

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

H. 12

June 11, 1951

(For Immediate Release)

CHANGES IN COMMERCIAL AND INDUSTRIAL LOANS, BY INDUSTRY AND PURPOSE

The second release by the Board of Governors of the Federal Reserve System of the new weekly series of changes in business loans, obtained at the request of the Voluntary Credit Restraint Committee, showed a continued decrease in loans to commodity dealers and to processors of agricultural products. These decreases amounted to 27 and 25 million dollars, respectively, bringing the cumulative decline in these two categories during the past nine weeks to one-half billion dollars.

Loans to the wholesale and retail trade decreased for the second consecutive week, in amount 26 million dollars. Also for the second consecutive week, the changes in loans to sales finance companies were quite small.

Loans to public utilities and transportation companies increased 38 million dollars; this was the second largest weekly increase for this category since the series was started. Changes of over 10 million dollars during the week and cumulative changes of over 60 million dollars since the series was started are shown below:

<u>Business of borrower</u>	<u>Week ended May 30</u>	<u>Cumulative change for 9 weeks</u>
Manufacturing and mining:		
Food, liquor, and tobacco	- 25	-203
Metals and metal products	+ 17	+105
Trade--wholesale and retail	- 26	+ 69
Commodity dealers	- 27	-304
Sales finance companies	- 4	+ 66
Public utilities and transportation	+ 38	+101

Defense and defense-supporting loans increased 23 million dollars during the week ending May 30, of which 17 million was for plant and equipment in defense-supporting activities. Plant and equipment loans for non-defense activities increased 16 million dollars, but inventory and working capital loans decreased 67 million.

CHANGES IN COMMERCIAL AND INDUSTRIAL LOANS OF A SAMPLE OF WEEKLY REPORTING MEMBER BANKS
BY INDUSTRY, PURPOSE, AND FEDERAL RESERVE DISTRICT
WEEK ENDING WEDNESDAY, MAY 30, 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	-24.6	+ 1.4	- 6.1	- 4.4	- .2	+ .2	--	- 5.8	- 2.7	- .5	- 1.6	- 1.0	- 3.9
Textiles, apparel, and leather	- 2.1	- 2.4	+ 3.5	- 1.6	- .5	- .9	- 1.0	- .4	- .7	+ .1	+ .4	+ .5	+ .9
Metals and metal products (including machinery & transportation equipment)	+17.2	+ 1.4	+ 8.5	- .3	+ 1.8	--	- .4	+ 5.5	- .1	+ .4	+ .4	+ .3	- .3
Petroleum, coal, chemicals, and rubber	- 8.9	- 1.4	- 4.3	--	+ .2	+ .1	- .1	- 1.0	- .3	- .6	- .4	+ .5	- 1.6
Other manufacturing and mining	- 1.4	- .3	- .3	--	+ 1.1	+ .2	- .2	- .6	+ .3	--	- .4	- .1	- 1.1
Trade:													
Wholesale		(- 1.4	+ .8	- .3	- 1.4	- .3	- .1	- .2	- .5	+ .2	- .6)		(- 5.2
Retail	-26.4	(- 1.8	-10.6	- .3	+ .3	- .9	--	- .6	--	- .2	- .6)	- .9	(- 1.8
Commodity dealers	-27.3	+ .7	- 5.8	- 1.1	- .5	- 1.0	- 2.4	+ .1	- 6.0	- 3.2	- 3.3	- 2.5	- 2.3
Sales finance companies	- 4.3	- .3	-10.1	+ 2.2	- .1	+ .6	+ .7	+ 3.1	+ 1.4	+ .9	+ 1.1	+ 1.2	- 5.0
Public utilities (including transportation)	+38.2	+ .6	+29.9	- 1.0	+ 1.5	+ .2	+ .2	+ 4.9	+ .2	+ .8	+ .1	- .4	+ 1.2
Construction	- 8.6	- .1	- 2.2	+ .3	- .2	- .3	- .2	- .7	- 1.1	- .2	--	- 1.5	- 2.4
All other types of business	+14.2	- 1.2	- 1.2	- .4	+ 1.1	+ .6	+ 1.9	+ .7	+ .1	--	- .4	+ 1.2	+11.8
Net change of classified loans	-34.0	- 4.8	+ 2.1	- 6.9	+ 3.1	- 1.5	- 1.6	+ 5.0	- 9.4	- 2.3	- 5.3	- 2.7	- 9.7
To balance with net change in weekly reporting series	-47.0	- 1.2	-18.1	- 4.1	- .1	- 2.5	- 3.4	- 7.0	+ .4	- .7	- .7	-13.3)	+ 3.7
Net change in commercial, industrial, and agricultural loans	-81.0	- 6.0	-16.0	-11.0	+ 3.0	- 4.0	- 5.0	- 2.0	- 9.0	- 3.0	- 6.0	-16.0	- 6.0
<u>Purpose Classification</u>													
Defense contracts	+ 5.5	- .2	+ .8	+ .6	+ 2.9	- .5	+ .1	+ 2.6	+ .8	- .4	+ .9	- .6	- 1.5
Defense-supporting activities:													
Plant and equipment	+16.7	+ 1.0	+11.7	- .4	- .2	+ .1	+ .1	+ 3.5	- .3	+ .2	+ 1.3	--	- .3
All other	+ .3	+ .9	+ 6.5	- .7	- .5	+ .2	- .7	+ .4	- .6	--	- .1	--	- 5.1
Non-defense activities:													
Inventory and working capital	-66.9	- 5.3	-22.8	- 5.7	- .5	- 2.5	+ 2.1	- 6.5	- 7.3	- 2.6	- 2.7	- 2.8	-10.3
Plant and equipment	+16.4	- 1.1	+10.3	- .1	+ 1.7	- .1	+ .3	+ 4.6	+ .3	+ .5	- .2	- .4	+ .6
Retirement of non-bank debt and preferred stock	- .1	--	--	--	--	--	+ .3	--	--	--	--	+ .9	- 1.3
All other (for loans classified)	- 4.1	- .1	- 4.4	- .6	- .3	+ 1.3	- 3.8	+ .4	- 2.3	--	- 2.7	+ .2	+ 8.2
Net change of classified loans	-32.2	- 4.8	+ 2.1	- 6.9	+ 3.1	- 1.5	- 1.6	+ 5.0	- 9.4	- 2.3	- 3.5	- 2.7	- 9.7