

FEDERAL RESERVE BANK
OF DALLAS

Dallas, Texas, July 25, 1946

CONDITION OF MEMBER BANKS, JUNE 29, 1946

**To the Member Banks of the
Eleventh Federal Reserve District:**

There is presented on the opposite page a statement of the condition of all member banks in the Eleventh Federal Reserve District as of June 29, 1946, with comparative figures for December 31, 1945 and June 30, 1945. This statement reveals the substantial changes in the principal items of assets and liabilities of member banks in this district which occurred during the first six months of 1946.

In contrast with the sharp upward trend that had been in progress since 1939, the gross deposits of member banks showed a decline of \$371,000,000 during the first half of 1946. Nevertheless, total deposits of \$5,368,000,000 on June 29 were still \$434,000,000 greater than on the corresponding date of 1945. The marked decline since the beginning of this year has resulted from the large decreases in Government and interbank deposits and has been associated with the program of the United States Treasury to utilize a substantial amount of its large war loan deposits at depository banks to retire a portion of the outstanding Federal debt. The sharp decline in these classes of deposits was only partially counterbalanced by the expansion of demand and time deposits of individuals, partnerships, and corporations.

Total investments of member banks declined by only \$83,000,000 during the six months, partly because banks replaced through purchases in the open market a portion of their Government securities that had been redeemed. Moreover, the banks were able to expand their holdings of other securities in view of the larger market supply brought about by the revival of corporate, state, and municipal financing.

The loans of member banks increased by \$10,000,000 during the six months and reached the highest level of record. The size of the net expansion was relatively small because the substantial increases in commercial, industrial, and agricultural loans, in real estate loans and in miscellaneous loans were largely counterbalanced by the sharp decline in loans made during the Victory Loan Drive for the purpose of purchasing and carrying Government securities. In view of the much smaller contraction in loans and investments than in deposits, cash assets declined by \$168,000,000 during the six months and on June 29 constituted a slightly smaller percentage of total assets than at the beginning of the year.

On June 29, 1946, the total capital accounts of member banks in the district aggregated \$284,000,000, representing an increase of \$30,000,000 during the six-month period. This increase was about as large as the total expansion during 1945 and was larger than that during any preceding year since the establishment of the Federal Reserve System. This growth in capital accounts during the six months reflected not only the retention for capital purposes of a large share of net profits but also the sale by many member banks of substantial amounts of new capital stock to the public.

Yours very truly,

R. R. GILBERT,
President.

**COMPARATIVE STATEMENT OF CONDITION OF MEMBER BANKS
IN THE ELEVENTH FEDERAL RESERVE DISTRICT**

ITEM	June 29, 1946 (Preliminary)	December 31, 1945 (Revised)	June 30, 1945 (Revised)
Member banks in Eleventh District.....	589	585	586
Loans, including overdrafts.....	1,148,981,000	1,138,936,000	921,048,000
U. S. Government obligations direct and guaranteed.....	2,590,970,000	2,702,604,000	2,386,686,000
Obligations of States and political sub- divisions.....	145,255,000	132,142,000	112,633,000
Other securities.....	44,620,000	29,107,000	24,046,000
TOTAL LOANS AND INVESTMENTS	3,929,826,000	4,002,789,000	3,444,413,000
Individual—Demand deposits.....	3,413,345,000	3,303,687,000	2,906,973,000
Individual—Time deposits.....	447,442,000	414,298,000	369,217,000
Deposits of U. S. Government, including postal savings.....	410,900,000	767,306,000	659,191,000
Deposits of States and political sub- divisions.....	308,940,000	281,304,000	223,902,000
Deposits of banks.....	737,767,000	870,818,000	735,511,000
Other deposits.....	49,365,000	101,051,000	39,161,000
TOTAL DEPOSITS	5,367,759,000	5,738,464,000	4,933,955,000
TOTAL CAPITAL ACCOUNTS	284,096,000	253,741,000	245,669,000
Cash and balances due from banks.....	1,783,148,000	1,951,263,000	1,698,416,000
Borrowings from Federal Reserve Bank.....	—o—	—o—	75,000
All other borrowings.....	—o—	—o—	150,000
Ratio of loans to total loans and invest- ments.....	29.2%	28.5%	26.7%
Ratio of cash and exchange to total deposits.....	33.2%	34.0%	34.4%

**PRINCIPAL ASSET AND LIABILITY ITEMS OF ALL MEMBER BANKS IN THE
ELEVENTH FEDERAL RESERVE DISTRICT AS OF JUNE 30
OF EACH YEAR 1939 TO 1946, INCLUSIVE
(Thousands of dollars)**

June 30,	Total Deposits	Total Loans	Total Investments	Total Loans and Investments	Total U. S. Gov. Secs.	Total Capital Accounts
1939	1,436,977	474,688	419,029	893,717	279,998	166,351
1940	1,571,489	489,655	418,587	908,242	275,819	173,513
1941	1,813,657	569,475	482,994	1,052,469	332,020	181,719
1942	2,094,757	591,477	656,032	1,247,509	500,034	188,288
1943	3,115,118	544,657	1,488,739	2,033,396	1,346,185	195,584
1944	3,866,006	741,970	1,933,527	2,675,497	1,813,127	215,327
1945	4,933,955	921,048	2,523,365	3,444,413	2,386,686	245,669
1946	5,367,759	1,148,981	2,780,845	3,929,826	2,590,970	284,096