

## BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

H.12

(For Immediate Release)

August 21, 1951

CHANGES IN COMMERCIAL AND INDUSTRIAL LOANS, BY INDUSTRY AND PURPOSE

An increase in loans to manufacturers of food, liquor, and tobacco products was the principal factor in the 46 million dollar increase in commercial, industrial, and agricultural loans at weekly reporting member banks during the week ended August 8.

The increase of 45 million dollars in loans to manufacturers of food products was the second weekly increase since the series was started in late March and it was reflected in nearly all districts. 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>August 8</u>	Change since <u>March 28</u>
	(In millions of dollars)	
Manufacturing and mining:		
Food, liquor, and tobacco	+ 45	-291
Textiles, apparel, and leather	- 8	+119
Metals and metal products	+ 12	+381
Petroleum and other	+ 3	+136
Trade -- wholesale and retail	- 8	- 60
Commodity dealers	+ 7	-413
Sales finance companies	+ 3	+ 42
Public utilities and transportation	- 7	+248
Construction and other	<u>+ 7</u>	<u>+ 47</u>
Total changes classified	+ 53	+210

Changes in loans classified as to purpose showed an increase of 16 million dollars for defense and defense-supporting activities; these loans have increased every week since a sample of the largest banks began reporting these data at the request of the National Voluntary Credit Restraint Committee. Non-defense loans increased 36 million.

CHANGES IN COMMERCIAL AND INDUSTRIAL LOANS OF A SAMPLE OF WEEKLY REPORTING MEMBER BANKS  
 BY INDUSTRY, PURPOSE, AND FEDERAL RESERVE DISTRICT,  
 WEEK ENDED WEDNESDAY, AUGUST 8, 1951

H. 12 (a)

(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	+45.3	+ 1.7	+17.9	+ .8	+ .6	+ 1.4	+ .2	+ 5.6	+ 1.9	+ 1.8	+ 3.3	- 1.7	+11.8
Textiles, apparel, and leather	- 8.1	- 2.6	- 8.3	+ 1.5	- .6	- 1.6	+ .9	- .1	+ 1.6	+ .7	+ .2	+ .2	--
Metals and metal products (including machinery & transportation equipment)	+11.7	+ .5	+ 4.3	- .5	+ 3.7	- .1	- 1.3	+ 4.9	- .5	- .1	+ .4	--	+ .4
Petroleum, coal, chemicals, and rubber	- 2.4	- .1	+ .7	+ .6	+ .2	- .2	- .1	+ 1.5	+ .2	--	+ .1	- 4.3	- 1.0
Other manufacturing and mining	+ 5.3	+ .7	+ 1.7	+ .2	--	--	--	- .1	+ .2	--	--	- .1	+ 2.7
<b>Trade:</b>													
Wholesale	( )	- .9	- .1	- .2	- .9	+ .2	- .7	+ .2	- .4	+ .1	- .3	( )	- 1.0
Retail	(- 7.5)	+ .3	- .4	+ .5	- .4	- .2	+ .1	- 1.5	+ .6	--	- .5	(- 2.0)	--
Commodity dealers	+ 6.5	- 3.0	- 4.4	+ 1.4	+ .6	+ .5	+ .6	+ 1.7	+ 1.0	+ 1.2	+ 5.9	--	+ 1.0
Sales finance companies	+ 3.0	+ 3.6	- 23.4	+ 5.4	+ 9.4	- .5	+ .8	+ 4.3	+ 1.9	+ .4	+ 1.8	- 1.0	+ .3
Public utilities (including transportation)	- 7.4	- .2	+ 5.3	--	+ 1.9	--	+ .2	+ .9	- 5.9	+ .1	--	- 2.2	- 7.5
Construction	+ 6.6	+ .7	+ 1.9	- 1.3	+ .2	- .4	+ .5	+ 3.1	+ .5	- .2	+ .7	+ .7	+ .2
All other types of business	+ .2	- .3	- 1.8	+ .2	+ .7	+ .5	+ .6	- .7	- .3	- .3	- .2	+ .6	+ 1.2
Net change of classified loans <sup>1/</sup>	+53.2	+ .4	- 6.6	+ 8.6	+15.4	- .4	+ 1.8	+19.8	+ .8	+ 3.7	+11.4	- 9.8	+ 8.1
To balance with net change in weekly reporting series	- 7.2	+ 1.6	- 5.4	- .6	- 3.4	- 2.6	- .8	+ 8.2	- .8	- .7	- 1.4	- .2	- 1.1
Net change in commercial, industrial, and agricultural loans	+46.0	+ 2.0	-12.0	+ 8.0	+12.0	- 3.0	+ 1.0	+28.0	--	+ 3.0	+10.0	-10.0	+ 7.0
<b>Purpose Classification</b>													
Defense contracts	+ 1.6	+ 1.1	-11.6	+ 1.2	+ 3.0	+ .3	+ .1	+ 5.6	- .3	- .2	- .1	+ .4	+ 2.1
Defense-supporting activities:													
Plant and equipment	+ .5	--	+ 5.4	--	+ .3	+ .1	+ .8	+ .6	- 2.2	--	- .1	--	- 4.4
All other	+13.8	+ .1	+ 4.5	--	+ 1.7	--	- .4	+ .2	+ .1	--	+ .2	--	+ 7.4
Non-defense activities:													
Inventory and working capital	+18.7	- .7	- 7.8	+ 6.9	+ 4.6	- 1.4	+ .5	+11.5	+ 4.1	+ 3.9	+ 3.2	-10.5	+ 4.4
Plant and equipment	+ 4.5	--	+ 3.9	--	+ 1.9	+ .1	+ .1	+ 1.7	- .8	--	--	- 1.5	- .9
Retirement of non-bank debt and preferred stock	+ 1.0	--	--	--	--	--	+ .1	--	+ .1	--	- .4	+ 1.7	- .5
All other (for loans classified)	+11.6	- .1	- 1.0	+ .5	+ 3.9	+ .5	+ .6	+ .2	- .2	--	+ 7.1	+ .1	--
Net change of classified loans <sup>1/</sup>	+51.7	+ .4	- 6.6	+ 8.6	+15.4	- .4	+ 1.8	+19.8	+ .8	+ 3.7	+ 9.9	- 9.8	+ 8.1

<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.