

*Miss Nelson*

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

H.12

(For Immediate Release)

July 2, 1951

CHANGES IN COMMERCIAL AND INDUSTRIAL LOANS, BY INDUSTRY AND PURPOSE

Commercial, industrial, and agricultural loans at weekly reporting member banks increased by 131 million dollars during the week ended June 20. This was the second consecutive weekly increase and brought the total of these loans to 19,216 million dollars, only slightly below the all-time high of 19,262 million in April of this year. This expansion was widely distributed among nearly all lines of business and reflected an increase in both loans for non-defense and defense purposes.

An increase in loans for non-defense inventory and working capital of 46 million dollars accounted for the largest increase during the week. This together with one of 18 million dollars for plant and equipment and small changes in other types resulted in a total expansion in non-defense loans of 63 million dollars. Loans for defense and defense-supporting activities increased by 66 million.

Loans to manufacturers continued to dominate the expansion, with the largest increase for the second consecutive week being reported in loans to manufacturers of metals and metal products. This increase brought the total expansion in these loans to 233 million dollars since the end of March, the largest of any of the industrial categories. Loans to manufacturers of food, liquor, and tobacco products continued to decline, but all other manufacturing categories showed increases.

A decline of 31 million dollars in loans to commodity dealers was the only decrease reported in the non-manufacturing categories. Loans to sales finance and public utility companies showed the largest increases of 26 and 27 million dollars, respectively. The 27 million dollar increase in loans to public utility companies brought the expansion in these loans since the end of March to 134 million dollars, the second largest of all types of business.

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 20</u>	<u>Change since March 28</u>
	(In millions of dollars)	
Manufacturing and mining:		
Food, liquor, and tobacco	-13	-232
Textiles, apparel, and leather	+25	+114
Metals and metal products	+44	+233
Petroleum, coal, chemicals, and rubber	+15	+ 57
Other manufacturing	+12	+ 57
Commodity dealers	-31	-407
Sales finance companies	+26	+ 60
Public utilities and transportation	+27	+134

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 20, 1951

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(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	-12.9	- .8	- .7	+ 1.6	- 1.6	- 1.6	- 1.7	- 1.7	- 2.9	- .6	- 1.6	+ .2	- 1.5
Textiles, apparel, and leather	+24.7	+ 2.6	+19.1	+ 1.1	+ .6	- .8	- 1.9	+ 3.4	+ 1.2	- .8	+ .2	+ .4	- .4
Metals and metal products (including machinery and transportation equipment)	+44.1	+ .9	+22.6	+ 4.4	+ 3.6	+ 1.5	--	+ 7.4	+ 1.0	+ .2	+ .1	- 1.5	+ 3.9
Petroleum, coal, chemicals, and rubber	+15.2	+ .3	+11.5	+ .1	- 2.7	+ .5	+ .5	+ 1.6	+ 1.2	+ .5	- .4	+ 1.3	+ .8
Other manufacturing and mining	+11.7	+ 1.2	+ 5.6	+ 1.6	+ 4.4	+ .3	- .1	+ 1.1	- .2	- .2	- .2	+ .2	- 2.0
Trade:													
Wholesale	(+ 8.3)	+ 2.3	+ 1.9	--	- 1.1	+ 1.3	- 1.1	+ 1.7	+ .1	+ .1	+ .1	(+ 1.1)	- 5.8
Retail	(+ 8.3)	- .8	+ 6.8	- .4	+ .7	+ .7	- .9	- 3.7	+ .7	- .3	- .2	(+ 1.1)	+ 5.1
Commodity dealers	-30.5	- 1.1	-14.5	+ .8	- .2	- 2.8	- 1.1	- .7	- 4.1	- .1	- 2.6	- 1.6	- 2.5
Sales finance companies	+26.0	+ 1.4	+39.8	- 3.4	- 7.2	- 1.1	- .6	- .4	- 1.1	- 1.4	- .4	- 1.3	+ 1.7
Public utilities (including transportation)	+27.0	- 1.2	+15.1	--	+ .4	+ .2	- .1	+ 3.0	+ .4	--	+ .3	+ .8	+ 8.1
Construction	+11.6	+ .1	+ 3.9	--	+ .4	- .9	- .4	+ 1.9	+ .8	+ 1.2	+ .2	+ .9	+ 3.5
All other types of business	+ 2.5	- .3	+ 1.1	- .7	+ 2.4	- .6	- 1.1	+ 1.6	+ 3.5	+ .5	+ .4	- .8	- 3.5
Net change of classified loans <sup>1/</sup>	+127.7	+ 4.6	+112.2	+ 5.1	- .3	- 3.3	- 8.5	+15.2	+ .6	- .9	- 4.1	- .3	+ 7.4
To balance with net change in weekly reporting series	+ 3.3	- 1.6	+ 1.8	- 2.1	- 2.7	- .7	- 1.5	+ 1.8	+ 1.4	+ 2.9	+ .1	+ .3	+ 3.6
Net change in commercial, industrial, and agricultural loans	+131.0	+ 3.0	+114.0	+ 3.0	- 3.0	- 4.0	-10.0	+17.0	+ 2.0	+ 2.0	- 4.0	--	+11.0
<u>Purpose Classification</u>													
Defense contracts	+31.9	+ 1.5	+10.7	+ 1.6	+ 1.8	+ 2.0	+ .5	+ 8.5	--	+ .1	+ 1.2	--	+ 4.0
Defense-supporting activities:													
Plant and equipment	+13.7	--	+ 9.6	+ .6	+ .8	--	- .6	+ .5	+ .5	+ .1	+ .1	--	+ 2.1
All other	+19.9	+ .4	+10.7	+ 3.2	- .3	+ .2	- .5	+ 1.7	+ .9	+ .3	--	--	+ 3.3
Non-defense activities:													
Inventory and working capital	+45.5	+ 4.7	+69.5	- .3	- 5.4	- 6.8	- 7.2	+ 6.0	- .1	- 1.3	- 2.7	- 2.5	- 8.4
Plant and equipment	+17.5	- 2.2	+14.3	- .2	+ 1.0	+ .4	+ .5	+ .8	--	- .1	+ .3	--	+ 2.7
Retirement of non-bank debt and preferred stock	+ 2.0	+ .5	--	+ .1	- .2	--	--	- 2.3	- .1	--	--	+ 1.5	+ 2.5
All other (for loans classified)	- 2.0	- .3	- 2.6	+ .1	+ 2.0	+ .9	- 1.2	--	- .6	--	- 2.2	+ .7	+ 1.2
Net change of classified loans <sup>1/</sup>	+128.5	+ 4.6	+112.2	+ 5.1	- .3	- 3.3	- 8.5	+15.2	+ .6	- .9	- 3.3	- .3	+ 7.4

<sup>1/</sup> Data for changes in classified loans are obtained from about 200 weekly reporting member banks that hold about 80 per cent of total commercial and industrial loans of all weekly reporting member banks and about 65 per cent of those of all commercial banks.