

Miss Nelson

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

H.12

(For Immediate Release)

July 17, 1951

CHANGES IN COMMERCIAL AND INDUSTRIAL LOANS, BY INDUSTRY AND PURPOSE

Commercial, industrial, and agricultural loans at weekly reporting member banks declined by 67 million dollars during the week ended July 3. Decreases in loans to retail and wholesale trade concerns, manufacturers of food, liquor, and tobacco products, and commodity dealers were the principal factors in this decline.

In a somewhat smaller sample of loans classified as to purpose, non-defense loans decreased by about 71 million dollars whereas loans for defense and defense-supporting activities increased by about 31 million.

The principal changes in loans classified by type of business during the week and since the end of March were as follows:

<u>Business of Borrower</u>	<u>Week ended July 3</u>	<u>Change since March 28</u>
	(In millions of dollars)	
Manufacturing and mining:		
Food, liquor, and tobacco	- 35	-278
Textiles, apparel, and leather	+ 9	+125
Metals and metal products	+ 1	+276
Trade -- wholesale and retail	- 35	+ 24
Commodity dealers	- 21	-442
Sales finance companies	+ 33	+ 96
Public utilities and transportation	+ 5	+173

CHANGES IN COMMERCIAL AND INDUSTRIAL LOANS OF A SAMPLE OF WEEKLY REPORTING MEMBER BANKS
BY INDUSTRY, PURPOSE, AND FEDERAL RESERVE DISTRICT,
WEEK ENDED WEDNESDAY, JULY 3, 1951

(In millions of dollars)

Business of Borrower	All Districts	Boston	New York	Philadelphia	Cleveland	Richmond	Atlanta	Chicago	St. Louis	Minneapolis	Kansas City	Dallas	San Francisco
Manufacturing and mining:													
Food, liquor, and tobacco	-34.5	- 4.3	-15.3	+ .4	- 2.8	- 2.4	- .1	-12.7	+ 1.6	+ .2	+ .1	+ .6	+ .2
Textiles, apparel, and leather	+ 9.2	- .6	+ 9.1	- .8	+ .3	- 1.1	+ 1.9	+ .7	- .5	- .2	- .1	+ .4	+ .1
Metals and metal products (including machinery and transportation equipment)	+ .6	+ .2	+ 2.2	- .5	+ 6.6	+ .1	+ .3	- 1.5	- 2.0	- 4.0	+ 1.0	- .4	- 1.4
Petroleum, coal, chemicals, and rubber	- 4.0	- .3	- 7.1	- .7	- 1.1	- .6	+ .3	+ .7	+ .6	- .6	- .3	+ 2.3	+ 2.8
Other manufacturing and mining	+ .2	+ 1.6	+ 3.7	+ .2	- 1.9	- .3	- .7	- .7	--	- .4	- .6	- .6	- .1
Trade:													
Wholesale	(-34.9)	- 1.0	+ 6.5	- .6	- .4	+ .8	- 1.2	- 1.2	- 1.6	- .2	- .2	(- 1.5)	+ 3.2
Retail		+ 2.2	-28.4	- .6	- .3	+ .5	+ .1	- 4.2	- .4	- .5	- 1.2	(- 1.5)	- 4.7
Commodity dealers	-20.5	- 4.9	+ 1.6	- .5	- .1	- .9	+ .2	- 8.4	- 2.1	- .7	- 2.3	- 2.3	- .1
Sales finance companies	+33.4	- 1.6	+28.0	+ .4	+ 5.1	- 3.2	- .3	+ 3.1	+ 1.2	+ 1.1	- 1.7	--	+ 1.3
Public utilities (including transportation)	+ 4.8	+ .1	+ 3.3	+ .8	+ 1.3	+ .1	+ .5	- 2.0	--	+ .3	- .8	--	+ 1.2
Construction	+ .2	- .1	+ .9	- .2	+ .2	+ .5	+ .2	+ 1.3	+ .2	- .3	- .5	+ .3	- 2.3
All other types of business	+ 2.7	- .2	+10.3	+ 2.5	- 3.6	+ .5	- 1.6	- 5.8	- 1.3	+ .1	+ .1	- 2.2	+ 3.9
Net change of classified loans ^{1/}	-42.8	- 8.9	+14.8	+ .4	+ 3.3	- 6.0	- .4	-30.7	- 4.3	- 5.2	- 6.5	- 3.4	+ 4.1
To balance with net change in weekly reporting series	-24.2	- 1.1	- 5.8	- 1.4	- 2.3	- 1.0	- .6	- 5.3	- 1.7	- 1.8	- 1.5	+ 2.4	- 4.1
Net change in commercial, industrial, and agricultural loans	-67.0	-10.0	+ 9.0	- 1.0	+ 1.0	- 7.0	- 1.0	-36.0	- 6.0	- 7.0	- 8.0	- 1.0	--
Purpose Classification													
Defense contracts	+22.3	- 1.1	+21.5	+ 1.8	- 2.7	+ .1	+ 1.2	+ .7	--	- 2.1	+ .8	+ .1	+ 2.0
Defense-supporting activities:													
Plant and equipment	+22.0	--	+13.5	+ 1.2	+ 4.4	+ .1	+ .1	+ .7	- 1.3	+ .2	+ .2	--	+ 2.9
All other	-12.9	- .3	- 9.1	- 1.6	+ .2	+ .2	- .6	+ 1.1	- .1	- .3	+ .3	--	- 2.7
Non-defense activities:													
Inventory and working capital	-70.0	- 5.6	-16.0	- 3.7	+ 2.9	- 9.1	- 3.5	-30.3	- 2.3	- 2.7	- .6	- 4.8	+ 5.7
Plant and equipment	- 6.3	- 1.2	- 1.0	- .5	+ .4	+ .1	+ 1.2	- 1.4	- .5	- .3	+ .1	- .5	- 2.7
Retirement of non-bank debt and preferred stock	+ .4	+ .2	- .2	--	- .3	--	--	- .1	- .1	--	+ .2	+ 1.7	- 1.0
All other (for loans classified)	+ 4.6	- .9	+ 6.1	+ 3.2	- 1.6	+ 2.6	+ 1.2	- 1.4	--	--	- 4.6	+ .1	- .1
Net change of classified loans ^{1/}	-39.9	- 8.9	+14.8	+ .4	+ 3.3	- 6.0	- .4	-30.7	- 4.3	- 5.2	- 3.6	- 3.4	+ 4.1

^{1/} Data for changes in classified loans are obtained from about 220 weekly reporting member banks that hold about 95 per cent of total commercial and industrial loans of all weekly reporting member banks and about 75 per cent of those of all commercial banks.