

FEDERAL RESERVE BANK

OF DALLAS

Dallas, Texas, August 3, 1951

CONDITION OF MEMBER BANKS, JUNE 30, 1951 ELEVENTH FEDERAL RESERVE DISTRICT

To the Member Banks of the
Eleventh Federal Reserve District:

A comparative statement of the condition of member banks in the Eleventh Federal Reserve District showing changes in principal asset and liability accounts during the latest reporting period from April 9, 1951, to June 30, 1951, and during the 12-month period ended June 30, 1951, is presented on the reverse of this letter. This statement shows that all major asset and liability accounts, with the exception of United States Government securities, increased substantially during the 12-month period, although during the latest reporting period decreases in several important accounts were reported.

Changes in the condition of member banks in the District reflect largely the trend of economic developments during the period. Increases during the 12-month period ended June 30, 1951, were, in most cases, accumulated in whole or in large part during the last half of 1950 and the first quarter of 1951 when rising business and economic activity was most marked. The tapering off of economic activity and the more restrictive credit policies of the second quarter of this year are reflected in the changes in such accounts as loans and certain major categories of deposits.

On June 30, 1951, total loans of the District's member banks amounted to \$2,420,921,000. While this figure was more than \$358,000,000 larger than the amount reported a year earlier, it was \$9,675,000 less than the amount outstanding on April 9, 1951. The recent decline in loans has been partly due to seasonal developments, but in view of the known strength of loan demand and the gradual increase in defense financing requirements, it is probable that restrictive credit measures, including the voluntary credit restraint program, have been effective in holding the total loan volume to a lower level than would otherwise have been the case. Since member banks continued to reduce their holdings of Government securities and only partially offset this decline by investments in municipals, total loans and investments showed a net decline of \$14,000,000 during the second quarter of the current year.

Although total deposits of the District's member banks continued to rise during the second quarter of the year, such important types of deposits as demand deposits of individuals and deposits of states and political subdivisions and of the United States Government showed moderate-to-substantial declines. This contraction of major types of deposits was in contrast with the experience during the comparable reporting period in 1950 when individual demand deposits and deposits of the United States Government showed substantial increases between the April and June call dates. Total deposits on June 30, 1951, amounted to \$6,627,410,000.

The ratio of loans to total loans and investments of the member banks in the District showed no significant change during the latest reporting period but was considerably higher than the percentage reported on June 30, 1950. On the other hand, the ratio of cash and exchange to total deposits remained relatively constant during the 12 months.

Capital accounts continued to increase and on June 30, 1951, amounted to \$453,210,000, or \$12,588,000 larger than on April 9, 1951, and almost \$50,000,000 more than the amount reported on June 30, 1950.

Yours very truly,

R. R. GILBERT

President

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

Item	June 30, 1951 ^p	April 9, 1951 ^r	June 30, 1950 ^r
Member banks in Eleventh District.....	631	630	626
Loans, including overdrafts.....	2,420,921,000	2,430,596,000	2,062,161,000
U. S. Government obligations, direct and guaranteed.....	2,046,926,000	2,055,853,000	2,274,896,000
Obligations of states and political sub- divisions.....	303,076,000	297,846,000	267,797,000
Other securities.....	79,436,000	80,100,000	61,344,000
TOTAL LOANS AND INVESTMENTS	4,850,359,000	4,864,395,000	4,666,198,000
TOTAL ASSETS	7,113,086,000	7,071,810,000	6,825,546,000
Individual—Demand deposits.....	4,416,783,000	4,427,642,000	4,272,620,000
Individual—Time deposits.....	563,524,000	545,737,000	548,934,000
Deposits of U. S. Government, including postal savings.....	179,277,000	194,778,000	101,143,000
Deposits of states and political sub- divisions.....	560,215,000	595,361,000	584,295,000
Deposits of banks.....	837,181,000	761,192,000	817,307,000
Other deposits.....	70,430,000	67,965,000	68,890,000
TOTAL DEPOSITS	6,627,410,000	6,592,675,000	6,393,189,000
TOTAL CAPITAL ACCOUNTS	453,210,000	440,622,000	403,312,000
Cash and balances due from banks.....	2,167,561,000	2,102,987,000	2,068,738,000
Borrowings from Federal Reserve Bank	2,222,000	160,000	100,000
All other borrowings.....	494,000	870,000	—o—
Ratio of loans to total loans and invest- ments.....	49.9%	50.0%	44.2%
Ratio of cash and exchange to total deposits.....	32.7%	31.9%	32.4%

p—Preliminary.
r—Revised.

**PRINCIPAL ASSET AND LIABILITY ITEMS OF MEMBER BANKS, 1939-1951
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	5,704,931	1,640,494	2,456,894	4,097,388	2,162,598	333,954
1949	5,639,918	1,738,028	2,375,144	4,113,172	2,068,310	362,342
1950 ^r	6,393,189	2,062,161	2,604,037	4,666,198	2,274,896	403,312
1951 ^p	6,627,410	2,420,921	2,429,438	4,850,359	2,046,926	453,210

r—Revised.
p—Preliminary.