

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

H.12

(For Immediate Release)

August 28, 1951

CHANGES IN COMMERCIAL AND INDUSTRIAL LOANS, BY INDUSTRY AND PURPOSE

An increase in loans to manufacturers of metals and metal products, including a large loan to one steel company, was the principal factor in the 209 million dollar increase in commercial, industrial, and agricultural loans at weekly reporting member banks during the week ended August 15.

The increase of 140 million dollars in loans to manufacturers of metals and metal products was the largest weekly increase in any industrial category since the series was started in late March; 103 million of this increase was in the New York District. Loans to manufacturers of food, liquor, and tobacco products increased 30 million dollars; this was the third consecutive weekly increase in this category, following four months of continuous decreases. The 23 million dollar increase in loans to the wholesale and retail trade consisted largely of loans to the retail trade in the Chicago District. Loans to sales finance companies decreased 36 million.

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>	<u>Week ended August 15</u> (In millions of dollars)	<u>Change since March 28</u>
Manufacturing and mining:		
Food, liquor, and tobacco	+ 30	-262
Textiles, apparel, and leather	- 7	+112
Metals and metal products	+140	+521
Petroleum and other	+ 12	+148
Trade -- wholesale and retail	+ 23	- 37
Commodity dealers	+ 12	-401
Sales finance companies	- 36	+ 6
Public utilities and transportation	+ 18	+267
Construction and other	--	+ 47
Total changes classified	+192	+402

Changes in loans classified as to purpose showed an increase of 149 million dollars for defense and defense-supporting activities, of which 104 million was for plant and equipment. Non-defense loans increased 41 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 15, 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	+29.6	+ 1.4	+11.5	+ 1.4	+ .7	+ 1.2	- .8	+ 5.8	+ .3	- .4	+ 1.7	+ .2	+ 6.6
Textiles, apparel, and leather	- 6.9	--	- 4.6	+ .5	- 1.3	- .4	- .1	+ 1.5	- 1.2	+ .2	--	--	- 1.5
Metals and metal products (including machinery & transportation equipment)	+140.2	+ 5.2	+102.8	+ 5.4	+10.7	--	+ .6	+ 8.0	+ .8	+ .3	+ .3	- .2	+ 6.3
Petroleum, coal, chemicals, and rubber	+ 2.6	+ .1	- 1.8	+ .1	+ .1	+ .1	- .9	+ .7	--	+ 1.7	- .1	+ 1.6	+ 1.0
Other manufacturing and mining	+ 9.5	+ .1	+ 6.4	- .2	- 1.6	- .1	- .4	+ 3.0	+ .3	- .2	--	+ .4	+ 1.8
Trade:													
Wholesale	(+22.9)	- .9	+ 4.0	- .1	- .1	+ .4	- .8	- 1.1	- .2	- .1	- .6	(- .6)	- 2.4
Retail	(+22.9)	- .8	+ 5.7	+ .1	+ 1.1	+ .5	+ .2	+21.1	+ .4	+ .1	- 1.7	(- .6)	- 1.3
Commodity dealers	+12.0	- 1.2	+ 6.8	- .5	+ .5	+ 1.5	+ .4	+ 1.8	- .1	- 2.0	+ 4.4	+ .5	- .1
Sales finance companies	-35.8	- 1.6	-30.2	- 5.1	- 3.0	- .8	+ 2.0	+ 2.6	+ .4	+ .1	+ .2	- .2	- .2
Public utilities (including transportation)	+18.2	+ .6	+ 8.3	- .1	+ 2.1	- .2	--	+ 1.4	+ .1	+ .1	- .1	+ 4.7	+ 1.3
Construction	+ 8.6	+ .1	+ 3.8	+ .2	+ .7	--	- .3	+ 1.0	+ .3	+ .1	+ .3	--	+ 2.4
All other types of business	- 8.7	+ .6	-10.2	+ .6	- 2.1	- .1	+ .9	- .2	- .5	+ .3	+ 1.5	+ .3	+ .2
Net change of classified loans ^{1/}	+192.2	+ 3.6	+102.5	+ 2.3	+ 7.8	+ 2.1	+ .8	+45.6	+ .6	+ .2	+ 5.9	+ 6.7	+14.1
To balance with net change in weekly reporting series	+16.8	- .6	+ 1.5	+ .7	- 1.8	- 2.1	- 6.8	+ 7.4	+ .4	- 1.2	+ 3.1	- .7	+16.9
Net change in commercial, industrial, and agricultural loans	+209.0	+ 3.0	+104.0	+ 3.0	+ 6.0	--	- 6.0	+53.0	+ 1.0	- 1.0	+ 9.0	+ 6.0	+31.0
Purpose Classification													
Defense contracts	+38.5	+ 3.0	+18.7	- .2	+ 4.0	- .1	+ .1	+ 5.7	+ .1	+ .1	- .2	+ 1.4	+ 5.9
Defense-supporting activities:													
Plant and equipment	+103.9	+ .1	+92.8	+ 5.1	+ 5.6	- .1	- .2	+ .4	+ .1	--	--	--	+ .1
All other	+ 6.6	--	+ 2.4	- 1.5	+ 3.2	--	+ .2	+ .3	+ .1	+ .2	--	--	+ 1.7
Non-defense activities:													
Inventory and working capital	+35.1	+ .7	-12.8	- 1.5	- 4.7	+ 2.8	+ 1.7	+41.8	+ 1.0	- .1	+ .1	+ .3	+ 5.8
Plant and equipment	+ 5.1	+ .7	--	+ .4	+ 1.1	+ .2	+ .5	+ 2.6	+ .1	--	- .2	+ .5	- .8
Retirement of non-bank debt and preferred stock	+ 2.4	--	- .5	--	+ 1.3	--	--	- 3.0	--	--	--	+ 4.5	+ .1
All other (for loans classified)	- 1.3	- .9	+ 1.9	--	- 2.7	- .7	- 1.5	- 2.2	- .8	--	+ 4.3	--	+ 1.3
Net change of classified loans ^{1/}	+190.3	+ 3.6	+102.5	+ 2.3	+ 7.8	+ 2.1	+ .8	+45.6	+ .6	+ .2	+ 4.0	+ 6.7	+14.1

^{1/} 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.