

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

H.12

(For Immediate Release)

July 31, 1951

CHANGES IN COMMERCIAL AND INDUSTRIAL LOANS, BY INDUSTRY AND PURPOSE

Decreases in loans to retail and wholesale trade concerns, manufacturers of food, liquor, and tobacco products, commodity dealers, and to sales finance companies were the principal factors in the decline of 85 million dollars in commercial, industrial, and agricultural loans at weekly reporting member banks during the week ended July 18.

Loans to commodity dealers, after a one-week interruption, continued their decline, although seven of the Federal Reserve Districts reported small increases in such loans. Metals and metal product manufacturing was the only industrial group showing a significant increase in outstanding loans.

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 18</u>	<u>Change since March 28</u>
	(In millions of dollars)	
Manufacturing and mining:		
Food, liquor, and tobacco	- 24	-361
Textiles, apparel, and leather	- 5	+139
Metals and metal products	+ 19	+340
Trade — wholesale and retail	- 25	- 7
Commodity dealers	- 16	-454
Sales finance companies	- 17	+ 36
Public utilities and transportation	+ 3	+178

Changes in loans classified as to purpose showed a further increase in loans for defense and defense-supporting activities totaling 21 million dollars. Loans for non-defense activities decreased 95 million dollars, the second largest weekly decrease in these loans reported since a sample of the largest banks began reporting these data at the request of the National Voluntary Credit Restraint Committee in March.

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 18, 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
<b>Manufacturing and mining:</b>													
Food, liquor, and tobacco	-23.8	- 4.1	-19.2	- 2.8	+ 1.5	+ .3	+ 1.7	- 4.7	+ .5	+ 2.0	- .9	- .3	+ 2.2
Textiles, apparel, and leather	- 5.1	- 2.8	+ 1.9	+ .4	--	- 1.7	- 1.1	- .1	+ .5	- .1	--	- .5	- 1.6
Metals and metal products (including machinery and transportation equipment)	+19.1	- .3	+ 3.1	--	+ 5.6	- 4.3	+ .2	+12.3	+ .4	+ .2	- .1	+ .1	+ 1.9
Petroleum, coal, chemicals, and rubber	+ 3.7	- .5	+ 2.4	+ .2	- .1	--	+ .6	+ 2.0	+ .1	+ .3	+ 1.0	- 2.1	- .2
Other manufacturing and mining	+ .6	+ .8	+ 1.1	- .1	+ .2	+ .2	- .4	+ 1.2	- .2	--	- .5	- 1.8	+ .1
<b>Trade:</b>													
Wholesale	(-24.7)	+ .1	+ .4	- .5	- .3	- 1.1	+ .8	- .9	- .5	--	- .6	(- 1.4)	- 5.5
Retail	(-24.7)	- .1	- 4.1	- 1.8	- .6	--	+ .2	- .7	- 1.1	- 1.0	- .5	(- 1.4)	- 5.5
Commodity dealers	-16.2	+ .8	-13.1	+ 1.2	- .3	+ .3	- .2	+ 2.2	+ .1	- 1.5	+ .5	+ .1	+ 6.3
Sales finance companies	-17.4	+ 1.0	+ .4	- 3.2	- .9	- 1.4	- .2	- 3.4	+ 2.5	- 1.0	- .6	- .3	-10.3
Public utilities (including transportation)	+ 2.7	+ .1	+ 1.0	+ .1	- 1.8	+ .2	- .1	+ 1.1	- .3	--	--	+ .8	+ 1.6
Construction	- 7.9	- .2	- 2.7	- .1	- .3	+ .2	- 3.7	+ 2.0	- 1.4	+ .3	- .4	+ .4	- 2.0
All other types of business	- 6.6	- .1	- 5.1	- .1	+ .5	- .6	- .5	- .3	+ .8	- .5	- .7	+ .6	- .6
Net change of classified loans <sup>1/</sup> To balance with net change in weekly reporting series	-75.6	- 5.3	-33.9	- 6.7	+ 3.5	- 7.9	- 2.7	+10.7	+ 1.4	- 1.3	- 2.8	- 4.4	+26.2
Net change in commercial, industrial, and agricultural loans	- 9.4	- 2.7	- 3.1	- .3	- 5.5	- 3.1	- 1.3	- 4.7	+ 1.6	+ 7.3	- 3.2	+ 3.4	+ 2.2
-85.0	- 8.0	-37.0	- 7.0	- 2.0	-11.0	- 4.0	+ 6.0	+ 3.0	+ 6.0	- 6.0	- 1.0	-24.0	
<u>Purpose Classification</u>													
Defense contracts	+15.2	- 2.1	+ 5.2	+ .4	+ 3.2	- .1	- .2	+ 8.2	- .1	+ .1	- .2	--	+ .8
Defense-supporting activities:													
Plant and equipment	+12.0	+ .1	+ 8.0	+ .2	+ 1.6	- .4	--	+ 1.1	- .1	--	+ .1	--	+ 1.4
All other	- 6.5	+ .3	+ .1	+ .2	- 1.0	- .6	- .4	- .2	+ .2	+ .1	+ .2	--	- 5.4
Non-defense activities:													
Inventory and working capital	-80.0	- 2.8	-36.2	- 7.5	+ 1.9	- 7.4	+ .7	- .2	+ 1.7	- 1.5	+ .1	- 5.3	-23.5
Plant and equipment	- .5	- .5	+ .1	--	- 1.7	+ .3	+ .1	+ 1.0	- .2	--	+ .1	- .5	+ .8
Retirement of non-bank debt and preferred stock	+ 2.3	- .7	+ .2	--	--	--	+ .2	--	+ .1	--	--	+ 1.8	+ .7
All other (for loans classified)	-16.9	+ .4	-11.3	--	- .5	+ .3	- 3.1	+ .8	- .2	--	- 1.9	- .4	- 1.0
Net change of classified loans <sup>1/</sup>	-74.4	- 5.3	-33.9	- 6.7	+ 3.5	- 7.9	- 2.7	+10.7	+ 1.4	- 1.3	- 1.6	- 4.4	-26.2

<sup>1/</sup> 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.