

FEDERAL RESERVE BANK
OF DALLAS

Dallas, Texas, November 12, 1954

CONDITION OF MEMBER BANKS, OCTOBER 7, 1954
ELEVENTH FEDERAL RESERVE DISTRICT

To the Member Banks in the
Eleventh Federal Reserve District:

On October 7, 1954, total assets of member banks in the Eleventh Federal Reserve District amounted to \$9,036,890,000, or \$819,951,000 above the level on September 30, 1953, and only slightly below the all-time peak of \$9,184,766,000 established on December 31, 1953. As is shown in the data on the reverse of this letter, substantial increases were registered over the 12 months preceding October 7 in loans and investments, total deposits, and capital accounts. On October 7, total loans and investments, as well as total capital accounts, were at record levels. Considerable expansion in total assets also occurred between June 30 and October 7 of this year in spite of a decline in loans and a decrease in cash and balances due from banks.

Although loans of member banks in this District receded slightly from the record level reached on June 30, the total of \$3,116,784,000 was \$225,160,000 greater than the existing amount on September 30, 1953. The decrease in loans of \$74,151,000 since June 30 was more than accounted for by the decline of \$221,416,000 in agricultural loans, most of which resulted from retirement of loans fully guaranteed by the Commodity Credit Corporation. In spite of the reduction that has occurred since June 30, loans to farmers on October 7 were still \$6,392,000 above the year-earlier level. The 12-month increase in loans was heavily weighted by a rise of \$129,489,000 in commercial and industrial loans, while lesser increases were realized in loans secured by real estate, loans to consumers, and other categories.

Although substantial, the increase in loans of member banks since September 30, 1953, was exceeded by the gain in investments, which rose by \$397,480,000 to a new high of \$3,177,564,000. Most of the expansion arose from purchases of Government obligations, holdings of which increased by \$331,322,000 during the period. Purchases of Government securities were particularly heavy in the 3 months prior to October 7, primarily as a result of the reduction in member bank reserve requirements effective in July and August of this year.

Deposits of member banks in this District increased \$123,310,000 above the level of June 30 and \$767,287,000 above the year-earlier figure to a total of \$8,350,826,000 — only slightly below the all-time peak of \$8,556,257,000 reached on December 31, 1953. Of the increase registered during the 12 months preceding October 7, over half resulted from an expansion in demand and time deposits of individuals and businesses and about one-third of the increase arose from larger inter-bank deposits.

Total capital accounts of member banks rose \$52,385,000 in the period from September 30, 1953, to October 7, 1954, to a record level of \$617,168,000. Over one-half of the increase — or \$29,548,000 — occurred between June 30 and October 7 of this year.

Yours very truly,

WATROUS H. IRONS

President

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

(Amounts in thousands of dollars)

Item	October 7, 1954	June 30, 1954r	September 30, 1953r
Loans, including overdrafts.....	3,116,784	3,190,935	2,891,624
U. S. Government obligations, direct and guaranteed	2,668,848	2,334,203	2,337,526
Obligations of states and political subdivisions	410,687	387,833	372,467
Other securities	98,029	80,566	70,091
TOTAL LOANS AND INVESTMENTS	6,294,348	5,993,537	5,671,708
Cash and balances due from banks.....	2,578,221	2,722,498	2,408,486
TOTAL ASSETS	9,036,890	8,863,934	8,216,939
Individual — Demand deposits	5,297,359	5,181,188	5,022,024
Individual — Time deposits	913,834	880,632	768,533
Deposits of U. S. Government, including postal savings	260,484	215,964	185,129
Deposits of states and political subdivisions..	604,481	666,340	593,907
Deposits of banks	1,201,853	1,198,618	940,930
Other deposits	72,815	84,774	73,016
TOTAL DEPOSITS	8,350,826	8,227,516	7,583,539
TOTAL CAPITAL ACCOUNTS	617,168	587,620	564,783
Borrowings from Federal Reserve Bank.....	239	449	13,740
All other borrowings.....	250	0	1,064
Ratio of loans to total deposits.....	37.3%	38.8%	38.1%
Ratio of cash and balances due from banks to total deposits.....	30.9%	33.1%	31.8%
Ratio of total capital accounts to risk assets (total assets less Government securities and cash assets)	16.3%	15.4%	16.3%
Number of banks.....	636	637	635

r — Revised.

**PRINCIPAL ASSETS AND LIABILITY ITEMS OF MEMBER BANKS
AS OF SELECTED CALL DATES
ELEVENTH FEDERAL RESERVE DISTRICT**

(In thousands of dollars)

Date	Total Deposits	Total Loans	Total Investments	Total Loans and Investments	Total U. S. Gov. Secs.	Total Capital Accounts
October 4, 1950	6,378,520	2,219,433	2,559,614	4,779,047	2,200,162	422,273
October 10, 1951	6,996,406	2,448,767	2,583,641	5,032,408	2,183,366	467,185
September 5, 1952	7,384,128	2,726,099	2,741,359	5,467,458	2,330,328	517,357
September 30, 1953r	7,583,539	2,891,624	2,780,084	5,671,708	2,337,526	564,783
October 7, 1954	8,350,826	3,116,784	3,177,564	6,294,348	2,668,848	617,168

r — Revised.