

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

H.12

(For Immediate Release)

July 24, 1951

CHANGES IN COMMERCIAL AND INDUSTRIAL LOANS, BY INDUSTRY AND PURPOSE

Data collected by about 220 of the largest member banks at the request of the National Voluntary Credit Restraint Committee showed that the 33 million dollar decrease in commercial, industrial, and agricultural loans at all weekly reporting member banks during the week ended July 11 included substantial decreases in loans to manufacturers of food, liquor, and tobacco products and to sales finance companies. Increases were reported in all other manufacturing and mining categories.

Decreases in loans to manufacturers of food, liquor, and tobacco products have been reported in every week since the series was started and now total 337 million dollars. The expansion in loans to manufacturers of metals and metal products of 45 million dollars was a continuation of the upward trend in these loans; this industry also shows the largest cumulative increase since late March. The increase in loans to commodity dealers, although only 4 million dollars, was the first weekly increase in these loans since the series was started.

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>	Week ended <u>July 11</u>	Change since <u>March 28</u>
	(In millions of dollars)	
Manufacturing and mining:		
Food, liquor, and tobacco	- 60	-337
Textiles, apparel, and leather	+ 19	+144
Metals and metal products	+ 45	+321
"Other" manufacturing and mining	+ 24	+ 85
Commodity dealers	+ 4	-438
Sales finance companies	- 43	+ 53
Public utilities and transportation	+ 3	+176

Changes in loans classified as to purpose showed continued increases in loans for defense and defense-supporting activities totaling 34 million dollars. Loans for non-defense activities decreased 61 million.

H.12(a)

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 11, 1951
 (In millions of dollars)

Business of Borrower	All Districts	Boston	New York	Phila- delphia	Cleve- land	Rich- mond	Atlanta	Chicago	St. Louis	Minne- apolis	Kansas City	Dallas	San Francisco
Manufacturing and mining:													
Food, liquor, and tobacco	-59.7	- 2.9	-48.0	- 2.9	- 3.2	- .6	- 1.4	+ 3.8	- 1.7	- 1.7	- .5	- .6	--
Textiles, apparel, and leather	+19.0	+ 4.8	+ 8.8	+ 1.5	- .3	+ .4	- 1.4	+ 3.5	--	+ 1.0	+ .2	--	+ .5
Metals and metal products (including machinery and transportation equipment)	+45.0	+ .7	+25.0	+ 1.3	+ 4.4	--	+ .1	+ 7.0	+ 1.7	- .4	+ .2	+ .9	+ 4.1
Petroleum, coal, chemicals, and rubber	+ 1.5	+ .3	+ 2.9	+ .5	+ .1	- .1	- .7	+ 1.2	- .1	--	+ 1.1	- 1.5	- 2.2
Other manufacturing and mining	+24.4	- .7	+10.3	+ 1.7	+ 8.6	- .1	- .3	+ 5.4	- .4	- .1	- .2	+ 1.4	- 1.2
Trade:													
Wholesale	(- 6.2)	- .1	+ 3.6	- .4	- .3	+ .6	+ .5	+ .2	+ .2	+ .1	- .2	(- 1.1)	- 1.4
Retail	(- 6.2)	- 1.0	- 3.9	+ .4	- 3.0	+ .2	- .7	+ 1.6	--	- .3	- 1.6	(- 1.1)	+ .4
Commodity dealers	+ 4.1	+ .5	+ 4.5	- .5	+ .2	+ .4	- .5	- .4	- .1	+ 1.4	- .2	- 1.5	+ .3
Sales finance companies	-43.3	+ .3	-17.3	+ 1.8	- 6.2	+ 1.4	- .1	- 7.9	- 5.7	- 2.2	- .5	- 1.3	- 5.6
Public utilities (including transportation)	+ 2.8	+ .9	+ 3.5	+ .5	+ 2.0	--	+ .4	- 3.6	--	- .3	+ .1	- .1	- .6
Construction	+ 7.5	+ .4	+ .7	- 1.1	+ 1.2	- .2	- .1	+ .6	+ 2.6	+ .3	+ .1	+ .5	+ 2.5
All other types of business	-21.7	+ .8	-13.1	--	- .3	--	- .1	- .6	+ .2	+ .1	- 1.0	- 2.3	- 5.4
Net change of classified loans ^{1/}	-26.6	+ 4.0	-23.0	+ 2.8	+ 3.2	+ 2.0	- 4.3	+10.8	- 3.3	- 2.1	- 2.5	- 5.6	- 8.6
To balance with net change in weekly reporting series	- 6.4	--	- 4.0	- 2.8	- 1.2	+ 2.0	+ .3	- .8	+ .3	- .9	- 2.5	- .4	+ 3.6
Net change in commercial, industrial, and agricultural loans	-33.0	+ 4.0	-27.0	--	+ 2.0	+ 4.0	- 4.0	+10.0	- 3.0	- 3.0	- 5.0	- 6.0	- 5.0
Purpose Classification													
Defense contracts	+17.4	+ 2.4	+ 6.8	+ .8	+ .8	- .6	- .4	+ 1.7	+ 1.1	+ .4	- .2	+ 1.4	+ 3.2
Defense-supporting activities:													
Plant and equipment	+ 7.1	+ .2	+ 5.0	- 1.0	+ 2.2	--	+ .3	- .4	+ .1	- .3	--	--	+ 1.0
All other	+ 9.8	--	+ 6.5	- .2	+ .7	+ .1	- .4	+ .7	- .5	--	--	--	+ 2.9
Non-defense activities:													
Inventory and working capital	-54.6	+ 1.0	-33.3	+ 3.0	- 1.6	+ .3	- 4.3	+10.4	- 6.9	- 2.2	- .9	- 8.1	-12.0
Plant and equipment	- 2.4	+ .5	- .7	+ .1	+ .5	- .1	+ .8	- 1.8	- .5	--	--	- .5	- .7
Retirement of non-bank debt and preferred stock	+ 1.7	--	--	--	+ .1	+ .1	- .1	- .6	--	--	--	+ 2.7	- .5
All other (for loans classified)	- 5.6	- .1	- 7.3	+ .1	+ .5	+ 2.2	- .2	+ .8	+ 3.4	--	- 1.4	- 1.1	- 2.5
Net change of classified loans ^{1/}	-26.6	+ 4.0	-23.0	+ 2.8	+ 3.2	+ 2.0	- 4.3	+10.8	- 3.3	- 2.1	- 2.5	- 5.6	- 8.6

^{1/} About 220 weekly reporting member banks are reporting changes in their larger loans as to industry and purpose; these banks hold nearly 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.