

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

H.12

(For Immediate Release)

November 6, 1951

CHANGES IN COMMERCIAL AND INDUSTRIAL LOANS, BY INDUSTRY AND PURPOSE

The \$17 million decrease in commercial, industrial, and agricultural loans at weekly reporting member banks for the week ended October 24 resulted from substantial decreases in loans to manufacturers of textiles, apparel, and leather, to sales finance companies, and in unclassified loans. These were largely offset by continued increases in loans to processors and distributors of food products.

The decrease of \$50 million to manufacturers of textiles, apparel, and leather was the largest weekly decrease since loans in this industrial classification began to decline in July. Unclassified loans continue to show decreases, indicating that the industrial categories showing decreases are understated and those showing increases are being overstated. The increase of \$56 million in loans to commodity dealers was the largest of its 13 consecutive increases, but the increase of \$44 million in loans to manufacturers of food, liquor, and tobacco products was not quite as large as in other recent weeks.

Changes in loans classified by type of business, during the week since mid-year 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>	<u>Week ended October 24</u>	<u>Since June 27</u>	<u>Since March 28</u>
	(In millions of dollars)		
Manufacturing and mining:			
Food, liquor, and tobacco	+ 44	+491	+248
Textiles, apparel, and leather	- 50	-190	- 75
Metals and metal products	+ 7	+531	+807
Petroleum and other	- 7	+124	+232
Trade -- wholesale and retail	- 1	+ 39	+101
Commodity dealers	+ 56	+335	- 87
Sales finance companies	- 14	- 66	- 3
Public utilities and transportation	+ 9	+283	+457
Construction and other	- 11	- 75	- 23
Classified changes	+ 32	+1,471	+1,657
Unclassified changes	- 49	-219	-387
Net changes in commercial, industrial, and agricultural loans	- 17	+1,252	+1,270

In the classification as to purpose shown in the attached table, loans for defense and non-defense purposes were evenly divided.

H.12(a)

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 24, 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	+44.3	+ 2.9	+24.2	+ .1	+ .6	+ .8	+ .1	+13.9	+ 2.6	- 1.1	- .9	+ 1.4	- .3
Textiles, apparel, and leather	-50.3	- 4.9	-32.1	- 2.5	- 1.4	+ .3	+ .1	- 6.4	- 1.4	- .3	- .1	- .5	- 1.1
Metals and metal products (including machinery & transportation equipment)	+ 7.1	+ .6	+ 3.4	+ 1.8	+ 2.1	- .1	- .7	+ .8	- 1.8	- 1.0	- .1	- .3	+ 2.4
Petroleum, coal, chemicals, and rubber	+ .5	- .1	+ 1.1	- .3	+ 1.1	--	+ .5	- 2.8	+ .2	+ .9	+ .7	- .8	--
Other manufacturing and mining	- 7.8	- 2.4	- 3.1	+ .7	- 1.1	+ .3	+ .8	- .9	- .2	- .4	+ .2	+ .3	- 2.0
Trade;													
Wholesale	( .8 )	+ 1.3	- 2.4	- .1	--	- .2	+ .3	--	- .7	+ .8	- 1.2	( .5 )	- .4
Retail	(- .8)	+ 1.0	+ 2.1	- .2	+ .7	+ .1	+ .2	+ .6	- .7	+ .1	+ .4	(+ .5)	- 3.0
Commodity dealers	+55.6	- 1.4	+19.7	- .2	+ .4	+ .1	+ 2.7	+ 4.2	+13.0	- .3	+ .8	+11.3	+ 5.3
Sales finance companies	-13.9	- .3	-10.5	+ .9	+ 1.7	--	- 1.2	- 2.6	- 1.6	+ .4	- 1.5	- .8	+ 1.6
Public utilities (including transportation)	+ 8.8	+ .9	+15.9	+ .3	- 3.3	--	+ .2	+ 1.3	+ .8	--	--	+ .2	- 7.5
Construction	- 7.6	- .3	- .7	- .3	+ .6	- .3	- .9	- 3.2	+ .6	- .8	- 1.0	+ .3	- 1.6
All other types of business	- 3.4	--	- 9.9	- 1.7	- .4	+ .5	+ 6.1	+ 3.7	+ .7	+ .1	+ .2	- 1.9	- .8
Net change of classified loans <sup>1/</sup>	+32.5	- 2.7	+ 7.7	- 1.5	+ 1.0	+ 1.5	+ 8.2	+ 8.6	+11.5	- 1.6	- 2.5	+ 9.7	- 7.4
To balance with net change in weekly reporting series	-49.5	- 4.3	-30.7	- 3.5	- 2.0	- 5.5	- 1.2	- 4.6	+ .5	- .4	+ 4.5	+ 2.3	- 4.6
Net change in commercial, industrial, and agricultural loans	-17.0	- 7.0	-23.0	- 5.0	- 1.0	- 4.0	+ 7.0	+ 4.0	+12.0	- 2.0	+ 2.0	+12.0	-12.0
<u>Purpose Classification</u>													
Defense contracts	- .5	- 1.7	- 2.1	+ .3	+ 1.4	- .8	- .7	+ 2.8	- 1.8	--	--	+ .1	+ 2.0
Defense-supporting activities;													
Plant and equipment	+11.7	+ .2	+11.5	+ .2	+ 1.2	--	+ .1	+ 1.4	--	--	- .1	--	- 2.8
All other	+ 5.2	- .3	+ 3.4	+ 1.5	+ .1	- .2	+ .6	+ 1.3	- .1	--	--	--	- 1.1
Non-defense activities;													
Inventory and working capital	+20.5	- .3	- 2.5	- 1.9	+ 1.0	+ 1.5	+ 2.1	- .6	+14.6	- 1.6	- .9	+11.1	- 2.0
Plant and equipment	- 3.3	+ .7	- .6	- 1.2	- 2.9	+ .5	- .1	+ 3.7	+ .3	--	+ .1	- .5	- 3.3
Retirement of non-bank debt and preferred stock	- 1.8	- 2.0	- .2	--	--	--	--	--	--	--	--	--	+ .4
All other (for loans classified)	+ .7	+ .7	- 1.8	- .4	+ .2	+ .5	+ 6.2	--	- 1.5	--	- 1.6	- 1.0	- .6
Net change of classified loans <sup>1/</sup>	+32.5	- 2.7	+ 7.7	- 1.5	+ 1.0	+ 1.5	+ 8.2	+ 8.6	+11.5	- 1.6	- 2.5	+ 9.7	- 7.4

<sup>1/</sup> 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.