

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

H.12

(For Immediate Release)

October 23, 1951

CHANGES IN COMMERCIAL AND INDUSTRIAL LOANS, BY INDUSTRY AND PURPOSE

As in other recent weeks, new borrowings by processors and distributors of food products accounted for most of the \$143 million increase in commercial, industrial, and agricultural loans at weekly reporting member banks for the week ended October 10. Both categories have shown increases for 11 consecutive weeks, during which time loans to manufacturers of food, liquor, and tobacco products have increased over a half billion dollars and loans to commodity dealers have increased about a quarter of a billion dollars.

Other increases included \$19 million to manufacturers of metals and metal products and \$16 million to the wholesale and retail trade. Partially offsetting decreases were reported in loans to sales finance companies and to manufacturers of textiles, apparel, and leather.

Changes in loans classified by type of business, during the week and since the end of March when the sample of the largest banks began reporting these data, were as follows:

<u>Business of Borrower</u>	Week ended <u>October 10</u>	Change since <u>March 28</u>
	(In millions of dollars)	
Manufacturing and mining:		
Food, liquor, and tobacco	+ 99	+140
Textiles, apparel, and leather	- 11	+ 11
Metals and metal products	+ 19	+786
Petroleum and other	- 2	+215
Trade -- wholesale and retail	+ 16	+ 88
Commodity dealers	+ 34	-196*
Sales finance companies	- 18	- 14*
Public utilities and transportation	- 1	+416
Construction and other	<u>- 1</u>	<u>- 22*</u>
Total changes classified	+134	+1,424

* August and September figures revised.

Changes in loans classified as to purpose showed increases of \$12 million for defense and defense-supporting activities and \$122 million in non-defense loans,

CHANGES IN COMMERCIAL AND INDUSTRIAL LOANS OF A SAMPLE OF WEEKLY REPORTING MEMBER BANKS
BY INDUSTRY, PURPOSE, AND FEDERAL RESERVE DISTRICT,
WEEK ENDED WEDNESDAY, OCTOBER 10, 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	+99.0	+ 1.8	+60.2	- 1.1	+ 1.6	+ 1.6	+ .3	+18.7	+ 4.9	--	- .9	+ 2.2	+ 9.7
Textiles, apparel, and leather	-11.1	- 2.2	- 1.8	- .4	- .7	- .7	+ .1	- 2.5	- 1.3	--	- .2	- .4	- 1.0
Metals and metal products (including machinery & transportation equipment)	+18.5	- .6	+ 9.7	+ .5	+ 1.9	--	+ .3	+ 2.6	+ 1.5	- .1	--	+ 1.0	+ 1.7
Petroleum, coal, chemicals, and rubber	- 3.0	- .2	+ 8.4	--	- 9.8	+ .5	+ .2	+ .2	--	--	+ .1	- 2.9	+ .5
Other manufacturing and mining	+ .8	+ 2.3	- 1.2	--	+ .2	--	--	+ 1.3	+ .4	--	--	- .9	- 1.3
Trade:													
Wholesale	(+16.0)	+ 1.3	+ .3	+ .9	--	+ .1	+ .6	- .9	+ .2	- .4	+ .3	(+ .3)	- 2.9
Retail	(+16.0)	+ .3	+ 6.6	+ 2.9	--	+ .1	+ .3	+ 2.2	+ .9	+ .5	+ .4	(+ .3)	+ 2.0
Commodity dealers	+33.9	+ 1.3	+16.2	+ .3	+ 1.1	+ 1.4	+ 1.2	+ 1.6	+ 7.7	- .8	- 1.1	+ 2.4	+ 2.6
Sales finance companies	-18.2	+ 1.0	-14.2	+ .9	- 5.6	--	+ .6	- .4	- 1.4	+ .1	+ .4	- .4	+ .8
Public utilities (including transportation)	- 1.3	+ .4	-11.7	+ .1	+ .5	--	- .1	+ 3.5	+ 9.4	--	--	- .1	- 3.3
Construction	- 1.0	+ .1	- .1	- .4	+ .4	+ .3	- .7	- .1	- .1	- .9	- .2	+ 1.0	- .3
All other types of business	+ .5	- .4	+ 6.2	- 1.2	- .9	+ .2	+ 1.1	+ 1.3	- 7.1	+ .4	- 1.4	+ 1.4	+ .9
Net change of classified loans ^{1/}	+134.1	+ 5.1	+78.6	+ 2.5	-11.3	+ 3.5	+ 3.9	+27.5	+15.1	- 1.2	- 2.6	+ 3.6	+ 9.4
To balance with net change in weekly reporting series	+ 8.9	- 1.1	- 4.6	+ .5	+ 3.3	+ .5	- 1.9	+ .5	+ .9	- .8	+ 1.6	+ 1.4	+ 8.6
Net change in commercial, industrial, and agricultural loans	+143.0	+ 4.0	+74.0	+ 3.0	- 8.0	+ 4.0	+ 2.0	+28.0	+16.0	- 2.0	- 1.0	+ 5.0	+18.0
Purpose Classification													
Defense contracts	+ 3.1	- .4	+ .5	- .6	+ 1.9	+ .3	+ .1	+ 3.1	+ 1.0	- .1	- .1	- .5	- 2.1
Defense-supporting activities:													
Plant and equipment	+10.8	+ .4	- 1.6	--	+ 1.0	--	- .1	+ 1.4	+ 9.2	--	+ .1	--	+ .4
All other	- 1.6	--	- 3.5	- .3	+ 1.3	+ .8	--	--	+ .3	+ .1	--	--	- .3
Non-defense activities:													
Inventory and working capital	+151.9	+ 3.9	+90.0	+ 3.3	- 1.4	+ 1.6	+ 2.5	+20.3	+13.0	- 1.2	+ .8	+ 3.7	+15.4
Plant and equipment	-10.4	- .1	- .2	--	-10.0	--	+ .1	+ 2.9	+ .7	--	- .2	+ .1	- 3.7
Retirement of non-bank debt and preferred stock	+ .6	--	--	--	--	--	--	--	--	--	--	+ .5	+ .1
All other (for loans classified)	-20.3	+ 1.3	- 6.6	+ .1	- 4.1	+ .8	+ 1.3	- .2	- 9.1	--	- 3.2	- .2	- .4
Net change of classified loans ^{1/}	+134.1	+ 5.1	+78.6	+ 2.5	-11.3	+ 3.5	+ 3.9	+27.5	+15.1	- 1.2	- 2.6	+ 3.6	+ 9.4

^{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.