

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

H.12

(For Immediate Release)

June 18, 1951

CHANGES IN COMMERCIAL AND INDUSTRIAL LOANS, BY INDUSTRY AND PURPOSE

The largest changes during the week ended June 6 were a continued decrease in loans to commodity dealers of 49 million dollars and an increase in loans to manufacturers of metals and metal products of 27 million. These data on changes in commercial loans are being collected by over 200 of the largest member banks at the request of the Voluntary Credit Restraint Committee.

The cumulative decrease in loans to commodity dealers and to processors of agricultural products amounted to nearly 570 million dollars during the past ten weeks. Loans to the wholesale and retail trade after increasing 106 million dollars in the first seven weeks of this series, have now declined 54 million dollars in the most recent three weeks. Industries responsible for changes in loans of over 10 million dollars during the week or for cumulative changes of over 60 million dollars since the series was started are shown below:

<u>Business of borrower</u>	<u>Week ended June 6</u>	<u>Cumulative change for 10 weeks</u>
	(In millions of dollars)	
Manufacturing and mining:		
Food, liquor, and tobacco	- 14	-217
Metals and metal products	+ 27	+132
"Other" manufacturing and mining	+ 20	+ 31
Trade--wholesale and retail	- 17	+ 52
Commodity dealers	- 49	-352
Sales finance companies	- 4	+ 61
Public utilities and transportation	- 2	+ 99

Defense and defense-supporting loans increased 60 million dollars during the week, of which 32 million was for plant and equipment in defense-supporting activities. Loans to non-defense activities decreased 90 million dollars.

CHANGES IN COMMERCIAL AND INDUSTRIAL LOANS OF A SAMPLE OF WEEKLY REPORTING MEMBER BANKS
BY INDUSTRY, PURPOSE, AND FEDERAL RESERVE DISTRICT
WEEK ENDED WEDNESDAY, JUNE 6, 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	-13.6	- 5.2	-13.2	+ .9	+ 4.6	- 1.7	- .6	- 9.6	- .2	- 1.0	- .2	- 2.2	+14.8
Textiles, apparel, and leather	+ 8.1	+ 2.4	+ 6.2	+ .6	+ .3	- .7	- .5	+ 3.6	- 4.8	+ .5	- .1	+ .3	+ .3
Metals and metal products (including machinery & transportation equipment)	+26.8	+ 1.4	+ 3.6	+ 5.8	+10.1	- .1	--	+11.0	+ .1	--	- .2	+ 1.3	- 6.2
Petroleum, coal, chemicals, and rubber	+ .3	- .8	--	+ .3	- .1	- .6	- .3	+ .4	+ .1	+ .5	+ 1.4	- .9	+ .3
Other manufacturing and mining	+19.9	+ 1.2	+12.6	+ .1	+ 1.6	--	+ .5	+ 1.6	+ .1	+ .2	- .1	+ .2	+ 1.9
Trade:													
Wholesale		(--	- 6.2	- .5	+ .1	+ .1	+ .4	- 1.8	- 2.3	- .1	- .6)		(- 1.0
Retail	-16.8	(- 3.6	- 1.7	- 2.2	- .7	- .1	- .1	- .4	- .9	+ .1	--	- .7	(+ 5.4
Commodity dealers	-48.9	- 1.7	-19.7	- .9	- .8	- .6	- 1.9	- 4.7	- 2.7	- 2.9	- 2.2	- 4.6	- 6.2
Sales finance companies	- 4.2	+ 1.2	-13.5	+ 4.7	- 1.5	+ 1.5	+ 2.1	+ 6.0	- 1.9	- .8	- 2.6	+ 1.2	- .6
Public utilities (including transportation)	- 2.4	- 1.2	+ 2.2	- .3	+ .4	- .1	- .2	- .2	- .1	+ .1	- .1	+ .6	- 3.5
Construction	+ 7.8	+ .1	+ .8	+ .3	+ .5	- .2	+ .5	+ 2.1	- .4	+ .4	- .5	+ 1.6	+ 2.6
All other types of business	- 8.1	+ 1.4	+ 1.8	+ .8	- 1.9	- .8	- 2.8	+ 5.6	+ .4	+ .4	- .6	- 1.4	-11.0
Net change of classified loans	-31.1	- 4.8	-27.1	+ 9.6	+12.6	- 3.3	- 2.9	+13.6	-12.6	- 2.6	- 5.8	- 4.6	- 3.2
To balance with net change in weekly reporting series	-24.9	- .2	-15.9	- 1.6	- 2.6	- 2.7	- 4.1	- 5.6	- 1.4	- 1.4	- 3.2	- .4	+14.2
Net change in commercial, industrial, and agricultural loans	-56.0	- 5.0	-43.0	+ 8.0	+10.0	- 6.0	- 7.0	+ 8.0	-14.0	- 4.0	- 9.0	- 5.0	+11.0
<u>Purpose Classification</u>													
Defense contracts	+20.5	+ 2.2	+ 2.7	+ 1.4	+ .7	+ .2	+ .9	+ 4.8	+ .4	--	- .4	+ 2.5	+ 5.1
Defense-supporting activities:													
Plant and equipment	+31.8	- .1	+ 8.1	+ 1.7	+ 8.4	+ .1	+ .2	- .1	+ .1	+ .2	+ .5	--	+12.7
All other	+ 7.5	+ 1.2	+ 2.1	+ 2.3	+ .9	+ .2	- 1.1	+ 2.7	- 1.0	--	+ .1	--	+ .1
Non-defense activities:													
Inventory and working capital	-76.9	- 7.2	-40.7	+ 4.0	+ .3	- 3.7	- 2.8	+ 5.7	-11.7	- 3.0	- 3.0	-11.4	- 3.4
Plant and equipment	+ .7	- .9	+ 3.8	- .5	+ .2	- .1	--	+ 1.5	--	+ .1	+ .7	+ 1.7	- 5.8
Retirement of non-bank debt and preferred stock	+ 3.7	- .1	- .2	--	--	--	+ .2	--	+ .4	--	--	+ 2.5	+ .9
All other (for loans classified)	-17.3	+ .1	- 2.9	+ .7	+ 2.1	--	- .3	- 1.0	- .8	+ .1	- 2.6	+ .1	-12.8
Net change of classified loans	-30.0	- 4.8	-27.1	+ 9.6	+12.6	- 3.3	- 2.9	+13.6	-12.6	- 2.6	- 4.7	- 4.6	- 3.2