668,939
Add 1909 (see Oklahoma binder)	84,177
1910-1928 total national banks	2,874,765
Add 1909 (see Oklahoma binder)	83,031
	<hr/>
	6,710,912

$$\frac{14,262}{6,710,912} = \frac{21}{100} \sqrt[20]{1 \text{ percent per year}}$$

Banks marked A

Banks marked B

Number Loss to Loss to Number Loss to Loss to
 Banks guaranty depositors of guaranty depositors
 Fund banks fund
*Red figures
 exclude those
 with no loss* *with loss
 in red*

Group A	10	10	← 555,354	8	8	← 652,624		
B (top page)	6	6	← 594,161	159,466	7	7	← 269,091	8,521
B (bottom page)	3	3	547,955 →	10	10	674,217 →		
D first page	13	14	1,294,044 →	24	25	2,310,870 →		
D second page	3	3	1,297,041 →	20	21	201,190 →		
E	7	9	596,360 →	10	13	174,411 →		

42 45 79 84

Total	4,884,918	4,282,403
Add (2 banks with loss to depositors fund both)	159,466	8521
" Amer State Bank	1500,000	
" 4 banks xx - total estimated	700,215	4290,924
	<u>7,244,599</u>	<u>7244,599</u>
		<u>11,535,523</u> Total loss

which is 64.7% of total
 but includes only 35% of the
 banks. 35%

Handwritten calculations:
 45
 84
 29
 128

quantities
 Five banks causing largest losses to the
 guaranty fund as to depositors

In thousands of dollars
 Paid total loss to
 fund depositors

	Date of failure	Deposits	Losses
Wichita: American State Bank	6-18-23 ✓	4,966	1,500
El Dorado: Butler County State Bank	3-30-23 ✓	1,269	719
Salina: Peoples State	7-18-21	938	no
Leavenworth: State Savings Bank	5-23-22 ✓	968	383
Arkansas City: Peoples State	3-1-22 ✓	693	320
Mulvane: Farmers State	2-8-26	139	320
			<hr/>
			3,250 = 28%
Salina: Kansas State Bank	May 1919 ✓	455	about 600
" Peoples State "	7-18-21 ✓	938	
			<hr/>
			9429
			<hr/>
			3,858 = 33% + 9%

Reasons assigned for the failures in Commission's report

- Salina: Kansas State 1919 Loss to officers & directors
 (Commission asked for more restriction on such loans)
- Salina: Peoples State 7-18-21 Incompetency & dishonesty
- Arkansas City: Peoples State Bank 3-1-22 Dishonesty
- Leavenworth: State Savings Bank 5-23-22 Incompetency & dishonesty
 Commission repeated request for more restriction on officers & directors' loans.
- El Dorado: Butler County 3-30-23 Bad loans & inability to make collections
- Wichita: American State 6-18-23 Dishonesty
 Commission asked for increase in examining fees, to increase loans
 report of examiners. (over)

Mulvane: Farmers State Bank 2-8-26 District
 Commission asked another special assistant commission
 more thorough report & return in same manner

Sabetha City State	3-12-26	290	Money not
Hyge State Bank	4-16-1722	245	Dist. ^{Ref from}
Amplify City State	11-10-26	243	Ref from
Cummins Farmers	7-14-23	238	Bad loan & matter
		<hr/>	& make collect
		1016	

2 thousands

Total losses to guaranty fund & depositors

7,264
1,500
2,771

In banks with more than \$50,000 deposits

11,535

	Deposits	Losses
Michigan: American State Bank	4,966	1,500
El Dorado: Butler State Bank	1,269	719
Salina: Peoples State	938	
Lawrence: State Bank	968	383 x
Lawrence: State Bank	693	325 x
Lawrence: Peoples State	570	1,53
Coffeyville: Amer State	501	221
Highway: Farmers State	567	1,57
Lawrence: Amer State	560	109
Lawrence:	575	290
Salina: Citizens State		
Lawrence:		
Lawrence:	543	

223,687
1,591,466
383,153

Lawrence Farmers State Bank 139 325

11,535 3,250

EXPENSES OF BANK COMMISSIONERS OFFICE - KANSAS

Year ended June 30	Expenditures	Appropriation	Fees received	Net cost from tax funds.	Expenses (duplicate) 10% of Com. cost C. + 1/2 chief exam	Salary	Members
1909							
1910	43,964	47,250	31,640	800			
1911							
1912							
1913							
1914							
1915							
1916							
1917							
1918							
1919							
1920	4,454						
1921	66,397					\$21.00	12
1922	73,508					11,240.00	12
1923	79,462					4,200	14
1924	90,765					2,400	14
1925	84,475					2,400	14
1926	83,464						20
1927	87,284					18.00	20
1928	95,741					1,500	20
1929	93,443						20

91 754,541
93,838

Due from
 depositors funds
 2 - completely
 liquidated banks*

	2	9,1	4	7.89	
	6	1,9	2	9.27	
	4	0,2	2	9.15	
	2	0,0	3	0.00	
		7,5	7	0.25	
		7,2	4	1.24	
	7	0,6	3	0.68	
	5	6,7	9	1.64	
	2	9,1	8	1.61	
	2	0,8	2	9.19	
3	7	2,8	1	5.28	
	9	2,8	5	6.93	
	5	6,3	7	5.36	
	6	3,7	2	9.78	
	1	6,8	8	7.86	
	7	2,2	3	2.28	
	6	0,4	2	1.67	
	9	5,0	5	0.92	
2	9	5,5	2	5.52	
1	3	7,4	8	9.45	
	1	0,0	9	3.66	
	9	3,2	1	8.71	
	1	8,2	2	7.61	
	2	7,6	2	3.96	
	1,7	5	6,1	2	9.91 *

Kansas

Kansas
Fund
1910-1930

Receipts	
Assessments of banks	2,652,376.16
Interest	<u>1,386,313.33 *</u>
	2,791,007.49

Disbursements	
Warrants redeemed	2,693,343.21
Balance	<u>97,664.28</u>
	2,791,007.49

Character of Assets	
Cash balances	631,642.8
Bonds	<u>345,000.00</u>
	976,642.8

* \$10,506.81 interest on cash deposited in lieu of bonds may have been returned to banks, put in general fund, or be included in receipt of fund.

a of 1930.

- I have been unable to secure figures for:
- 1 Total amount of deposits in guaranteed banks at date of failure
 - 2 Total receipts from liquidation of failed banks assets.
 - 3 Total amounts of outstanding certificates

Feb. 18, 1929

Certificates outstanding in the hands of depositors	13,595,249.19
Dividends paid	<u>6,499,356.4</u>
Net liability of the guaranty fund	\$7,175,313.55

This is from Blocker "The Guaranty of State Bank Deposits" p 29,

Kansas

funds

	Bankers in fund	Loss	cash	Bond
1909				
1910				
1911				
1912	Sept 1	456	83231 03	341349 10
1913				
1914	Sept 1	499	117537 27	410301 76
1915				
1916		539	191005 73	488563 58
1917				
1918		604	\$ 1,065,556.09	
1919				
1920		676	\$ 1,562,436.64	
1921				
1922		703	733430 79	114329 200
1923				
1924		651	451915 92	106032 456
1925				
1926	Sept 1	610 225	177345 40	917660 00
1927				
1928	Sept 1	39		
1929				
1930				
1931				
1932				
1933				

Bankers in Kansas

Sept	National	total state	guaranteed state	non-guaranteed state
1				
12	211	899	456	443
14	213	932	499	433
16	221	978	539	439
18	236	1037	604	433
20	257	1100	676	424
22	267	1097	703	394
24	258	1033	651	382
26	257	997	225	772
28	250	864	39	825
30	245	806	-	806
32	222	658	-	658

Compiled from Biennial Reports of Bank Commissioner of State of Kansas
Annual Reports of the Comptroller of the Currency

KANSAS

Estimate of burden on earnings if all State banks had been covered.

Loss to depositors in failed participating banks
 $28,670 \times 93.7\% = 23,970$ of deposits

Deposits in failed non-participating banks
 $\$10,243,000$ (subject to reserve)

24% = $\$2,458$ million

Deposit liability fund for failed banks = 9.911

Reserve 2458
 6086

Total $\$12,369$

8544

Net profits 60,798 } all State banks } Average rate of prop. to total capital accounts 8.05570
 Total capital account 954,792

If 8544 is deducted from 60,798 = 52,254, which is 6.832%

Estimated total cost of deposit guaranty 12,369 } Rates cost to interest
 Interest paid by deposits 62,299

*Report prepared in
1949 - Charles*

OBSOLETE
Prepared in 1942
Rewritten in 1958
after collecting
additional material
in Topeka

DEPOSIT GUARANTY IN KANSAS

by

Clark Warburton, Principal Economist
Division of Research and Statistics
Federal Deposit Insurance Corporation

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DEPOSIT GUARANTY IN KANSAS

The Kansas law for guaranty of bank deposits was approved on March 6, 1909, and became effective on June 30 of that year.^{1/} At the time of enactment of this law, a deposit guaranty plan was in operation in the adjacent State of Oklahoma, and deposit guaranty legislation was in process of enactment in Nebraska and Texas. During the succeeding eight years, four other States (South Dakota, North Dakota, Mississippi, and Washington) adopted deposit guaranty plans.

The Kansas law remained in operation until it was repealed in 1929. However, it became of relatively slight importance in 1926, when the great majority of the participating banks withdrew from the fund.

CHARACTER OF THE GUARANTY LEGISLATION

Admission of banks. Participation in the Kansas deposit guaranty plan was voluntary.^{2/} Incorporated State banks which desired to participate in the guaranty system were required to be examined by the Bank Commissioner, and approval was dependent upon his finding that the bank was solvent, properly managed, and conducting its business in strict accordance with the banking law. Trust companies and private banks were not authorized to participate in the guaranty system, but were specifically authorized to

^{1/} "Bank Depositors Guaranty Act," ch. 61 of Laws of 1909.

^{2/} Of the eight States which created deposit guaranty systems during the period 1907-1917, five made participation compulsory on all banks operating under State law, two (Kansas and Washington) made participation voluntary, and one required participation in the deposit guaranty system or in a "bond security" system.

reorganize as State banks, and thereby become eligible for membership in the guaranty fund, by filing an amended charter. Banks organized subsequent to enactment of the guaranty legislation, if located in cities or towns where all existing banks had failed to become guaranteed banks within six months after passage of the act, were eligible for admission to the guaranty system; and, if located elsewhere, eligible after operating for one year. In 1921 the requirement of a year's operation was extended to all newly organized banks.

A State banking department had been in operation in Kansas for 18 years prior to the adoption of deposit guaranty, and the banks had been submitted to more careful examination than in many other States. How many banks which applied for admission to the guaranty system were rejected by the Bank Commissioner is unknown.^{1/} At the close of the year 1911, the earliest date for which the number of participating banks is available, approximately one-half of the banks operating under State law, 442 out of 897, were guaranteed.

The law also provided that any national bank, at its option and after an examination by and with the approval of the State Banking Commissioner could participate in the deposit guaranty system. However, the ruling of the Attorney-General of the United States with respect to participation by national banks in the deposit guaranty system in Oklahoma was applicable to national banks operating in other States. Consequently no national banks

^{1/} The tenth biennial report of the State Bank Commissioner, dated September 1, 1910, p. xvi, states that applications were received from several hundred banks to participate under the guaranty law, but gives no information regarding the number approved or disapproved.

were able to join the system in Kansas.

Withdrawal from the guaranty system. A bank which decided to withdraw from the bank depositors' guaranty fund was permitted to do so by displaying a notice to that effect and by notifying the Bank Commissioner, effective at the expiration of six months. The participation of a bank which failed to pay its assessments was required to be terminated by the Bank Commissioner, under similar conditions.

In case of withdrawal from the fund, the bonds deposited as surety for the payment of assessments were to be returned to the bank after the closing of affairs of all failed banks in liquidation at the expiration of the six months' period and the payment of assessments levied to meet losses in those banks.

These provisions, and decisions of the State courts regarding them, became important in 1925 when a large proportion of the participating banks wished to withdraw from the system, and are discussed in more detail in another section of this report.

Deposits guaranteed. Deposit guaranty in Kansas, under the original law, covered all deposits not bearing interest, time deposits payable in not more than one year nor in less than six months and bearing interest not in excess of 3 percent per annum, and savings accounts not exceeding \$100 for any one person and bearing interest not in excess of 3 percent. At the same time payment of interest by guaranteed banks at a rate higher than 3 percent per year, except for existing contracts, was prohibited.

In 1911 the limitation on the guaranty of savings deposits to \$100 per person was removed, and the guaranty extended to all deposits not otherwise secured. The prohibition of payment of interest on deposits by guaranteed banks at a rate in excess of 3 percent per annum was removed, and a system was established for the setting by the Bank Commissioner of maximum uniform rates of interest for each county by both guaranteed and non-guaranteed banks.

County, township, city and school funds were brought under the protection of the guaranty fund by a provision that no further security was required for the deposit of such funds in a guaranteed bank. This provision was repealed in 1927.

The guaranty law, both in its original form and as amended, provided that the guaranty should not apply to deposits which were primarily rediscounts or money borrowed from the bank, nor to deposits otherwise secured. The law also provided that the guaranty should not apply to a bank's obligations as endorser upon bills rediscounted, nor to bills payable, nor to money borrowed temporarily from its correspondents or others. An amendment to the law in 1923 defined any deposit on which a greater rate of interest was paid than that approved by the Bank Commissioner as "borrowed money" and therefore excluded from guaranty; and also excluded from guaranty any deposits or credits obtained by fraud or in violation of law or evidences of debt fraudulently issued.

Several court cases arose in connection with the definition of deposits which were guaranteed. In one case certificates of deposit

issued by a bank in connection with a land deal were held to have been issued in transactions outside the business of the bank therefore not protected by the guaranty fund.^{1/} In another case deposits at a rate of interest higher than the maximum specified by law were held not to be covered by the fund even though the excess of interest was in the form of a bonus.^{2/} In still another case the depositors of a bank which had complied with the depositors' guaranty act were held to be entitled to protection by the guaranty fund even though the bank had been a persistent and long-continued violator of the banking law.^{3/}

Assessments. Assessments for meeting the cost of deposit guaranty were levied upon the banks on the basis of deposits covered by the guaranty. The law provided for annual assessments of one-twentieth of 1 percent until the fund should reach a maximum of \$500,000. Should the fund become depleted, special assessments were to be made by the Bank Commissioner, limited to five assessments of one-twentieth of 1 percent each in any calendar year. A question arose, which was never settled either by legislation or court decision, whether this number included or excluded the regular assessment. The maximum annual assessment was thus one-fourth of 1 percent.^{4/}

^{1/} Fourth National Bank of Wichita v. Wilson, Bank Commissioner (1922) 110 Kansas 380, 204 Pac. 715.

^{2/} American State Bank v. Wilson, Bank Commissioner (1922) 110 Kans. 520, 204 Pac. 709.

^{3/} Board of commissioners of Labette County v. Bone, Bank Commissioner (1926) 120 Kansas 673.

^{4/} Sixteenth Biennial Report of the Bank Commissioner, 1922, p. 6; Thornton Cooke, "The Collapse of Bank Deposit Guaranty in Oklahoma and its Position in Other States," Quarterly Journal of Economics, Nov. 1923, p. 124.

To secure payment of the assessments, each guaranteed bank was required to deposit selected bonds, or cash, with the State treasurer amounting to one-half of 1 percent of the bank's guaranteed deposits, with a minimum of \$500.

These provisions remained unchanged until 1921, when the maximum fund to be accumulated was raised to \$1,000,000. Two years later, another amendment provided that assessments in addition to the regular annual assessment should be made whenever the fund was reduced below \$500,000, but only in amounts necessary to cover losses which had become claims payable upon demand against the guaranty fund. This latter provision was of considerable importance because of the method of paying depositors in failed banks, described below.

Method of paying depositors in failed banks. In Kansas the depositors' guaranty fund was not responsible for the immediate payment of the deposits in a failed bank. The fund was responsible for the payment, upon completion of the liquidation of a failed bank, of guaranteed deposits which had not been paid from the proceeds of liquidation of the assets of the bank.

When a bank participating in the guaranty plan was found by the Bank Commissioner to be insolvent, the Commissioner was required to take charge of the bank and to wind up its affairs. The depositors, upon proof of claim, were given interest-bearing certificates for the amount of their deposits (at the contract rate on interest-bearing deposits, and at six percent on deposits with no contract rate), which

were paid so far as possible from the proceeds of sale of assets of the bank and collections of double liability of stockholders. When these assets were exhausted, the balances due on guaranteed deposits were paid from the bank depositors' guaranty fund.

Interest on certificates issued to depositors of closed banks was abolished in 1925 by an amendment to the law. This amendment as enacted applied both to certificates to be issued in the future and to those then outstanding, but the elimination of interest on outstanding certificates was declared unconstitutional by the State Supreme Court.^{1/}

Only one other State, among those which adopted deposit guaranty plans during the period 1908-1917, provided for payment of guaranteed deposits upon completion of the liquidation of a failed bank. The other six States provided for immediate payment upon presentation and proof of claim.

Indebtedness of guaranty fund. No provision was made for borrowing by the depositors' guaranty fund, in the event that assessments collected should be insufficient to meet the obligations of the fund.

The law provided that, if the available money in the guaranty fund after collection of the maximum assessments should be insufficient to pay the guaranteed deposits of failed banks, the depositors were to be paid pro rata to the extent of the money available, with the balance to be paid from the next assessment.

^{1/} Thompson v. Bone, Bank Commissioner (1926) 122 Kans. 195, 251 Pac. 178.

Administration and custody of the fund. The administration of the Kansas depositors' guaranty law was placed in the hands of the Bank Commissioner. The Bank Commissioner was appointed by the Governor with the advice of the Senate, and must have had three years' practical knowledge of banking or have served at least one term as bank commissioner.

Assessments under the deposit guaranty law were paid to the State Treasurer and placed in depository banks for State funds subject to the call of the Bank Commissioner.

Expenses of administration. No specific provision was made in the depositors' guaranty law for expenses of administration. The cost of operating the office of the Bank Commissioner was met by appropriations of State funds. However, fees levied upon the banks for each examination, which were collected by the Bank Commissioner and paid to the State Treasurer, were approximately equal to the total expenses of the Commissioner's office.

CONSTITUTIONALITY OF THE BANK DEPOSITORS' GUARANTY LAW

Banks operating under the Kansas State law did not, so far as has been ascertained, challenge the legality of the bank depositors' guaranty law in the courts of the State of Kansas. However, both State banks and national banks operating in the State, and also a stockholder in a State bank, claimed that the law violated the Constitution of the United States and brought suit in the Federal court to restrain

the State officials from carrying out the law. The complaints of both groups of banks and of the State bank stockholders were heard by the Circuit Court of the United States for the District of Kansas in December 1909.

The State banks contended that the guaranty law was in conflict with the Federal constitution for the following reasons:^{1/}

1. That the effect of the law would be to drive them out of business, thus depriving them of their property without due process of law, unless they contributed to the guaranty fund.
2. That in case they had given credit to a bank which became insolvent, their rights of recovery would be impaired and they would be deprived of property without due process of law, since depositors in an insolvent guaranteed bank would be preferred creditors.
3. That certain conditions of the guaranty plan were unreasonable and arbitrary.
4. That taxation was required to meet the expenses of carrying out the guaranty plan.

^{1/} This list is based on the summary of the plaintiffs' arguments given in the opinion of the United States Court in reviewing the case (see footnote 3, p. 12). The contentions of the State banks are given in greater detail in the opinion of the Circuit Court. (Larabee v. Dolley, State Bank Commissioner, et al; Assaria State Bank of Assaria, Kan., et al, v. Same; Abilene National Bank of Abilene, Kansas, et al, v. Same, 175 Fed. 365). The State banks also claimed that the law violated the Constitution of the State of Kansas.

The national banks claimed that the guaranty law was in conflict with the Federal constitution for the following reasons:^{1/}

1. That, since they could not avail themselves of the provisions of the statute, the law operated to deny them the equal protection of the law.

2. That the efficiency of the national banks as instrumentalities of the Federal government would be impaired, since the effect of the law would be to attract depositors from the national banks to the guaranteed State banks.

The contentions of the stockholder of the State bank were similar, namely, that the act violated the national Constitution because it impaired the obligation of his contract as a shareholder in the bank by applying the property of the bank to the payment of private debts not contracted by the bank or by himself and without his consent and therefore took his property without due process of law.^{2/}

^{1/} These contentions were held to be in violation of the fifth and fourteenth amendments to the National Constitution. This statement of the arguments of the national banks is based on the summary given in the opinion of the United States Circuit Court of Appeals, Eighth District (Dolley, State Bank Commissioner of Kansas, et al, v. Abilene National Bank of Abilene, Kansas, et al, 179 Fed. 461). The contentions of the national banks are given in greater detail in the opinion of the Circuit Court (Larabee v. Dolley, State Bank Commissioner, et al; Assaria State Bank of Assaria, Kan., et al, v. Same; Abilene National Bank of Abilene, Kansas, et al, v. Same, 175 Fed. 365).

^{2/} The stockholder contended that the law was in violation of article 1 of section 10, and of the fourteenth amendment of the Constitution of the United States. Larabee v. Dolley, State Bank Commissioner, et al; Assaria State Bank of Assaria, Kansas, et al, v. Same; Abilene National Bank of Abilene, Kansas, et al, v. Same, 175 Fed. 365.

Decisions of the Circuit Court and of the Circuit Court of Appeals. The Circuit Court of the United States for the District of Kansas agreed that the bank depositors' guaranty law was unconstitutional on the grounds claimed by the national banks and by the stockholder of the State bank, and granted a temporary injunction restraining the State officials from carrying out the law. With regard to the complaint of the State banks, the Circuit Court held that they did not have a case within the jurisdiction of the court, on the ground that they did not show that their rights were infringed. They could, the Court pointed out, meet the conditions necessary to obtain the benefit of the law, and could withdraw any credit outstanding to guaranteed banks, and thus could avoid loss of property on account of the act.^{1/}

The Bank Commissioner and Treasurer of Kansas appealed to the United States Circuit Court of Appeals, Eighth Circuit, which reversed the opinion of the Circuit Court and dismissed the injunction. The grounds for this action were summarized by the Circuit Court of Appeals as follows:

"The fourteenth amendment provides that no State shall 'deny to any person within its jurisdiction the equal protection of the laws.' A conclusive answer to the objection to the Kansas statute now being considered would seem clearly to appear from the face of the amendment itself...The amendment does not profess to secure to all persons in the United States nor all persons in the same State the benefit of the same laws. ...Jurisdictional limits are an obvious and sufficient reason for lack of universal uniformity in legislation. The equality clause of the amendment does not require indiscriminate operation of State laws, but proceeds upon due consideration of the relations of persons to the State and to the legislation in question....Such has been the consistent holding of the Supreme Court....

^{1/} Op. cit. 175 Fed. 365.

"The national banks owe their existence to the laws of the United States...Their exclusion from the operation of the statute in question is not from any design on the part of the State to discriminate against them, but results from the limitation of governmental powers...

"The effect of the Kansas statute upon the business of the national banks will at the most be indirect and incidental...

"We have not considered the merits of the guaranty plan, whether practically beneficent, experimental, or illusory. Such matters are for the State Legislature. Our province is confined to the question whether the exercise of its powers is within constitutional limits so far as the national banks is concerned. We think the objections they urge are so clearly without foundation, the temporary injunction was improvidently granted."^{1/}

Decision of the United States Supreme Court. State bankers in Kansas were dissatisfied with the dismissal of their case by the Circuit Court of the United States for the District of Kansas and appealed to the United States Supreme Court. The United States Supreme Court heard the arguments of the Kansas bankers at its fall term in 1910, along with cases regarding the constitutionality of deposit guaranty laws in Oklahoma and Nebraska. The Court rendered its decision on January 3, 1911, that the Oklahoma law was constitutional, and stated that the opinion was applicable to the Kansas law, except so far as the Kansas law showed certain minor differences from that of Oklahoma.^{2/} These minor differences were also dismissed as not affecting the constitutionality of the Kansas bank depositors' guaranty law.^{3/}

^{1/} Dolley, State Bank Commissioner of Kansas, et al v. Abilene National Bank of Abilene, Kansas, et al, 179 Fed. 461. Decided May 20, 1910.

^{2/} For a summary of the decision of the United States Supreme Court regarding the Oklahoma depositors' guaranty fund law see the memorandum, "Deposit Guaranty in Oklahoma," pp. 11-13.

^{3/} Assaria State Bank of Assaria, et al v. Dolley, Bank Commissioner of the State of Kansas and Tulley, State Treasurer, United States Supreme Court Reports, 55 Law ed, U. S. 219-221, pp. 123-28.

SUPERVISION AND REGULATION OF GUARANTEED BANKS

State banks in Kansas had been subject to supervision by a bank commissioner, with power to conduct examinations and to require reports, for eighteen years prior to the enactment of the bank depositors' guaranty law. No changes of major importance occurred during the life of the guaranty fund in the powers of the Bank Commissioner, and comparatively few in the legislative restrictions on the operation of State banks.

Supervisory powers of the Bank Commissioner. Except for the special examination required for admission to the guaranty fund, and the power to terminate membership in the guaranty fund for violation of the guaranty law, the guaranteed banks were subject to the same supervision as other State banks. The absence of information regarding the results of examinations of banks for admission to the guaranty system has been mentioned above. However, the Bank Commissioner, in his Biennial Report, September 1, 1920, indicated that high standards were adhered to in examining banks for admission to the guaranty system.

"We now have 676 State banks whose deposits are guaranteed by the Bank Depositors' Guaranty Fund of Kansas, and there are continual requests from the State banks to come under the law. The department has made the requirements for operation under its protection very stringent. The qualifications of the management and the condition of the bank's books, notes and records must be of the highest standard. It is our opinion, that as long as the law is optional, that these requirements should be rigid."^{1/}

1/ Fifteenth Biennial Report of the Bank Commissioner of the State of Kansas, 1920, p. 5.

A similar lack of information occurs with respect to terminations of membership in the fund for violation of law. So far as is known, no action was taken by the Bank Commissioner during the entire period of the fund to terminate the membership of any bank.

The powers of the Bank Commissioner over all State banks related chiefly to examinations, bank personnel, and the closing of banks. The Commissioner also had limited powers relating to the organization of new banks and to the maintenance of capital and reserves.

The Bank Commissioner was required to make two examinations each year of each operating bank, and additional examinations at any time deemed necessary. Fees for examinations were specified in the law, ranging from \$15 to \$35 for each examination.^{1/} The Commissioner was also empowered to call for reports of condition as often as he considered them necessary.

The Commissioner was authorized to order the directors of a bank to remove any official found to be dishonest, reckless, or incompetent, and to order any excess loan to be reduced to the legal limit within sixty days. He was required to notify a bank to make good, within ninety days, any impairment of its capital, and within thirty days, any impairment of the required lawful money reserve. In 1915 the Commissioner was given power to suspend reserve requirements for a limited period of time, and

^{1/} In 1917 the basis for fees was changed from capital stock to loans, and the range in amount changed to \$15 to \$100; in 1919 the basis was changed from loans to total resources and the range from \$20 to about \$110; in 1925 the minimum fee was increased to \$40.

to regulate the conditions under which checks could be drawn on the portion of reserves held in other banks.

No bank was permitted to open for business without authorization by the Bank Commissioner, but the Commissioner was required to issue such authorization if the bank had been organized in the manner prescribed by law and its capital fully paid. However, in 1911 the Charter Board, consisting of the Attorney-General, the Secretary of State, and the Bank Commissioner, was given authority to prohibit the organization of a bank except where an investigation showed a new bank to be a public necessity.

The Bank Commissioner was given authority to close a bank if, upon examination or from reports submitted, it appeared that the bank was insolvent, or had willfully violated any requirement of the banking law. The law specified that a bank should be deemed insolvent when the actual cash market value of its assets is insufficient to pay its liabilities, when it is unable to meet the demands of its creditors in the usual and customary manner, or when it fails to make good its reserve as required by law. The Bank Commissioner could also close a bank for refusal of any officer to submit the books or affairs of the bank for inspection, or for the interference by a bank officer with the discharge of the Commissioner's duty. Any bank which refused or neglected to comply within ninety days of any requirements lawfully made by the Commissioner in writing was deemed to have forfeited its charter, and the Commissioner was required to close the bank. The Board of Directors of a bank could place a bank in the hands of the Commissioner by posting a notice on the door.

Upon the closing of a bank, the Commissioner was required to make a thorough examination of its condition, and if it could not reopen or liquidate its business to the satisfaction of all its creditors, he was required to appoint a receiver subject to the approval of the district court. Sale of the bank's assets, and compounding of bad or doubtful debts, were subject to the order of a court of competent jurisdiction.

Statutory limitations on bank operations. The principal statutory limitations on banking operations, under the banking law in force at the time of enactment of the guaranty law and amendments adopted while the guaranty law was in operation, are summarized below.

Responsibility of officers, directors,
and stockholders:

Losses resulting from loans made in violation of legal limits	No provision
Liability of stockholders	Additionally liable for a sum equal to the par value of stock owned
Bonding of active officers and employees	Bonding of cashier and officers (1919, and employees) handling the funds of the bank to be required by directors
Meetings of directors	At least four each year, with copy of record forwarded to Bank Commissioner
Examinations by directors	Thorough examination of books, records, funds and securities, at each required meeting, to be recorded in detail

Limitations on loans and investments:

Loans to officers and employees	1909, no provision; 1927, loans to active managing officers and employees must be approved by a majority of the Board of Directors, no loan to exceed 5 percent of capital ^{and} surplus and the aggregate of such loans not to exceed 10 percent of capital and surplus
Loans to directors	No provision, except when director is active managing officer
Loans to stockholders	No limitation
Maximum to single borrower	15 percent of paid-in capital and surplus
Maximum secured by real estate	No provision
When reserve is deficient	Any increase prohibited, except bills of exchange, payable at sight

Limitations on ownership of property:

Maximum value of banking house and fixtures	One-third of paid-in capital; 1921, one-half of paid-in capital and surplus
Ownership of other real estate	Prohibited, except acquisition for collections of debt
Ownership of corporate stock	Forbidden except as follows: acquisition for collection of debt; in 1915 stock in Federal Reserve banks; in 1921, stock of other banks up to the maximum of 5 percent of paid-up capital and surplus in the case of banks having a capital of \$50,000 or more.
Time limit on ownership of assets acquired by collection of debt	Five years for real estate; six months for corporate stock and goods and chattels; 1917, one year for holdings of real estate, other than banking house, in excess of one-third (1921, one-half) of capital and surplus

Limitations relating to deposits:

Maximum amount of deposits	Ten times paid-up capital and surplus for a period longer than six months (repealed in 1917)
Maximum rate of interest on deposits	1909, 3 percent on guaranteed deposits; 1911, maximum rate for all banks in each county to be set by Bank Commissioner
Receipt of deposits when insolvent	Prohibited
Preference	Prohibited, except for pledge of assets to secure public funds or, in 1911, postal savings deposits

Limitations on borrowings:

Maximum	50 percent of paid-up capital
Power of Bank Commissioner	May require reduction if bank is borrowing habitually to re-loan
Maximum value of assets which may be pledged for borrowings	One and one-fifth times amount borrowed

Limitations on payment of dividends:

Percentage of earnings to be carried to surplus prior to dividend	One-tenth of net profits until surplus reaches 50 percent of capital stock
When losses equal or exceed undivided profits	Losses in excess of undivided profits to be charged to surplus account, and future dividends not to exceed one-half of net earnings until surplus has been restored; 1927, surplus must not be reduced by dividends below 50 percent of capital stock
When reserve is impaired	Prohibited
When capital is impaired	Prohibited
If bank is in danger of insolvency	No provision

Required reserves:

Total amount

1909, 20 percent in places under 5,000 population, 25 percent in places over 5,000 population and also any reserve depository bank; 1915, 12 percent demand deposits and 5 percent on time deposits in places under 50,000 population when credits due other banks are less than one-fifth of deposits, 15 percent of demand deposits and 5 percent of time deposits in places over 50,000 population and any bank when credits due other banks are one-fifth or more of deposits; 1919, foregoing percentages reduced to 7 and 10 percent, respectively, on demand deposits and 3 percent on time deposits; 1927, 15 percent of demand deposits and 5 percent of time deposits, by all banks

Proportion to be held in actual cash

1909, one-fourth; 1915, one-third in places over 1,000 population, one-fourth in places under 1,000 population; 1927, none, but one-half to be either in vault or in balances with correspondent banks

Permissible character of remainder

1909, due from solvent banks at places approved by Bank Commissioner; 1927, one-half in specified types of bonds, portion of other one-half not in vault in balances with correspondent banks with no stockholders who are stockholders of depositing bank except when approved by Bank Commissioner

Required fully-paid capital:

In places with --

Less than 500 inhabitants	\$10,000 (1925, \$15,000)
500 to 1,000	15,000
1,000 to 2,000 (third class)	20,000 (1927, \$20,000)
2,000 to 15,000 (second class)	\$5,000 (1927, \$30,000)
Over 15,000 (first class)	50,000

Required reports:

Resources and liabilities

At least four each year,
oftener if called for by
Bank Commissioner

Earnings and dividends

Annual statement of receipts
and disbursements; each divi-
dend declared and amount
carried to surplus and un-
divided profit accounts

Deposits

No specific provision

NUMBER AND DEPOSITS OF GUARANTEED BANKS

Number of participating banks. The number of banks operating in Kansas which participated in the guaranty system, the number eligible for participation which did not do so, and the number ineligible for participation, are given in Table 1. The ineligible institutions include national banks, trust companies, and private banks.^{1/}

By the beginning of the year 1912, after two and one-half years of operation, about one-half of the banks which were eligible for admission to the guaranty system had become members of the system. This constituted two-fifths of all of the banks, including trust companies, operating in the State. During the next ten years the number of guaranteed banks, and the proportions of eligible and of all operating banks, steadily increased. By 1922, nearly two-thirds of the eligible banks, and more than one-half of all banks operating in the State, had become members of the guaranty system.

Early in 1922 the number of guaranteed banks, and also the number of banks operating in the State, began to decline. During the next four years the decline in the number of guaranteed banks was slightly more, relatively, than in the total number of banks, so that in 1926, about two-fifths of the eligible banks, and somewhat less than one-half of all operating banks, were guaranteed. During 1926 and 1927 the great majority

^{1/} The great majority of the ineligible institutions were national banks. The maximum numbers of trust companies and of private banks during this period were, respectively, 18 and 6. All of these institutions were authorized, under the guaranty law, to become eligible by taking out charters as State banks.

Table 1. NUMBER OF OPERATING BANKS IN KANSAS PARTICIPATING
AND NOT PARTICIPATING IN THE DEPOSIT GUARANTY SYSTEM
1910-1929, BY YEARS.

Call date nearest 1/ January 1	All banks operating in Kansas	Participating in deposit guaranty 2/	Not participating in deposit guaranty		Participating banks per 100	
			Eligible 3/	Not eligible 4/	Operating banks	Of eligible banks
1910	1038	..	..	213	..	..
1911	1077	201	659	217	18.7	23.3
1912	1107	442	446	219	39.9	49.8
1913	1113	462	432	219	41.5	51.7
1914	1141	481	439	221	42.2	52.3
1915	1153	508	420	225	44.1	54.7
1916	1196	526	427	243	44.0	55.2
1917	1220	546	437	237	44.8	55.5
1918	1250	577	430	243	46.2	57.3
1919	1291	613	426	252	47.5	59.0
1920	1338	649	427	262	48.5	60.3
1921	1374	683	409	282	49.7	62.5
1922	1375	714	377	284	51.9	65.4
1923	1349	698	369	282	51.7	65.4
1924	1323	681	357	285	51.5	65.6
1925	1297	651	371	275	50.2	63.7
1926	1269	611	381	277	48.1	61.6
1927	1223	399	547	277	32.6	42.2
1928	1109	78	794	281	7.0	8.9
1929	1102	39	794	269	3.5	4.7

1/ Call dates for national and State banks are not identical in several years.

2/ Figures obtained from Bank Commissioner of Kansas, except for 1911, which relates to preceding September 1 and is derived from statements of individual banks showing guaranty fund with State treasurer.

3/ Number of State banks (excluding trust companies and private banks) as given in Biennial Reports of the Bank Commissioner, or tabulated from information therein, minus number participating in deposit guaranty.

4/ Number of national banks, from annual reports of the Comptroller of the Currency, plus number of trust companies and private banks, tabulated from data in biennial reports of the Bank Commissioner of Kansas. Most of these institutions were national banks, since the number of trust companies and private banks did not exceed 24 in any year.

of the members of the guaranty system withdrew, leaving only 9 percent of those eligible, and 7 percent of all operating banks, guaranteed at the beginning of 1928. Only 31 banks continued their participation in the deposit guaranty law until the law was repealed in March, 1929.

Deposits of participating and non-participating banks. Deposits of the banks participating in the deposit guaranty system during the first eight years of its operation are available only in two of those years. During the remaining period of operation of the law, they are available biennially for dates on or about September 1. The numbers and deposits of participating and non-participating banks on the available dates are given in Table 2.

In 1914, five years after the guaranty system was inaugurated, more than three-fifths of the deposits eligible for participation in the system, and over one-third of the deposits in all banks in the State, were in guaranteed banks. By 1922 more than three-fourths of the deposits of all banks eligible for participation in deposit guaranty, and over two-fifths of the deposits in all banks in the State, were in guaranteed banks. These proportions were, respectively, larger and smaller than the corresponding proportions for the number of banks, indicating that the guaranteed banks were larger banks, on the average, than the non-guaranteed State banks, but smaller, on the average, than national banks operating in the State. In 1928, when only one bank in twenty of those eligible remained in the guaranty system, the deposits of the guaranteed banks were only 2 percent of the deposits in all guaranteed banks, indicating that the banks remaining in the system were comparatively small banks.

Table 2. NUMBER AND DEPOSITS OF OPERATING BANKS IN KANSAS
PARTICIPATING AND NOT PARTICIPATING IN THE DEPOSIT GUARANTY SYSTEM

	Call date nearest September 1 ^{1/}	All banks operating in Kansas	Participating in deposit guaranty ^{2/}	Not participating in deposit guaranty		Participating banks per 100	
				Eligible ^{2/}	Not eligible ^{3/}	Operating banks	Eligible banks
<u>Number of banks</u>							
	1910	1,068	201	652	215	18.8	23.6
	1914	1,147	491	434	222	42.8	53.1
	1918	1,279	604	426	249	47.2	58.6
	1920	1,370	676	420	274	49.3	61.7
	1922	1,361	703	374	284	51.7	65.3
	1924	1,292	651	365	276	50.4	64.1
	1926	1,246	4/577	392	277	46.3	59.5
	1928	1,112	42	798	272	3.8	5.0
<u>Deposits (in thousands of dollars)</u>							
	1910	182,581	26,371	68,643	87,567	14.4	27.8
	1914	198,428	70,329	41,119	86,980	35.4	63.1
	1918	445,992	181,572	80,334	184,086	40.7	69.3
	1920	504,069	217,241	63,625	203,203	43.1	72.2
	1922	429,328	185,989	56,643	186,495	43.3	76.7
	1924	449,631	176,473	63,827	209,331	39.2	73.4
	1926	471,150	158,788	91,587	220,774	33.7	63.4
	1928	470,410	4,791	221,753	243,856	1.0	2.1

1/ Call dates for national and State banks are not identical.

2/ Biennial Reports of the Bank Commissioner. Deposits of participating banks tabulated from statements for the individual banks, identified in some years by statement of membership and in other years by presence of the item, "Guaranty fund with State Treasurer" in the assets of the bank. Number and deposits of eligible banks obtained by deducting data for participating banks and for trust companies and private banks from consolidated statements for all State banks and trust companies.

3/ Figures for national banks from Annual Reports of the Comptroller of the Currency, plus those for trust companies and private banks, from Biennial Reports of the Bank Commissioner.

4/ Of these, only 225 were in good standing, that is, had paid all assessments due. The others were in the process of withdrawing from the guaranty system. Eighteenth Biennial Report of the Bank Commissioner, p. 4.

The deposits of participating banks given in Table 2 should not be considered identical with the deposits specifically covered by guaranty, since public funds otherwise secured are included in the table.

Concentration of bank deposits. Table 3 shows the amounts of deposits held on September 12, 1914, and September 15, 1922, by guaranteed banks in Kansas grouped according to their deposits.^{1/} These years are chosen because they are representative, respectively, of the pre-War and the post-War parts of the period during which deposit guaranty was in operation. In both years the largest bank held slightly over 3 percent of the deposits of all guaranteed banks, and over 14 percent of the deposits of all the guaranteed banks were concentrated in the largest 10 banks.

^{1/} Similar figures for guaranteed banks for other years for which the data are available, are shown in Table 14, p. 70; and for nonguaranteed State banks in Table 15, p. 71.

Table 3. NUMBER AND DEPOSITS OF GUARANTEED STATE BANKS IN KANSAS, SEPTEMBER 12, 1914, AND SEPTEMBER 15, 1922 ^{1/}

	Number of banks	Amount of deposits (thousands of dollars)	Percentage of number of banks	Percentage of aggregate deposits
<u>All guaranteed banks, September 12, 1914</u>	<u>491</u>	<u>70,329</u>	<u>100.0</u>	<u>100.0</u>
<u>Banks with deposits of -</u>				
\$100,000 or less	251	16,148	51.1	23.0
\$100,000 to \$250,000	187	28,184	38.1	40.1
\$250,000 to \$500,000	40	14,107	8.2	20.0
\$500,000 to \$1,000,000	9	5,771	1.8	8.2
\$1,000,000 to \$2,000,000	3	3,913	0.6	5.6
More than \$2,000,000	1	2,206	0.2	3.1
Largest bank	..	2,206	0.2	3.1
Largest 5 banks	..	6,960	1.0	9.9
Largest 10 banks	..	10,217	2.0	14.5
<u>All guaranteed banks, September 15, 1922</u>	<u>703</u>	<u>185,915</u>	<u>100.0</u>	<u>100.0</u>
<u>Banks with deposits of -</u>				
\$100,000 or less	160	11,074	22.8	6.0
\$100,000 to \$250,000	348	57,947	49.5	31.2
\$250,000 to \$500,000	126	42,955	17.9	23.1
\$500,000 to \$1,000,000	47	32,269	6.7	17.3
\$1,000,000 to \$2,000,000	17	23,296	2.4	12.5
More than \$2,000,000	5	18,374	0.7	9.9
Largest bank	..	5,856	0.1	3.2
Largest 5 banks	..	18,374	0.7	9.9
Largest 10 banks	..	26,752	1.4	14.4

^{1/} Tabulated from statements for individual banks as given in the reports of the Bank Commissioner. The figure for total deposits in 1922 differs slightly from that given in Table 2 because of rounding.

BANK FAILURES

Failures of guaranteed banks. During the 20 years of operation of the Kansas guaranty fund, 154 participating banks closed because of financial difficulties.^{1/} Only two of these failures occurred during the first ten years of operation of the fund. Three of the banks which closed were banks which had previously suspended and had been reopened.

The deposits of the guaranteed banks closed because of financial difficulties amounted to \$33,086,000.^{2/} The largest bank among the failures was the American State Bank, Wichita, which closed June 18, 1923, and had deposits of nearly \$5,000,000. This was the largest bank in the guaranty system, and also the largest bank operating under State law. One other bank with deposits of more than \$1,000,000 was among the failures. The deposits of these two banks accounted for nearly one-fifth of the deposits of all of the closed banks. Two-fifths of all the failed banks had deposits of less than \$100,000, but these banks

^{1/} This figure includes banks closed during the biennium from September 1, 1926, to September 1, 1928, which were on the list of guaranteed banks on the former date. Some of these withdrew from the guaranty fund prior to date of closing.

^{2/} These figures, except for 4 banks which failed prior to 1921, are from schedules collected by the Federal Reserve Committee on Branch, Group and Chain Banking, and for the most part refer to the last examination or call date prior to closing. In the case of 27 of the banks, for which figures are also available as of date of closing in a report by a special Commissioner to the State Supreme Court, the deposits at date of closing were 7 percent less than those given on the schedules prepared for the Federal Reserve Committee.

held only one-tenth of the deposits of all of the closed banks. The distribution of the closed banks, and the distribution of their deposits, according to the amount of deposits held are given in Table 4. The number and deposits of the banks closed each year are given in Table 5.

The average annual rate of failure, computed as the number of banks which failed per 100 members of the guaranty system at the beginning of each year, was 1.5. However, as has been previously noted, nearly all of the failures occurred during the latter half of the period of operation of the fund. During that 10-year period, the average annual rate of failure was 2.4 per 100 operating banks. The deposits of the closed banks, for this period, averaged \$1.80 per year for each \$100 of deposits in operating banks.^{1/}

Failures among nonguaranteed banks. During the first ten years of operation of the bank depositors' guaranty fund failures among banks which did not become guaranteed occurred more frequently than among the guaranteed banks. However, during the latter ten years of operation of the system, failures among nonguaranteed banks were relatively less frequent than among guaranteed banks.

During the entire period of operation of the guaranty fund, 66 failures occurred among nonguaranteed State banks. These banks held

^{1/} These rates of failure are close approximations, but may not be precise because the figures for failures include some banks which closed subsequent to withdrawal from the guaranty system. Also, deposits of operating guaranteed banks are available only biennially.

Table 4. NUMBER AND DEPOSITS OF GUARANTEED BANKS IN
KANSAS CLOSED BECAUSE OF FINANCIAL DIFFICULTIES,
JUNE 30, 1909, to MARCH 14, 1929

Banks grouped by amount of deposits

	Number of banks	Deposits (in thousands of dollars)	Percentage of total	
			Number	Deposits
<u>Guaranteed banks</u>				
<u>Total</u>	<u>154</u>	<u>33,086</u>	<u>100.0</u>	<u>100.0</u>
<u>Banks with deposits of-</u>				
\$100,000 or less	58	3,562	37.7	10.8
\$100,000 to \$250,000	64	10,367	41.6	31.3
\$250,000 to \$500,000	21	7,007	13.7	21.2
\$500,000 to \$1,000,000	9	5,915	5.8	17.9
\$1,000,000 to \$2,000,000	1	1,269	.6	3.8
\$2,000,000 to \$5,000,000	1	4,966	.6	15.0

Table 5. NUMBER AND DEPOSITS OF STATE BANKS IN KANSAS CLOSED BECAUSE OF FINANCIAL DIFFICULTIES, JUNE 30, 1909, TO MARCH 14, 1929, BY YEARS

Year	Guaranteed banks		Nonguaranteed banks	
	Number ^{1/}	Deposits ^{2/} (in thousands of dollars)	Number ^{1/}	Deposits ^{2/} (in thousands of dollars)
1909	..	..	..	..
1910	1	47	..	..
1911	..	..	..	..
1912	..	..	..	..
1913	..	..	5	349
1914	..	..	2	186
1915	..	..	2	72
1916	..	..	..	..
1917	..	..	..	..
1918	..	..	2	72
1919	1	455	2	538
1920	2	166	2	475
1921	8	2,278	3	711
1922	17	4,336	3	282
1923	25	9,032	8	1,087
1924	11	2,889	2	332
1925	15	2,245	4	570
1926	35	5,057	10	792
1927	27	4,342	8	790
1928	11	2,157	11	1,434
1929	1	82	2	146
<u>Total</u>	154	33,086	66	7,836

^{1/} From Biennial Reports of Bank Commissioner. Banks which were members of the guaranty system on September 1, 1926, and failed during the following two years, are included with guaranteed banks, though some of them withdrew from the fund prior to date of failure. Nonguaranteed banks include 6 ineligible for guaranty (3 trust companies and 3 private banks.)

^{2/} 1909-1920 Biennial Reports of Bank Commissioner (figures are partly as of date of closing and partly for latest available statement prior to failure); 1921-1929, tabulated from deposits reported on schedules prepared for the Federal Reserve Committee on Branch, Group and Chain Banking. Deposits of the 6 banks ineligible for guaranty amounted to \$352,000.

deposits amounting to \$7,836,000. The distribution by years is given in Table 5.

Failures by size of bank. In Table 6 the size distribution of banks which failed during the ten year period, 1919-1928, is compared, for guaranteed banks and for nonguaranteed State banks, with the average size distribution of operating banks. Figures are given for this decade rather than for the entire period during which the fund was in operation because nearly all of the failures occurred during that decade.

No regular relationship between size of bank and frequency of failure is shown by the figures. The highest frequency rate, with respect both to number and to deposits, occurred in the group of banks with deposits under \$100,000. The next highest rate, in the case of deposits, occurred in the largest size group, with deposits per bank of more than \$2,000,000.

Comparison with failures in other States. In Table 7 failure rates for both number and deposits are shown for guaranteed and nonguaranteed banks in Kansas, and for banks in contiguous States and in the entire United States. The period covered is 1910-1928, which includes the entire period of operation of the bank depositors' guaranty fund in Kansas, except for the last six months of 1909 and the first two and one-half months of 1929.

The total number of bank failures in Kansas during 1910-1928, relative to the number of operating banks, was lower than in the

Table 6. SIZE DISTRIBUTION OF FAILED BANKS IN KANSAS COMPARED WITH AVERAGE SIZE DISTRIBUTION OF OPERATING BANKS, 1919-1928

	Number of banks			Deposits		
	Average number of operating	Number failed	Failed per 100 operating ^{1/}	Average in operating banks (thousands of dollars)	In failed banks (thousands of dollars)	In failed banks per \$100 in operating banks ^{1/}
<u>Guaranteed banks -- total</u>	<u>640</u>	<u>152</u>	<u>24</u>	<u>182,299</u>	<u>32,957</u>	<u>\$18</u>
<u>Banks with deposits of-</u>						
\$100,000 or less	115	56	49	8,167	3,433	42
\$100,000 to \$250,000	303	64	21	51,650	10,367	20
\$250,000 to \$500,000	154	21	14	52,034	7,007	13
\$500,000 to \$1,000,000	47	9	19	31,787	5,915	19
\$1,000,000 to \$2,000,000	16	1	6	22,524	1,269	6
More than \$2,000,000	5	1	20	16,137	4,966	31
<u>Nonguaranteed State banks--total^{2/}</u>	<u>412</u>	<u>54</u>	<u>13</u>	<u>84,227</u>	<u>7,156</u>	<u>\$ 9</u>
<u>Banks with deposits of-</u>						
\$100,000 or less	142	34	24	8,706	1,853	21
\$100,000 to \$250,000	180	12	7	28,955	1,846	6
\$250,000 to \$500,000	63	6	10	21,444	2,318	11
\$500,000 to \$1,000,000	20	2	10	14,074	1,139	8
\$1,000,000 to \$2,000,000	6	..	..	7,681	..	..
More than \$2,000,000	1	..	..	3,367	..	..

^{1/} These rates are for the 10-year period. Approximate annual rates can be obtained by dividing the figures by the number of years (10).

^{2/} Includes trust companies and private banks, except 1 trust company for which deposits are not available.

Table 7. BANK FAILURE RATES IN KANSAS, 1910-1928, COMPARED WITH RATES IN CONTIGUOUS STATES AND IN THE UNITED STATES ^{1/}

	Failures per 100 operating banks			Deposits in failed banks per \$100 in operating bank		
	State and national banks	State banks	National banks	State and national banks	State banks	National banks
<u>Kansas - total</u>	<u>19</u>	<u>22</u>	<u>5</u>	<u>13</u>	<u>21</u>	<u>3</u>
Guaranteed banks	29	29	-	26	26	-
Nonguaranteed banks	11	14	5	5	11	3
<u>Four contiguous States</u>	<u>25</u>	<u>27</u>	<u>15</u>	<u>11</u>	<u>17</u>	<u>5</u>
Nebraska	22	23	14	15	22	7
Missouri	19	21	5	6	10	- ^{2/}
Oklahoma	35	45	19	22	50	12
Colorado	30	40	15	10	17	7
<u>Entire United States</u>	<u>22</u>	<u>26</u>	<u>10</u>	<u>5</u>	<u>8</u>	<u>3</u>

^{1/} Tabulated from data from the following sources: reports of bank commissioners in the various States; Willis, Banking Inquiry of 1925; annual reports of the Comptroller of the Currency; Federal Reserve Committee on Branch, Group and Chain Banking, "Changes in the Number and Size of Banks in the United States, 1834-1931"; and Federal Reserve Bulletin, September 1937.

^{2/} Less than 50 cents.

Note: These rates are for the entire period. Approximate average annual rates can be obtained by dividing the figures by the number of years (19).

United States as a whole, and also lower than in any of the four States contiguous to Kansas. If only State banks are considered, the failure rate in Kansas was also lower than in the entire United States, and lower than in the four contiguous States combined, but slightly higher than in one of the contiguous States. However, the failure rate of the guaranteed banks in Kansas was higher than the failure rate of all State banks in two of the contiguous States, Nebraska and Missouri, and lower than in the other two contiguous States, Oklahoma and Colorado.

The failure rates in terms of deposits are somewhat different than for number of banks. For deposits, the failure rate of all banks in Kansas was higher than for the four contiguous States combined, and more than twice as high as that for the entire United States. This rate for all State banks was higher in Kansas than in two of the contiguous States, Missouri and Colorado, and lower than in the other two contiguous States, Nebraska and Oklahoma. When only guaranteed banks in Kansas are considered, the failure rate, in terms of deposits, was higher than for State banks in any of the contiguous States except Oklahoma, and nearly four times as high as the corresponding rate for all State banks in the entire country.

In one of the contiguous States, Nebraska, a deposit guaranty system was operative during most of the period embraced by these figures; and in one other State, Oklahoma, a deposit guaranty system was in existence for more than one-half of the period. The other two contiguous States had no deposit guaranty. The figures for number of bank failures in these States do not indicate that the existence of

deposit guaranty was a significant causal factor in the frequency of such failures. However, in the case of deposits, the failure rates in the State banks in Nebraska, in Oklahoma, and in the guaranteed banks in Kansas, were all distinctly higher than the rates for State banks in Missouri, in Colorado, and in the nonguaranteed banks in Kansas. These figures suggest that if there is any validity to the argument that deposit guaranty tends to make bankers more reckless, it applies to the large banks rather than to the small banks.

Causes of bank failures. The Biennial Reports of the Bank Commissioner provide considerable information regarding the causes of bank failures during the period of operation of the bank depositors' guaranty fund.

Failures during the first 13 years of operation of the guaranty fund (1909-1922) are ascribed chiefly to dishonesty or to excessive loans to favored interests.

"Every bank that has been in distress under the supervision of the present bank commissioner can trace its trouble directly to loans to officers and directors." ^{1/}

"During the two years covered by this report--September 1, 1920, to September 1, 1922--there have been failures of twenty-two State banks and one trust company . . . The insolvency of sixteen of these twenty-three institutions is the result of dishonesty on the part of some officer. Of the other seven, two or possibly three may be classed as failures due to the bad judgment or incompetency of officials. The failures of the others of the seven were caused by an improper use of the banks' funds to such an extent that one would almost be justified in classing such use as criminal. In some cases the misuse of the bank's funds

^{1/} Fifteenth Biennial Report of the Bank Commissioner, 1920,
pp. 4-5.

was represented by loans to the active officers of the bank without security. In other cases the loans were made to business concerns in which the officers and directors were interested. Without exception these loans were in excess of the legal limit."^{1/}

The Comptroller of the Currency, in his report for 1921, made the following statement regarding bank failures in Kansas.

"From information furnished by Commissioner Foster it appears that during the operation of the guaranty law up to June 30, 1921, five guaranteed banks . . . failed. In three instances failure was caused by criminal acts of officials; one due to the failure of a large debtor, and one loss sustained upon worthless paper placed in the bank by one of the officials. In the same period there were 11 failures of 'unguaranteed' banks . . . In five cases failure was due to criminal acts on the part of officials, one to speculations of officers, three to injudicious banking and inability to realize upon real estate and other paper, one to failure of a large debtor, and one was closed as a result of internal dissensions."^{2/}

Dishonesty and loans to officers' interests are also emphasized by T. Bruce Robb, in his study of the operation of State deposit guaranty funds. At the time his book was written, only three guaranteed banks in Kansas had failed but all of these banks were wrecked by embezzlements of and excessive and illegal loans to officers.^{3/}

With respect to failures subsequent to 1922, which were more numerous than those prior to that date, bad loans and frozen assets associated with a general depreciation in values, an excessive

^{1/} Sixteenth Biennial Report of the Bank Commissioner, 1922,
p. 4.

^{2/} Annual Report of the Comptroller of the Currency, 1921,
p. 189.

^{3/} T. Bruce Robb, The Guaranty of Bank Deposits, pp. 117-32.

number of banks, and incompetency are emphasized, though dishonesty is still considered to be important.

"While the majority of the seventy-eight bank failures in this State were due to so-called 'frozen loans', this cognomen might well be defined as 'depreciation in values', over which, all analytical thinking people will agree, no Kansas banker or group of Kansas bankers had control, and which depreciation could not have been foreseen. There were a few failures which were the result of mismanagement, and, still worse, plain dishonesty and misappropriation of funds by bank officials. These, however, were in the minority." ^{1/}

"An examination of the records discloses the fact that these failures were largely due to incompetency, and in some few instances dishonesty. Added to this the fact that our State is overbanked, making it difficult for the smaller banks to make earnings sufficient to absorb losses, accounts for some of the failures. We cannot ignore the fact that 'depreciation in values' also had a part in the numerous failures during the period covered by this report." ^{2/}

"The records of this office disclose the fact that the failures were largely due to the low price level of agricultural commodities. There were a few instances of dishonesty and incompetency." ^{3/}

In Table 8 the specific causes stated in the Bank Commissioner's reports for the failure of banks during the period of operation of the guaranty fund are classified in four categories: (a) dishonesty on the part of officers or employees; (b) excessive loans directly or indirectly to certain business interests, usually the interests of an influential official or stockholder; (c) reversal of prosperous condi-

^{1/} Seventeenth Biennial Report of the Bank Commissioner, 1924, p.3. The failure of the American State Bank, Wichita, largest bank in the guaranty system, was one of those ascribed to dishonesty.

^{2/} Eighteenth Biennial Report of the Bank Commissioner, 1926, p. 3.

^{3/} Twentieth Biennial Report of the Bank Commissioner, 1930, p. 3.

Table 8. CAUSES OF BANK FAILURES IN KANSAS REPORTED BY THE BANK COMMISSIONER, PERIOD OF OPERATION OF THE GUARANTY SYSTEM

Biennial period ended Sept. 1	Total number of failures ^{1/}	Number of failures ascribed in full or in part to --					Cause not given
		Dis-honesty of officials	Excessive loans favored interests	Depreciation of values ^{2/}	Income-petence	Other ^{3/}	
<u>Guaranteed banks</u>							
1912	1	1	..	..	..	..	..
1914	None	..	..	..	..	..	..
1916	None	..	..	..	..	..	..
1918	None	..	..	..	..	..	..
1920	1	..	1	..	..	..	..
1922	17	15	1	..	5	..	..
1924	42	5	..	33	4	1	..
1926	35	5	..	29	14	..	3
1928	55	9	..	45	24	..	10
1930	<u>4/ 1</u>	..	..	<u>1</u>	..	..	..
<u>Total</u>	152	35	2	108	47	1	13
<u>Nonguaranteed banks</u>							
1910	None	..	..	..	..	..	..
1912	None	..	..	..	..	..	..
1914	7	5	1	1	2	..	..
1916	2	1	..	..	..	..	1
1918	2	1	1	..	..	..	..
1920	2	..	2	..	..	..	..
1922	6	4	..	..	2	..	..
1924	12	1	..	11	..	..	..
1926	10	1	..	8	5	..	2
1928	17	3	..	14	7	4	..
1930	<u>4/ 5</u>	<u>2</u>	..	<u>5</u>	..	..	..
<u>Total</u>	63	18	4	39	16	4	3

^{1/} Excludes 2 guaranteed banks and 3 nonguaranteed banks which were listed as suspensions by the Federal Reserve Committee on Branch, Group and Chain Banking, but not in the Biennial Reports of the Commissioner.

^{2/} Includes causes described as "bad loans" or "frozen assets". Some of these should undoubtedly be classified in the preceding column.

^{3/} Includes failure of correspondent bank, other bank failures, and insufficient volume.

^{4/} Banks closed from September 1, 1928, to March 14, 1929.

tions in an important industry and depreciation of property values associated therewith; and (d) general managerial incompetence. With the exception of "bad loans" and "frozen assets" the causes cited for the failure of each bank are readily classified among these four general groups of causes of bank failures. In view of the statement regarding the relation of frozen assets to depreciation of values, and the substantial declines which occurred in the prices of farm products and in land values during the 1920's, "bad loans" and "frozen assets" are here classified in group (c). In some of these cases the "bad loans" should probably be ascribed to group (b) or group (d).

Information regarding causes of bank failures in Kansas during the period 1921-1930 is also given on the schedules collected by the Federal Reserve Committee on Branch, Group and Chain Banking. ^{1/} Unfortunately, many of the causes cited on these schedules are descriptions of the situation of the bank at time of failure and do not reveal the real causes responsible for the failure. However, it is believed that a classification of the causes of failure given on these schedules throws considerable light on the factors responsible for failures in Kansas during the second decade of operation of the bank depositors' guaranty fund. In Table 9 the causes of failure listed on the schedules collected by the Federal Reserve Committee on Branch, Group and Chain

^{1/} These schedules were prepared in the office of the Bank Commissioner from information furnished by that office to the Federal Reserve Committee.

Banking are grouped, so far as possible, in a manner similar to the grouping in the preceding table.

A review of the causes of failure of the banks which resulted in the largest amounts of loss to the guaranty fund and to depositors indicates that excessive loans to officers and directors and to their interests, and dishonesty on the part of officers, were more important than is indicated by the number of banks in which the loss is ascribed primarily to these causes. Seven banks accounted for one-third of the entire loss to the guaranty fund and to depositors in guaranteed banks, and in six of these banks the information available indicates that failure was due to dishonesty and excessive and risky loans to officers and directors or their interests.

The foregoing information is sufficient to enable certain important conclusions to be reached regarding the causes of failures of State banks in Kansas during the period of operation of the bank depositors' guaranty fund. Most of the failures which occurred from 1910 to 1922, and a substantial number of those which occurred from 1922 to 1929, were due to dishonesty on the part of bank officials. The great majority of the failures during the latter period were due to managerial incompetence, or to the depressed agricultural conditions, or to a combination of these two elements. However, even during that period, most of the banks which caused the greatest losses to the fund (or to depositors) failed because of dishonesty and excessive and risky loans to bank officials.

Table 9. CAUSES OF BANK FAILURES IN KANSAS, 1921-1930, REPORTED BY THE
FEDERAL RESERVE COMMITTEE ON BRANCH, GROUP AND CHAIN BANKING

Item no.	Item ^{1/}	Number of cases	
		Primary cause	Contributing cause
	<u>Dishonesty of officials -- total</u>	<u>44</u>	<u>13</u>
1	Defalcation	42	12
2	Dishonesty, misappropriation, shortages	2	1
	<u>Excessive loans, speculation, irregular- ities -- total</u>	<u>14</u>	<u>40</u>
3	Failure of large debtor	4	7
4	Heavy or frozen loans to officers or stockholders	1	1
5	Speculation	3	2
6	Excess loans	3	23
7	Heavily overloaned	1	3
8	Irregularities	2	4
	<u>Reversal of prosperous conditions in an industry or area and decline in values -- total</u>	<u>6</u>	<u>66</u>
9	Decline in real estate values	--	40
10	Unforeseen agricultural or industrial disasters, such as floods, drought, boll weevil, etc.	3	4
11	Crop failure, general farm conditions	--	11
12	Bad loans, poor loans, frozen loans, inability to make collections	3	8
13	Excessive real estate holdings	--	3
	<u>Incompetent or poor management -- total</u>	<u>167</u>	<u>71</u>
14	Incompetent management	166	68
15	Insufficient diversification	1	3
	<u>Other causes -- total</u>	<u>21</u>	<u>104</u>
16	Heavy withdrawals	5	72
17	Failure of affiliated institution	7	2
18	Failure of correspondent	4	1
19	Purchased paper, without recourse paper	1	4
20	Insufficient earnings	1	13
21	Volume of business too small	--	4
22	Depleted reserves	1	5
23	Miscellaneous	2	3

^{1/} Specific items are from schedules collected by the Federal Reserve Committee on Branch, Group and Chain Banking, the grouping by the author of this report. The tabulation was made by the author of this report from the schedules, which were made available through the courtesy of the Board of Governors of the Federal Reserve System.

FINANCIAL HISTORY OF THE GUARANTY FUND

Sources and adequacy of information. No complete statement of the operation of the bank depositors' guaranty fund in Kansas is available. However, a fairly complete and accurate summary statement can be compiled from information obtained from various sources.

The Biennial Reports of the Bank Commissioner, during the period of operation of the guaranty fund, contain no statements of the fund, though the balance on hand in certain years is given. Total receipts and disbursements each year are given in the reports of the Treasurer of State.^{1/} The decision of the State Supreme Court regarding the disposition of the fund provides considerable information regarding banks which had been completely liquidated by 1928. The aggregate amount of certificates issued, representing the amount of deposits in the failed banks, and the portions of this total paid, respectively, from the proceeds of liquidation of the banks and from the guaranty fund, have been furnished by the Bank Commissioner's office.^{2/} Payments by the guaranty fund in the case of guaranteed banks which failed subsequent to January 1, 1921, are given in the schedules collected by the

^{1/} These figures are shown in Table 13, p. 68.

^{2/} Correspondence with the Division of Research and Statistics, Federal Deposit Insurance Corporation.

Federal Reserve Committee on Branch, Group and Chain Banking.^{1/} Some further information is available in surveys of deposit guaranty systems in operation in various States.^{2/}

Income and obligations of the guaranty fund. A summary statement of the income and obligations of the Kansas bank depositors' guaranty fund, for the entire period of its existence, is given in Table 10. The losses incurred in the American State Bank, Wichita, which was reorganized through purchase of stock by the guaranteed banks instead of being placed in liquidation and paid off by the guaranty fund, are included, since they were part of the cost of the guaranty system to the guaranteed banks. The figures in the table take into account receipts and disbursements subsequent to repeal of the law. They excluded payments to the depositors in failed banks which were made from the proceeds of liquidation of the assets of those banks.

The total receipts of the guaranty fund itself amounted to \$2,800,000, of which approximately three-fifths was derived from the annual assessments upon the participating banks, and two-fifths from bonds and cash deposited as surety for payment of assessments and forfeited by banks which withdrew prior to repeal of the law. The loss

^{1/} These schedules were prepared from the records in the Bank Commissioner's office. They have been made available through the courtesy of the Board of Governors of the Federal Reserve System.

^{2/} These include Robb, The Guaranty of Bank Deposits (Houghton Mifflin Company, 1921); Thornton Cooke, articles in the Quarterly Journal of Economics, November 1913 and November 1923; article and legislative summary in the Federal Reserve Bulletin, September 1925; and Blocker, The Guaranty of Bank Deposits (The School of Business, University of Kansas, 1929).

Table 10. OBLIGATIONS, INCOME, AND DEFICIT OF THE KANSAS BANK
DEPOSITORS' GUARANTY FUND

Including losses in the American State Bank, Wichita

Obligations

Guaranty fund certificates issued, deducting repayments from the liquidation of assets of failed banks ^{1/}	\$9,422,317
Loss in reorganization of the American State Bank, Wichita ^{2/}	1,500,000
Miscellaneous expenses ^{3/}	<u>30,963</u>
<u>Total obligations</u>	<u>\$10,953,280</u>

Income

Assessments on guaranteed banks ^{2/}	\$1,678,170
Forfeiture of bonds and cash deposited by banks ^{4/}	1,124,514
Interest and transfers ^{5/}	<u>19,108</u>
Total income of guaranty fund <u>per se</u>	2,821,792
Contribution by guaranteed banks in the reorganiza- tion of the American State Bank, Wichita ^{2/}	<u>1,500,000</u>
<u>Total combined fund and contributions</u>	<u>\$4,321,792</u>

Deficit

Defaulted obligations: certificates issued and not paid ^{2/}	6,650,872
<u>Less cash on hand, June 30, 1938 ^{5/}</u>	<u>19,383</u>
<u>Final deficit</u>	<u>\$6,631,489</u>

^{1/} Total certificates (obligations of fund) issued, amounting to \$13,704,392, minus dividends paid from liquidation of assets of the failed banks, amounting to \$4,282,075 (from correspondence with Bank Commissioner). This figure presumably excludes accrued interest on the certificates eventually defaulted.

^{2/} From Correspondence with Bank Commissioner.

^{3/} Warrants redeemed, to June 30, 1938, from reports of Treasurer of State, in excess of dividends paid from guaranty fund, as reported by Bank Commissioner.

^{4/} Estimated from receipts other than interest and transfers, 1910-1932, as shown in the reports of the Treasurer of State, minus assessments on banks.

^{5/} From reports of Treasurer of State.

incurred by guaranteed banks in the case of the American State Bank is reported at \$1,500,000, so that the participating banks paid a total sum of approximately \$4,300,000 to meet the losses in guaranteed banks closed because of financial difficulties.

The total obligations incurred by the bank depositors' guaranty fund, including the losses in the American State Bank, amounted to \$11,000,000. This represents the deposits in guaranteed banks which failed during the period of the fund in excess of the amounts recovered through receiverships and reorganizations, plus the interest on certificates issued by the guaranty fund to depositors in failed banks.^{1/}

The difference between the obligations of the guaranty fund and the income of the fund is the approximate amount of the final deficit or default. This figure amounted to \$6,600,000.

Annual assessments (or collections) and losses in failed banks. For nearly 14 years after the guaranty law went into effect, the guaranty system was fully operative in all respects, except in the handling of the failure of the American State Bank, Wichita, in June 1923. This bank, as has been previously noted, was the largest bank operating under State law, and at the time of failure had deposits of approximately \$5 million. It was apparent that liquidation of this

^{1/} This figure probably includes only part of the interest accrued on guaranty fund certificates to date of closing of the affairs of the fund. The interest due on certificates issued to depositors of the banks completely liquidated at the earliest dates, which were paid by the guaranty fund, is included but it is probable that the interest accrued on defaulted certificates is not included. Neither the amount of interest included, nor the amount of the accrued interest excluded, is available.

bank by the usual process might wreck the guaranty system, in view of the liability of the fund for losses in 30 banks with deposits of nearly \$8 million which had previously failed and were in process of liquidation. A year after its failure, the American State Bank was reorganized under the name State Reserve Bank, to which the guaranteed banks subscribed for stock on which they sustained a substantial loss.

During the 14-year period in which the guaranty fund met all of its obligations as they became due, a huge potential liability was accumulated. This resulted from the combined effect of the provisions of the law relating to assessments and to the payment of depositors in closed banks. Since payments were made from the fund only upon completion of liquidation of a failed bank, the obligations of the fund did not become due, in most cases, for several years. In the meantime, regardless of the accumulation of heavy future liabilities, very few special assessments were levied, since the cash in the fund reached and remained above the \$500,000 limit.^{1/}

During 1924 and 1925 a number of banks which had been closed during the preceding five years were completely liquidated and were paid off by the guaranty fund, bringing the total number of banks paid off by the fund to 18. On March 1, 1925, the Bank Commissioner ceased

^{1/} Information regarding assessments levied is incomplete. Up to the middle of 1923, only one special assessment (1/20 of 1 percent in December 1922) had been levied (Thornton Cooke, "The Collapse of Bank-Deposit Guaranty in Oklahoma and Its Position in Other States," Quarterly Journal of Economics, November 1923). Definite information regarding other special assessments is not available, but the receipts of the guaranty fund, as reported by the Treasurer of State, indicate that such assessments were levied during the year ended June 30, 1925.

making payments from the guaranty fund because of difficulties encountered in determining the precise date on which the liquidation of each bank was completed and hence in the order of priority of the obligations falling upon the fund. At that time, about 40 banks, with deposits at time of failure of \$9 million and in which the eventual losses amounted to \$4 million, were in process of liquidation, while the balance in the guaranty fund had been reduced to a small figure.^{1/}

With a prospect of continued assessments for several years at the maximum rate of one-fourth of 1 percent per year, the participating banks began to withdraw from the system. However, withdrawal was deterred by the provision of the law that six months' notice of intention to withdraw was required and the provision that banks which withdrew remained liable for assessments to cover losses in any banks which failed prior to the expiration of the six months' period. The bonds which the banks had deposited as surety for the payment of assessments, amounting to one-half of 1 percent of the bank's guaranteed deposits, were much smaller than the prospective future assessments to meet losses in the banks which had already failed.^{2/} A test case was therefore brought to the State Supreme Court to determine whether a bank might

^{1/} The balance stood at \$32,571 on June 30, 1925, according to the report of the Treasurer of State.

^{2/} The losses actually sustained in the banks in process of liquidation in early 1925 were more than 2 percent of the aggregate deposits of the operating guaranteed banks at that time.

withdraw and be released from the liability of future assessments by forfeiting the bonds deposited with the State Treasurer. The Court decided on April 10, 1926, that this could be done and most of the participating banks withdrew during the next few months.^{1/}

With the withdrawal of most of the banks from participation in the guaranty system, the insolvency of the fund was apparent, since the liabilities in closed banks would obviously be much greater than the proceeds from the sale of the forfeited bonds. Under these circumstances depositors in some of the closed banks contended that the amount realized from the bonds should be distributed pro rata among holders of all of the unpaid certificates instead of being paid to the holders of certificates in banks the liquidation of which was completed at the earliest dates. This view was not accepted by the State Supreme Court, and the validity of the law as stated was affirmed by the Court, namely, that payments should be made to depositors in failed banks in the order of priority of completion of liquidation, and a special Commissioner was appointed as a fact-finding agent of the court to determine the priority of completion of liquidation of the various banks. The report of this Commissioner, which was made after holding hearings open to all interested parties, was accepted by the Court at its January term, 1928;^{2/} and the proceeds from the sale of the bonds were distributed about August 1 of that year.

^{1/} State of Kansas v. Roy L. Bone, Bank Commissioner (1926)
120. Kansas. 620.

^{2/} State of Kansas v. Roy L. Bone, Bank Commissioner (1928)
128. Kansas. 818, 266 Pac. 85.

Since most of the banks participating in the guaranty system filed notice of withdrawal early in 1926, the receipts of the guaranty fund from assessments from that time until the repeal of the law on March 14, 1929, were very small.^{1/}

In Table 11 the amounts received by the guaranty fund each year from assessments, or forfeiture of bonds in lieu of assessments, and also the losses in the banks which failed each year, are given. Because of the variation in the length of time required to complete liquidation of the various banks, the order in which the banks were completely liquidated differs considerably from the order in which they failed. Consequently, the guaranty fund paid off the remaining claims of depositors of some of the banks which failed in each of the years 1921, 1922, 1923, and 1924, and did not pay off the depositors in other banks which failed in each of those years. No banks which failed in 1925 or in later years received anything from the guaranty fund. All of the guaranteed banks which failed prior to 1921 were paid off in full by the guaranty fund.

^{1/} While definite information is lacking, it is believed that no special assessments were levied subsequent to 1925.

Table 11. AMOUNTS OF ASSESSMENTS, AND ESTIMATED LOSSES FROM BANK FAILURES, KANSAS BANK DEPOSITORS' GUARANTY FUND, BY YEARS

Year	Amount of assessment collected ^{1/}	Losses in failed banks ^{2/}		Deposits in failed banks (in thousands of dollars) ^{5/}
		Paid by guaranty fund ^{3/}	Borne by ^{4/} depositors	
1910	\$16,965	\$28,702	--	47
1911	38,898	--	--	--
1912	23,496	--	--	--
1913	28,194	--	--	--
1914	32,596	--	--	--
1915	30,717	--	--	--
1916	40,567	--	--	--
1917	51,929	--	--	--
1918	71,552	--	--	--
1919	91,863)	--	--	455
1920	107,170)-----	1,118,212	--	166
1921	119,240)		\$142,072	2,278
1922	101,587	1,091,381	712,517	4,336
1923	173,117	432,806	1,495,847	^{6/} 4,066
1924	101,578	100,344	532,691	2,889
1925	546,786	--	1,056,227	2,245
1926	146,127	--	1,927,503	5,057
1927	91,302	--	879,584	4,342
1928	851,822	--	505,787	2,157
1929 ^{1/}	60,157	--	11,848	82
1930-32	77,023	--	--	--
Total, excluding American State Bank	2,802,686	2,771,445	7,264,078	28,120
American State Bank, Wichita	<u>1,500,000</u>	<u>1,500,000</u>	<u> </u>	<u>4,966</u>
Total, including American State Bank	4,302,686	4,271,445	7,264,078	33,086

^{1/} Years ended June 30. ^{2/} *Includes* Proceeds from sale of bonds and cash deposited as security for payment of assessments and forfeited by withdrawing banks. Data from annual reports of the Treasurer of State.

2/ Classified by date of failure, calendar years.

3/ Total from Bank Commissioner (correspondence). Data by years from schedules collected by Federal Reserve Committee on Branch, Group and Chain Banking, or from Bank Commissioner's report, with amount for banks unavailable individually estimated from total for all banks.

4/ For banks paying final dividend subsequent to April 1, 1929, estimated from amount and percentage of total dividends, from Biennial Reports of the Bank Commissioner, 1932, pp. 12-20; 1934, p. 14; and 1936, p. 14. For other banks, estimated from total claims and total payments on claims, as reported in schedules collected by the Federal Reserve Committee on Branch, Group and Chain Banking.

5/ Includes deposits in 25 failed banks which were reorganized or reopened without loss to depositors. The figures in this column, and also those in the preceding two columns, include a few banks which failed subsequent to withdrawal from the guaranty fund.

6/ Excluding the American State Bank, Wichita, which is given separately.

7/ Figures for losses and deposits include banks failed to March 14, the date of repeal of the law.

Adequacy of the guaranty fund. The extent to which the bank depositors' guaranty fund met the claims of depositors in failed guaranteed banks is shown in Table 12. For the entire period during which the law was on the statute books, about 65 percent of the deposits of failed banks were eventually paid from the liquidation of assets of those banks. Guaranty fund assessments provided 8 percent of the deposits, and the guaranteed banks provided an additional 5 percent through assumption of losses in the American State Bank. The remaining 22 percent was lost to the depositors.

These estimates indicate that aggregate assessments of \$12,000,000 would have been sufficient to have met all of the losses to depositors in failed guaranteed banks up to the time the law was repealed. The assessments actually collected, including the proceeds from forfeiture of bonds and cash held as surety for payment of assessments, were less than one-fourth of this amount. An average annual assessment of one-half of 1 percent would have provided the needed amount. The average actually collected, including proceeds of forfeiture of bonds and cash deposited as surety for the payment of assessments, amounted to one-eighth of 1 percent. However, total contributions of the guaranteed banks, including their loss in the case of the American State Bank, was equivalent to an average annual assessment of nearly one-fifth of 1 percent.

The maximum annual rate of assessment, according to the interpretation of the law by the Bank Commissioner, was one-fourth of

Table 12. DEPOSITS IN FAILED GUARANTEED BANKS IN KANSAS, PAID AND UNPAID, WITH SOURCES OF FUNDS USED IN PAYMENT ^{1/}

	Amount (in thousands of dollars)	Percentage of total deposits
<u>Total deposits</u>	<u>33,086</u>	<u>100.0</u>
Deposits paid from:		
Liquidation of assets of the failed banks ^{2/}	21,551	65.1
Bank depositors' guaranty fund assessments, including proceeds of bonds and cash forfeited by withdrawing banks	2,771	8.4
Contributions of guaranteed banks (loss on stock purchased) in reorganization of the American State Bank	1,500	4.5
Loss to depositors	7,264	22.0

^{1/} Includes a few banks which failed subsequent to withdrawal from the deposit guaranty system. Also includes banks reorganized and reopened or succeeded without loss to depositors.

^{2/} Estimated as the difference between total deposits on the one hand, and payments from other sources and loss to depositors on the other. This estimate differs somewhat from a total derived from liquidation data regarding payments made to claimants.

1 percent per year. Under the provisions of the law, it was not possible to levy assessments sufficient to meet the claims falling upon the fund. Further, the maximum permissible rate could not be levied at the time when the banks failed and it became obvious that the future liabilities of the fund were mounting rapidly. This was because the fund did not actually become liable for any payments until a closed bank was fully liquidated, and in the meantime, the fund remained at the level prescribed by the law.

The burden of assessments. Assessments during the first few years of the Kansas bank depositors' fund, at the regular rate of one-twentieth of 1 percent per year, were comparatively light; and bankers do not appear to have protested that the assessments were a financial burden upon the banks. However, as soon as it became apparent, in the early 1920's, that future assessments at the maximum rate would be necessary for several years, the banks felt that the assessments would be a heavy drain on their earnings and sought means of escaping the burden. Since participation in the system was voluntary, and under the State Supreme Court decision withdrawal could be accomplished by forfeiture of bonds amounting only to two years' assessment at the maximum rate, most of the banks chose this method of avoiding the inevitable burden of assessments. Had withdrawal not been possible on these conditions, it is probable that, as in certain other States with deposit guaranty, a large number of State banks would have taken out national bank charters.

Earnings data are not available for the guaranteed banks in Kansas, but they are available for all State banks, and are sufficient to make possible a rough comparison of the actual and prospective amounts of the assessments with the net profits and dividends paid by the banks.^{1/} Had deposit guaranty covered all of the State banks during the entire 20-year period of operation of the guaranty system, aggregate assessments of approximately \$14 million (or \$10 million in addition to the assessments and contributions paid by the guaranteed banks) would have been necessary to meet the losses in closed banks. The net profits of the State banks amounted to \$61 million. Therefore, about one-sixth of the net profits of all State banks would have been necessary to have made the deposit guaranty system a success. The net profits of the banks, after deducting the assessments and contributions which the guaranteed banks made to the guaranty system, amounted to an average of 8 percent per year on the total capital accounts of the banks. Absorption out of profits of the remaining loss to depositors in failed banks would have reduced this average rate of profit to 6.7 percent per year on total capital accounts.

Whether an item of expense, such as an assessment for meeting losses in failed banks, comes out of profits can never be determined exactly. If the expense item is one which is borne by all or a large

^{1/} Selected items from the consolidated earnings and dividends reports of Kansas banks, by years, during the period 1909-1928, are given in Table 16, p. 72.

majority of the operating banks in the area, it is probable that certain other items of income or expense may be affected more than the profits of the banks. The banks in Kansas, during the period of operation of the guaranty system, paid interest on deposits aggregating slightly more than the net profits of the banks. A reduction of one-fifth in the interest paid on deposits would have thrown the cost of deposit guaranty entirely upon the depositors. The presence of nonguaranteed banks, both those operating under State law and those operating under national charters, made it difficult for the guaranteed banks to make this kind of adjustment as a means of preserving their profits in the face of the additional expense.

Another interesting comparison is the total cost of deposit guaranty, in a form to have met all of the losses to depositors, with the amounts actually charged off by the operating banks as losses on loans, investments and other assets. The latter figure, for the entire 20-year period, amounted to \$28 million for all State banks, which is twice the total loss to depositors (including the loss met by the guaranty fund) in all failed banks. The losses charged off amounted to an average of 0.8 percent per year of loans and investments. An increase in this allowance for losses by one-half, or to 1.2 percent per year of loans and investments, placed in the guaranty fund, would have met all of the losses in failed banks.

Had deposit guaranty embraced all banks operating in the State, including national banks, the total losses which the fund would have

been called upon to meet would have been \$15 million. The necessary assessment rate for the entire 20-year period to have met this loss would have averaged less than one-fourth of 1 percent per year.

Losses in mismanaged banks. Of the 154 guaranteed banks which failed, 33 were reorganized or reopened, or were liquidated, without loss to either the guaranty fund or to depositors. Of the 121 banks in which losses to the guaranty fund or to depositors occurred, there were 42 banks, or 35 percent, in which the failure was attributed by the Bank Commissioner in full or in part to dishonesty, mismanagement, excessive loans to officers, or irregular practices.^{1/} The loss in these banks amounted to 64 percent of the total loss to the guaranty fund and to depositors in all guaranteed banks. The large percentage of the loss which occurred in banks which were dishonestly run, mismanaged, or operated improperly is due to the fact that nearly all of the larger banks which failed did so because of the way they were managed. The bulk of the failures which were due primarily to incompetence, inability to make collections, or to causes reflecting adverse economic circumstances, were small banks. Of the seven banks which caused the largest losses to the guaranty fund or to depositors, and which together were responsible for one-third of all of the losses to the fund or to depositors, four failed because of dishonesty or excessive

^{1/} This figure includes 1 bank for which no cause of failure is mentioned in the Commissioner's reports, which is ascribed by Robb to mismanagement and dishonesty.

loans to officers or directors, and two more because of dishonesty combined with incompetency. The failures ascribed solely to dishonesty by the Bank Commissioner include the American State Bank, Wichita, which for several years prior to its failure was the largest bank operating under State law.

EFFECTIVENESS OF BANK SUPERVISION

The office of Bank Commissioner in Kansas was well established at the time of adoption of deposit guaranty, and financial support of the banking department by the State was more adequate than in some of the neighboring States. These conditions were more favorable to effective bank supervision than in some of the States contiguous to Kansas and subject to similar general economic circumstances, and it is probable that better supervision is one of the reasons why the failure rate for all banks operating under State law was lower in Kansas, during the period of operation of the deposit guaranty system, than in most of the contiguous States. Nevertheless, the fact that so large a proportion of the losses to the guaranty fund and to depositors was incurred in banks which were mismanaged, dishonestly operated, or engaged in improper practices raises the question whether supervision was as effective as could reasonably have been expected.

While no attempt has been made in this study of the operation of the deposit guaranty fund to make a thorough survey of the operations of the office of the Bank Commissioner, information found in the State reports and other sources does indicate that bank supervision in Kansas --while perhaps better than in some of the neighboring States--was nevertheless seriously defective during the period of operation of the guaranty fund. The deficiencies of bank supervision in Kansas which are apparent from the available information have their roots in the legis-

lation on the statute books rather than in incompetency in the office of the Bank Commissioner. The most serious defect was the absence, up to 1927, of any special limitations on loans by a bank to its own officials or directors. This omission was recognized by the Bank Commissioner, and restrictive legislation was recommended in his biennial reports in 1920 and in 1922.^{1/} Another serious omission was the lack of any penalty for violation of the section of the law limiting loans to a single borrower. Another provision of the law in force at the time deposit guaranty was inaugurated, but which was repealed in 1917, held great potentialities for minimizing the risks of failure. This was the requirement that a bank should not receive deposits in excess of ten times its unimpaired capital and surplus. Retention and enforcement of this provision, accompanied by thorough bank examinations and careful appraisals of each bank's net worth, could have been used as a powerful weapon in the prevention of unwise expansion and in forcing banks to correct improper financial policies long before the stockholders' cushion had been wiped out by losses.

Lack of funds, though not so serious as in some of the neighboring States, was also a handicap to effective supervision, at least during a part of the period of operations of the deposit guaranty fund. Total expenditures of the Bank Commissioner's office rose from \$40,000 during the first year of deposit guaranty to \$96,000 for the year ended

^{1/} Fifteenth Biennial Report of the Bank Commissioner, p. 5, and Sixteenth Biennial Report of the Bank Commissioner, p. 7.

June 30, 1928, with an average of \$84,000 for the period 1921-1929. The examining force, in addition to the Commissioner, assistant commissioner, and chief examiner, consisted of 12 deputy examiners in 1921 and 1922, 14 from 1923 to 1925, and 20 from 1926 to 1929. Since the number of operating State banks was about 1100 in 1922, and about 900 in 1926 and 1927, and two examinations of each bank per year were required, each examiner was apparently required to make about 180 examinations per year in 1922 and about 90 per year in 1928.^{1/} During the early years of the guaranty system the Bank Commissioner asked for higher salaries on the ground that competent examiners could not be obtained at \$1,800, the salary then paid. In the early 1920's the average salary of bank examiners was raised to \$2,400, but appears to have been reduced to the former level when the number on the examining force was increased in 1926.^{2/}

On the other hand, it is doubtful whether the powers possessed by the Bank Commissioner were used to the utmost extent. Even though no penalty was prescribed for loans in excess of the legal limit to a

^{1/} The Federal Deposit Insurance Corporation in 1942 had 4 examiners and 4 assistant examiners in Kansas to make one examination per year of approximately 245 banks, or an average of about 30 examinations per year per member of the examining force. In comparing the size of the examining force with the examining task allowance should also be made for the fact that the banks examined by the Corporation are of larger size, on the average, than those examined by the State examiners in the 1920's. About one-fifth of the banks examined by the Corporation in 1940 held deposits of \$500,000 or more, while only one-tenth of the banks examined by the banking department of the State in the 1920's held deposits of \$500,000 or more.

^{2/} Computed from number of deputies and total cost of salaries of deputies, as given in the annual reports of the Bank Commissioner.

single borrower, the Commissioner had power to require the reduction of such loans to the legal limit, and to close a bank if it was found to have willfully violated any requirement of the law; and any bank which failed within ninety days to comply with any lawful requirement of the Commissioner in writing, according to the law, forfeited its charter. During at least a part of the period of deposit guaranty, banks found to be insolvent or in financial difficulties were nursed along by the department instead of being closed, and supervision was the poorest in the history of the banking department. ^{1/}

However, irrespective of the effectiveness of bank supervision in Kansas, one conclusion of vital importance to the success of other systems of deposit guaranty or insurance can be drawn with certainty. That is, that dishonesty, favoritism to special interests, and excessive loans to enterprises in which responsible officials of the bank are connected, will lead to disaster, and that the supervisory authorities must be alert and vigorous in watching the policies of the larger banks in which the risk is concentrated. ^{2/}

^{1/} This statement is based on interviews with Kansas bankers familiar with the situation.

^{2/} This is the same conclusion as was reached in the study of the operation of deposit guaranty in Oklahoma.

CLOSING OF THE GUARANTY FUND

Withdrawal from the guaranty fund of the great majority of the participating banks, and the litigation over the use of the proceeds from the bonds and cash forfeited by the withdrawing banks, have been described in a preceding section of this report. Mention has also been made of the attempts to alter the distribution of whatever amounts remained in the guaranty fund after it became apparent that the fund would be unable to meet its future obligations: first, through elimination of interest on the certificates issued to depositors; and second, by treating the remaining assets of the guaranty fund as a trust fund to be distributed pro rata among all persons having a claim on the fund. The decisions of the State Supreme Court on these questions--that the elimination of interest on outstanding certificates was void, and that the fund should be used strictly in accordance with the guaranty law and distributed to certificate holders in the order of priority of completion of liquidation--have also been described. The latter decision resulted in the distribution of the proceeds of the forfeiture of the deposited bonds and cash, in the latter part of 1928, to the certificate holders of 13 failed banks, out of approximately 200 banks which were then completely liquidated or in process of liquidation.^{1/} The former decision also affected the number of banks which participated in the distribution

^{1/} In the case of two of the 13 banks, certificate holders received 93 percent of their claims. The liquidation of these two banks was completed on the same day, and since the funds were inadequate to pay all claims against these banks, the Court ordered the payments to be prorated among the certificate holders of the two banks.

of the fund, since certificates for some of the banks had been outstanding for several years, (from 1921, 1922, Or 1923, to 1928) and the accrued interest at 6 percent per year was a substantial addition to the face amount of the certificates.

Another problem which arose was the payment of the cost of litigation regarding disposal of the assets of the fund. The State Supreme Court, in its 1928 decision, stated that these costs should be borne by the persons participating in the benefit of the decision, that is, by the holders of the certificates that were finally paid. Definite information regarding payment of the litigation costs is not available, but it is presumed that they were met by the guaranty fund and deducted from the amounts paid to the certificate holders in 1928.

Under the decision of the State Supreme Court in 1926, and a supplementary decision in 1928, banks withdrawing from the fund, and those ceasing operations through liquidation or conversion to a national bank were entitled to have returned to them the bonds or cash deposited as surety for future assessments, provided that these bonds or cash were not needed to pay claims against the guaranty fund arising from banks which had closed prior to the date of withdrawal or cessation of operations. In view of the large claims upon the fund in connection with banks which failed prior to 1926, no such refunds were made.

On March 14, 1929, the deposit guaranty law was repealed. The act of repeal authorized the return of the surety bonds or cash to banks which had paid all assessments to the date of repeal. However, the State Supreme Court held that the authorization of the return of the bonds was

invalid since the certificate holders of failed banks which had been members of the fund had a vested right in the proceeds of the bonds.^{1/}

The statement of receipts and disbursements of the bank depositors' guaranty fund published in the biennial reports of the Treasurer of State shows small amounts of receipts, in part labelled "transfers", each year as late as the fiscal year ended June 30, 1936, and also shows disbursements on warrants as late as the fiscal year ended June 30, 1940, with a small balance on hand on that date. Total disbursements from June 30, 1929, to June 30, 1940---that is, subsequent to the distribution in 1928 of the proceeds of forfeiture of the surety bonds---amounted to \$118,000, most of which was paid out in 1932. Whether these disbursements represent payments authorized in 1928 to certificate holders who failed to present their certificates promptly, or small additional payments to the certificate holders in the case of the two banks partially paid at that time, has not been ascertained.

^{1/} William A. Smith, Attorney General v. H. W. Koencke, Bank Commissioner (1929) 128 Kansas 805, 280 Pac. 767.

APPRAISAL OF THE KANSAS BANK DEPOSIT GUARANTY SYSTEM

The failure of the Kansas system of guaranty of bank deposits was due to the character of that particular system and the circumstances surrounding its operation, not to the impracticability of applying the insurance principle to losses from bank failures. The Kansas system suffered from several serious defects.

First. The regular rate of assessment, one-twentieth of 1 percent per year, was far too low and decidedly inadequate; and special assessments could not be levied at the time when they were obviously needed, because of the delay in making payments to depositors in closed banks until completion of liquidation of the bank.

Second. The maximum reserve fund which could be accumulated, \$1,000,000, and the amount to which it could be depleted before assessments were resumed, \$500,000, were too small. The maximum accumulation, which amounted to approximately one-half of 1 percent of the largest volume of deposits in guaranteed banks, was only two-thirds of the loss assumed by the guaranteed banks in one failure.

Third. Prompt payments could not be made to depositors in the failed banks. Deposit guaranty or insurance does not fulfill its proper function if depositors are unable to obtain their guaranteed funds promptly. To achieve its purposes, deposit insurance or guaranty must provide for no significant interruption in the flow of payments in the community in which a failed bank is located.

Fourth. Losses to the guaranty fund were not recognized, in the fund's accounts, at the time banks failed. As a consequence, the fund

accumulated large liabilities which were not reflected on its books or in the assessments levied. Reserves for losses should have been established at the time each bank failed, on the basis of an appraisal of the liquidating value of the bank's assets, so that the accounts of the fund would reflect its true condition.

Fifth. Provisions of law relating to loans to officers and directors and their interests, and in regard to excessive loans to single borrowers, were inadequate; and supervision over banking practices, particularly the practices of the large banks, was inadequate.

Sixth. Banks were able to withdraw from the system without full responsibility for obligations which accrued while they were participants in the system.

T Table 13. RECEIPTS AND DISBURSEMENTS OF THE KANSAS BANK DEPOSITORS' GUARANTY FUND, BY YEARS ^{1/}

Year ended June 30	Receipts		Disbursements ^{4/}	Balance on June 30
	Assessments and forfeiture of bonds ^{2/}	Interest and transfers ^{3/}		
1910	\$16,965	--	--	\$16,965
1911	38,898	\$983	--	56,846
1912	23,496	1,341	--	81,683
1913	28,194	1,283	--	111,160
1914	32,596	1,639	\$28,702	116,693
1915	30,717	2,522	--	149,931
1916	40,567	--	--	190,499
1917	51,929	--	16	242,411
1918	71,552	--	--	313,963
1919	91,863	--	--	405,826
1920	107,170	--	546	512,450
1921	119,240	--	--	631,690
1922	101,587	--	--	733,277
1923	173,117	--	60,795	845,600
1924	161,578	--	489,930	457,248
1925	546,786	--	971,463	32,571
1926	146,127	--	22,844	155,854
1927	91,302	--	218,593	28,563
1928	851,822	--	220,045	660,339
1929	60,157	5,270	672,191	53,576
1930	16,530	1,278	8,219	63,164
1931	21,671	1,586	931	85,491
1932	38,821	1,489	95,577	30,224
1933	--	705	3,994	26,934
1934	--	364	2,760	24,539
1935	491	--	2,153	22,876
1936	156	--	1,313	21,719
1937	--	--	637	21,082
1938	--	--	1,699	19,383
1939	--	--	388	18,995
1940	--	--	383	18,612
<u>Total</u>	\$2,803,331	\$18,460	\$2,803,179	

^{1/} From Biennial Reports of the Treasurer of State.

^{2/} Marked simply as "receipts" or as received from the Bank Commissioner. Figures undoubtedly refer primarily to assessments collected, except in the later years (particularly 1928) when they represent the proceeds of the sale of bonds and the taking over of the cash which had been deposited by withdrawing banks as surety for the payment of assessments.

3/ Marked "interest" during the period 1910-1915, and "transfers" during the period 1929-1934. These figures exclude \$3,247.01 reported separately by the Treasurer of State as "guaranty fund bond interest collected" during the years 1917-1926. It is probable that this amount is included in the figure for "transfers" in 1929.

4/ Warrants redeemed.

Table 14. NUMBER AND DEPOSITS OF GUARANTEED BANKS IN KANSAS, 1910-1928 ^{1/}

Banks grouped by amount of deposits

	Aug. 15, 1910	Sept. 12, 1914	Aug. 31, 1918	Aug. 28, 1920	Aug. 31, 1922	Aug. 21, 1924	Sept. 1, 1926	Sept. 15, 1928
<u>Number of banks - total</u>	<u>201</u>	<u>491</u>	<u>604</u>	<u>678</u>	<u>703</u>	<u>660</u>	<u>555</u>	<u>46</u>
Banks with deposits of-								
\$100,000 or less	116	251	82	94	160	136	104	23
\$100,000 to \$250,000	63	187	281	295	348	324	265	18
\$250,000 to \$500,000	17	40	173	198	126	139	132	4
\$500,000 to \$1,000,000	4	9	48	58	47	40	41	1
\$1,000,000 to \$2,000,000	1	3	16	25	17	14	11	-
\$2,000,000 to \$5,000,000	-	1	3	6	3	6	2	-
\$5,000,000 and over	-	-	1	2	2	1	-	-
<u>Deposits - total (thousands of dollars)</u>	<u>26,371</u>	<u>70,329</u>	<u>181,572</u>	<u>219,352</u>	<u>185,915</u>	<u>179,114</u>	<u>145,543</u>	<u>6,004</u>
Banks with deposits of-								
\$100,000 or less	7,372	16,148	5,976	7,006	11,074	9,324	7,457	1,612
\$100,000 to \$250,000	9,281	28,184	49,389	50,809	57,947	54,756	45,347	2,603
\$250,000 to \$500,000	5,835	14,107	59,057	66,268	42,955	47,256	44,633	1,213
\$500,000 to \$1,000,000	2,651	5,771	31,548	37,970	32,269	28,727	28,421	576
\$1,000,000 to \$2,000,000	1,232	3,913	21,929	33,219	23,296	19,486	14,692	-
\$2,000,000 to \$5,000,000	-	2,206	8,008	13,132	6,921	13,348	4,993	-
\$5,000,000 and over	-	-	5,665	10,948	11,453	6,217	-	-

^{1/} Tabulated from statements relating to individual banks, as given in the Biennial Reports of the Bank Commissioner, with guaranteed banks identified by the presence of the asset item, "Guaranty fund with State Treasurer". Totals for these banks plus those for nonguaranteed banks, in Table 15, differ slightly from the figures given in summary tables for the same dates in the Commissioner's reports. Statements for individual banks were not published in the Biennial Reports of the Bank Commissioner, 1912 and 1916.

Table 15. NUMBER AND DEPOSITS OF NONGUARANTEED STATE BANKS AND TRUST COMPANIES IN KANSAS, 1910-1928 ^{1/}

Banks grouped by amount of deposits

	Aug. 15 1910	Sept. 12, 1914	Aug. 31, 1918	Aug. 28, 1920	Aug. 31, 1922	Aug. 21, 1924	Sept. 1, 1926	Sept. 15, 1928
<u>Number of banks - total</u>	<u>661</u>	<u>445</u>	<u>440</u>	<u>434</u>	<u>391</u>	<u>377</u>	<u>418</u>	<u>818</u>
<u>Banks with deposits of-</u>								
\$100,000 or less	428	308	147	135	175	131	122	166
\$100,000 to \$250,000	185	109	190	191	158	177	183	363
\$250,000 to \$500,000	40	25	78	77	41	49	69	196
\$500,000 to \$1,000,000	5	1	20	27	13	14	28	60
\$1,000,000 to \$2,000,000	2	2	5	4	4	5	10	28
\$2,000,000 to \$5,000,000	1	-	-	-	-	1	6	5
<u>Deposits - total (thousands of dollars)</u>	<u>70,406</u>	<u>43,343</u>	<u>84,941</u>	<u>87,926</u>	<u>64,012</u>	<u>72,041</u>	<u>112,217</u>	<u>229,687</u>
<u>In banks with deposits of-</u>								
\$100,000 or less	22,919	16,204	8,829	7,956	10,494	8,254	8,000	11,563
\$100,000 to \$250,000	27,211	16,297	30,999	30,677	24,923	28,170	30,002	59,222
\$250,000 to \$500,000	12,563	7,856	26,127	25,496	14,030	16,916	24,651	67,117
\$500,000 to \$1,000,000	3,275	529	12,293	18,776	8,997	10,175	20,129	41,362
\$1,000,000 to \$2,000,000	2,390	2,457	6,693	5,021	5,563	6,380	14,746	39,209
\$2,000,000 to \$5,000,000	2,048	-	-	-	-	2,146	14,689	11,214

^{1/} Tabulated from statements relating to individual banks, as given in the Biennial Reports of the Bank Commissioner, with nonguaranteed banks identified by the absence of the asset item, "Guaranty fund with State Treasurer". Private banks and trust companies are included. Totals for these banks plus those for guaranteed banks, in Table 14, differ slightly from the figures given in summary tables for the same dates in the Commissioner's reports. Statements for individual banks were not published in the Biennial Reports of the Bank Commissioner, 1912 and 1916.

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Table 16. SELECTED DATA FROM CONSOLIDATED STATEMENTS OF EARNINGS AND DIVIDENDS, AND TOTAL CAPITAL ACCOUNTS, ALL STATE BANKS IN KANSAS, 1909-1928

(In thousands of dollars)

Calendar year	Interest on deposits ^{1/}	Gross losses ^{1/}	Net profits ^{1/}	Dividends ^{2/}	Total capital account ^{3/}
Total - 20 years	<u>62,299</u>	<u>28,133</u>	<u>60,798</u>	<u>44,426</u>	<u>754,792</u>
1909	797	361	2,945	1,692	21,375
1910	910	417	3,131	1,818	23,441
1911	1,007	322	2,879	1,872	25,153
1912	1,239	398	3,126	2,141	27,055
1913	1,456	642	3,143	2,108	28,381
1914	1,623	480	2,892	1,985	30,411
1915	1,847	493	3,444	2,376	32,269
1916	2,223	635	4,204	2,607	34,723
1917	3,178	849	4,371	2,933	37,028
1918	3,772	830	4,643	3,083	39,814
1919	4,291	978	5,422	3,369	43,769
1920	4,937	1,437	5,054	3,366	48,197
1921	4,820	2,093	2,984	2,669	49,757
1922	4,702	2,575	2,190	2,209	48,929
1923	4,437	2,514	1,963	1,902	47,253
1924	4,508	2,262	1,637	1,748	45,443
1925	4,625	2,519	1,675	1,780	44,657
1926	4,293	2,955	1,513	1,611	44,073
1927	3,909	2,923	1,395	1,481	42,135
1928	3,725	2,430	2,187	1,676	40,929

^{1/} Federal Reserve Bulletin, February 1938, p. 122. Tabulated from data in the Biennial Reports of the Bank Commissioner.

^{2/} From Biennial Reports of the Bank Commissioner.

^{3/} Capital, surplus and reserves---computed average at all call dates in year, tabulated from consolidated statements of assets and liabilities in Biennial Reports of the Bank Commissioner.