

Creating a Museum of Banking



In the mid-1980s, when several Rush County banks fell into a state of insolvency and were closed by the Federal Deposit Insurance Corporation, the Nekoma State Bank remained financially strong. In December 1986, a group of investors purchased the financial assets of the bank and moved its operations to La Crosse, the county seat of Rush County. The bank reopened in March 1987 in the building formerly occupied by the *Farmers and Merchants State Bank*.

For the next fifteen years, the small building stood lifeless as a monument to a past until it became apparent that time was taking its toll on the aging structure. Gary Kay, president of the *Nekoma State Bank* in La Crosse recognized that the building would be lost if preservation efforts were not soon undertaken.

Under the direction of the Rush County Historical Society, a fund-raising campaign was begun with the intention of relocating the threatened building to Grass Park in La Crosse. In May 2003, the building was moved to its new location to begin a new chapter in its life as part of a complex of historical structures under the care of the Rush County Historical Society. The museum's mission is to educate and preserve the heritage of rural banking in Western Kansas.

Become a Part of the Society...

To become a member fill out this form and mail to:

Rush County Historical Society, Inc.
P.O. Box 473
La Crosse, Kansas 67548-0473

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(State)

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Check one:

- Annual Membership \$ 5.00
- Lifetime Membership \$ 25.00
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History of...

Nekoma Bank Museum



202 W. 1st Street
La Crosse, Kansas

www.rushcounty.org/RCHS



History of the Nekoma Bank



The bank was chartered by the state of Kansas on June 21, 1916. It opened for business on September 18 of that year with capital of \$10,000. The original board of directors was composed of A.H. Young, E.S. Chenoweth, A.E. Johnson, J.M. Mendenhall, A.U. Ream, G.M. Ryan, Thomas Ryan, James Seaman, and Michael T. Moran. Michael T. Moran was chairman of the board, James Seaman was president, and J.P. Moran was cashier.

A 24'x42' wood frame structure with a covered porch was constructed to house the bank. The building consisted of a main room finished with ornate woodwork, a brick-lined vault, and a storage room. Heat was provided by a pot-belly stove located next to the vault entrance.

The ribbon-cutting was an event to be remembered with a band concert, baseball game, and watermelon feed. People from all over the area came to Nekoma to join in the festivities. From the time of its opening, the bank was a hub of activity in the small community.

Not many changes were made to the building over the years. A 1961 addition added an office, a large mechanical and storage room, and an indoor restroom. Alterations were made to the front room including removal of metal "cages" on top of the Cashier and Teller windows, tile floors, and a suspended ceiling.

Surviving the Great Depression was not an easy task for many rural banks. In 1932 and 1933, a large number of bank failures in the U.S. caused depositors to no longer trust banks with their money. In 1932 and 1933 almost half of U.S. banks closed. Panic ensued and people began withdrawing large sums of money for fear of losing their savings to a bank failure. In an effort to forestall a national crisis, President Franklin Roosevelt declared a four-day bank holiday beginning March 4, 1933 requiring all banks to remain closed to allow time to come up with a plan to save struggling banks. For that week, many persons lived in fear that their local bank would not reopen. The *Emergency Bank Relief Act* set strict guidelines and banks that passed examination were allowed to reopen. This action also led to passage a few months later of the *Federal Banking Act of 1933* that established the *Federal Deposit Insurance Corporation* insuring accounts up to \$5,000. The small bank in Nekoma, Kansas weathered the storm and remained financially strong through the depression years and beyond.

Over the years the bank endured many hardships but always seemed to emerge virtually unscathed. In 1959, water five feet deep covered Nekoma forcing the bank to temporarily relocate records south across the railroad tracks to the home of Loretta Moran.



A major snowstorm that struck Rush County on March 23, 1957 left the town of Nekoma without telephone or electricity for almost six weeks. To keep the bank in operation, equipment was moved to an office on west 8th Street in La Crosse where employees took turns

operating posting machines every night until services were restored.

On November 29, 1963, burglars attempted to chisel their way into the back of the brick vault. Giving up after making a three inch hole in the back of the vault, the thieves climbed into the attic and set fire to a pile of debris on the vault ceiling before leaving empty-handed. The fire was discovered the next morning before causing serious damage. In January two 18 year old boys were arrested.

On July 30, 1969, burglars managed to gain access to the bank vault. Although causing considerable damage to the vault door and scattering the contents of several deposit boxes on the floor, they were unable to get to the money stored in the massive bullet safe. The thieves managed to make off with over \$11,000 in travelers checks but tossed the majority of the checks in a ditch near Timken. The following October, five suspects were apprehended by the FBI.

The mid 1980s was a particularly difficult era in the banking industry. In Rush County, five of the county's largest banks were closed over a 12 month period. The Nekoma bank stood strong throughout the crisis due to its conservative loan practices. "Bigger isn't always better," said bank President Loretta Moran in a 1991 interview with the Rush County News. "I was stingy with my money...I had to know you pretty good before I'd give you a loan." It was during this period of uncertainty that Loretta first considered the possibility of selling the bank. What had become known as the last bank in Kansas to be operating in a wood frame building, would soon leave the tiny community that had been its home for 70 years.