

FEDERAL RESERVE BANK

OF DALLAS

Dallas, Texas, August 9, 1949

CONDITION OF MEMBER BANKS, JUNE 30, 1949

To Member Banks of the
Eleventh Federal Reserve District:

A statement of the condition of member banks in the Eleventh Federal Reserve District as of June 30, 1949, with comparative figures for April 11, 1949, and June 30, 1948, is presented on the reverse of this letter. During the latest reporting period from April 11, 1949, to June 30, 1949, declines were reported by member banks for such principal accounts as loans, total deposits, and cash and balances due from banks, while holdings of United States Government securities and total capital accounts showed increases.

The decline in total loans during the latest reporting period, amounting to \$41,754,000, was a continuation of the trend which became apparent early in 1949 as business activity clearly turned downward. Between April 11, 1949, and June 30, 1949—in fact, since the first of the year—the decline in total loans of member banks in the District was confined to Reserve city banks, as loans of country member banks showed no significant change during the latest reporting period and increased slightly during the full six months. Despite the declining loan trend during 1949, however, total loans of the District's member banks were \$97,639,000 larger on June 30, 1949, than a year earlier.

As the demand for loans weakened, member banks in the District increased net purchases of United States Government securities. During the latest reporting period, holdings of United States Government obligations rose by \$31,835,000 to total \$2,068,511,000 on June 30, 1949. This increase in investment in Government securities, however, was not sufficient to offset previous declines, and consequently the amount outstanding on June 30, 1949, was \$94,087,000 less than the amount outstanding a year earlier and \$54,104,000 less than the amount reported on December 31, 1948. During the period ended June 30, 1949, investment in obligations of states and political subdivisions showed a fractional increase, while holdings of other securities declined by \$1,580,000.

The decline of \$32,270,000 in total deposits of member banks in the District was the net result of declines in demand deposits of individuals, partnerships, and corporations, United States Government deposits, and deposits of states and political subdivisions, partly offset by increases in interbank deposits, time deposits of individuals, partnerships, and corporations, and other deposits. The decline in deposits between April 11, 1949, and June 30, 1949, was in contrast with the trend which prevailed during the comparable reporting period in 1948 when demand and time deposits of individuals, partnerships, and corporations, interbank deposits, and total deposits showed rather substantial increases. The smaller volume of total deposits was accompanied by a decline of about \$18,771,000 in cash and balances due from banks and a decline of \$10,715,000 in total loans and investments.

Capital accounts, including capital stock, surplus, undivided profits, and reserves, increased \$4,307,000 between April 11, 1949, and June 30, 1949, and totaled \$362,802,000 on the latter date. During the 12 months ended June 30, total capital accounts showed an increase of \$28,848,000, as compared with an increase during the preceding 12 months of \$25,739,000.

Yours very truly,

R. R. GILBERT

President

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

Item	June 30, 1949 ^p	April 11, 1949 ^r	June 30, 1948 ^r
Member banks in Eleventh District.....	621	620	616
Loans, including overdrafts.....	1,738,133,000	1,779,887,000	1,640,494,000
U. S. Government obligations, direct and guaranteed.....	2,068,511,000	2,036,676,000	2,162,598,000
Obligations of states and political sub- divisions.....	248,449,000	247,665,000	235,476,000
Other securities.....	58,455,000	60,035,000	58,820,000
TOTAL LOANS AND INVESTMENTS	4,113,548,000	4,124,263,000	4,097,388,000
Individual—Demand deposits.....	3,843,457,000	3,853,148,000	3,911,126,000
Individual—Time deposits.....	525,278,000	517,422,000	497,714,000
Deposits of U. S. Government, including postal savings.....	60,278,000	86,482,000	69,070,000
Deposits of states and political sub- divisions.....	543,266,000	583,015,000	494,760,000
Deposits of banks.....	615,896,000	585,418,000	673,822,000
Other deposits.....	51,743,000	46,703,000	58,439,000
TOTAL DEPOSITS	5,639,918,000	5,672,188,000	5,704,931,000
TOTAL CAPITAL ACCOUNTS	362,802,000	358,495,000	333,954,000
Cash and balances due from banks.....	1,834,458,000	1,853,229,000	1,895,574,000
Borrowings from Federal Reserve Bank.....	408,000	280,000	300,000
All other borrowings.....	50,000	104,000	—o—
Ratio of loans to total loans and invest- ments.....	42.3%	43.2%	40.0%
Ratio of cash and exchange to total deposits.....	32.5%	32.7%	33.2%

r—Revised.

p—Preliminary.

**PRINCIPAL ASSET AND LIABILITY ITEMS OF MEMBER BANKS, 1939-49
ELEVENTH FEDERAL RESERVE DISTRICT
(In 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	5,467,860	1,148,996	2,780,921	3,929,917	2,590,122	283,936
1947	5,281,219	1,319,387	2,431,713	3,751,100	2,189,857	308,215
1948 ^r	5,704,931	1,640,494	2,456,894	4,097,388	2,162,598	333,954
1949 ^p	5,639,918	1,738,133	2,375,415	4,113,548	2,068,511	362,802

r—Revised.

p—Preliminary.