

Miss Nelson

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

H.12

(For Immediate Release)

June 25, 1951

CHANGES IN COMMERCIAL AND INDUSTRIAL LOANS, BY INDUSTRY AND PURPOSE

The increase in commercial and industrial loans during the week ended June 13 occurred primarily in loans to manufacturers and was largely for defense and defense-supporting activities, according to data submitted by more than 200 selected weekly reporting member banks.

The largest increase, amounting to 57 million dollars, occurred in loans to manufacturers of metals and metal products. This was the largest weekly increase in this category since the end of March and brought the total expansion since that date to 189 million dollars.

Loans to manufacturers of textiles, apparel, and leather accounted for the second largest increase during the week, one of 30 million dollars. Smaller increases were reported in loans to manufacturers of petroleum, coal, chemicals, and rubber products, and to public utility, and construction companies.

These increases were offset in part by declines of 24 and 27 million dollars, respectively, in loans to commodity dealers and sales finance companies. The most important changes in loans to various types of borrowers during the week and since the end of March are as follows:

<u>Business of borrower</u>	<u>Week ended June 13</u>	<u>Change since March 28</u>
	(In millions of dollars)	
Manufacturing and mining:		
Food, liquor, and tobacco	- 2	-219
Textiles, apparel, and leather	+30	+ 90
Metals and metal products	+57	+189
Trade -- wholesale and retail	+ 3	+ 55
Commodity dealers	-24	-377
Sales finance companies	-27	+ 34
Public utilities and transportation	+ 8	+107

Information on the purposes of these loans indicates that 67 million dollars of the increase was for defense and defense-supporting activities and that 20 million was for non-defense purposes. The increase in non-defense loans was the first in recent weeks and resulted largely from an expansion of 13 million dollars in loans for plant and equipment.

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 13, 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	- 2.3	- 1.0	- 2.7	- .8	+ .3	- .1	- 1.2	+ .2	- 1.1	- .7	- 1.4	+ .6	+ 5.6
Textiles, apparel, and leather	+29.9	+ 4.8	+24.1	+ .8	--	+ .9	- 1.8	+ 3.0	- 1.7	- .5	+ .6	- .2	- .1
Metals and metal products (including machinery and transportation equipment)	+57.2	+ 1.4	+28.9	+ 2.3	+ 3.7	- .1	+ .8	+12.6	+ .7	+ .1	+ .5	+ .5	+ 5.8
Petroleum, coal, chemicals, and rubber	+ 6.9	- .2	+ 3.5	- .2	+ 1.1	- .7	+ .4	+ .5	- .2	+ .9	+ .9	+ 1.0	- .1
Other manufacturing and mining	+14.0	+ 1.0	+ 8.2	- 1.8	+ .6	- .2	+ .4	+ .7	+ .9	+ .2	+ .5	+ .4	+ 3.1
<b>Trade:</b>													
Wholesale		(- .6	+ 2.6	- .7	+ .1	+ .3	- .2	+ 2.4	- 1.0	+ 1.0	- .6		+ 3.9
Retail	+ 2.6	(+ .2	+ 2.6	+ .3	- 2.0	- .4	--	- 2.4	+ .1	--	- .1	- .7)	- 2.2
Commodity dealers	-24.3	- .4	- 8.1	- 1.7	--	- .9	- .4	- 1.4	- 7.8	+ .9	- 1.8	- 1.4	- 1.3
Sales finance companies	-27.2	+ .1	-23.2	+ 2.3	- 3.3	- 1.4	+ .3	+ 3.9	- .6	- .1	- .7	- .9	- 3.6
Public utilities (including transportation)	+ 8.1	+ 1.5	- 2.7	+ .1	+ 3.6	+ .5	- 2.2	+ 5.8	--	+ 1.1	--	--	+ .4
Construction	+10.3	+ .4	+ 1.2	+ .1	+ 1.4	+ .9	+ 1.5	+ 1.0	+ .4	+ .7	+ .5	+ 1.7	+ .5
All other types of business	+11.7	- .3	+ 9.4	- .1	+ .2	+ .4	- .7	+ 1.5	+ .1	- .6	+ .2	+ 1.5	+ .1
<b>Purpose Classification</b>													
Net change of classified loans	+86.9	+ 6.9	+43.8	+ .6	+ 5.7	- .8	- 3.1	+27.8	-10.2	+ 3.0	- 1.4	+ 2.5	+12.1
To balance with net change in weekly reporting series	+ 6.1	- .9	- 1.8	+ 2.4	+ .3	- .2	- 3.9	+ .2	- 1.8	+ 3.0	- .6	+ .5	+ 8.9
Net change in commercial, industrial, and agricultural loans	+93.0	+ 6.0	+42.0	+ 3.0	+ 6.0	- 1.0	- 7.0	+28.0	-12.0	+ 6.0	- 2.0	+ 3.0	+21.0
<b>Defense contracts</b>	+36.4	+ 1.6	+17.6	+ .9	+ 1.5	+ .3	+ .7	+ 8.2	+ .4	- .3	+ 1.5	+ 1.4	+ 2.6
<b>Defense-supporting activities:</b>													
Plant and equipment	+20.1	+ .3	+ 6.8	+ .5	+ 1.9	+ 1.2	+ .5	+ 1.4	+ .3	+ .8	+ .2	--	+ 6.2
All other	+10.9	--	+ 3.6	+ .3	+ 1.6	--	+ .1	+ 6.3	+ .1	+ .1	- .1	--	- 1.1
<b>Non-defense activities:</b>													
Inventory and working capital	- 1.7	+ 4.5	+ 3.2	- .4	- .5	- 3.6	- 3.9	+ 7.7	-10.8	+ 1.3	- 1.3	+ .1	+ 2.0
Plant and equipment	+12.6	+ 1.9	+ .6	- .4	+ 1.6	+ 1.0	+ .1	+ 4.5	- .4	+ 1.1	+ .8	- .3	+ 2.1
Retirement of non-bank debt and preferred stock	+ .3	- .5	+ 1.1	--	- .1	- .1	--	+ .1	--	--	+ .1	+ 1.3	- 1.6
All other (for loans classified)	+ 8.8	- .9	+10.9	- .3	- .3	+ .4	- .6	- .4	+ .2	--	- 2.1	--	+ 1.9
<b>Net change of classified loans</b>	+87.4	+ 6.9	+43.8	+ .6	+ 5.7	- .8	- 3.1	+27.8	-10.2	+ 3.0	- .9	+ 2.5	+12.1