

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

H.12

(For Immediate Release)

November 27, 1951

CHANGES IN COMMERCIAL AND INDUSTRIAL LOANS, BY INDUSTRY AND PURPOSE

The principal factors in the previously reported \$181 million increase in commercial, industrial, and agricultural loans at weekly reporting member banks during the week ended November 14 were increases of \$52 million to commodity dealers, \$50 million to sales finance companies, \$42 million to manufacturers of metals and metal products, and \$37 million to the wholesale and retail trade. These were partially offset by decreases of \$33 million in loans to public utilities and \$19 million to manufacturers of textiles, apparel, and leather.

The increases in loans to commodity dealers were largely in the San Francisco, New York, Dallas, and St. Louis districts. The sales finance companies' increase was the largest weekly change in this business category since a sample of the largest banks began reporting these data in late March at the request of the National Voluntary Credit Restraint Committee. The increase in loans to manufacturers of metals and metal products was its largest weekly increase in over a month. Trade loans showed the largest change in nearly three months; about two-thirds of this increase was to retailers. Loans to public utilities showed the largest weekly decrease in this business classification since the series was started.

Changes in loans classified by type of business, during the week and since mid-year, were as follows:

<u>Business of Borrower</u>	Week ended <u>November 14</u>	Since <u>June 27</u>
	(In millions of dollars)	
Manufacturing and mining:		
Food, liquor, and tobacco	+ 26	+618
Textiles, apparel, and leather	- 19	-250
Metals and metal products	+ 42	+594
Petroleum and other	+ 25	+195
Trade -- wholesale and retail	+ 37	+ 84
Commodity dealers	+ 52	+479
Sales finance companies	+ 50	- 67
Public utilities and transportation	- 33	+287
Construction and other	+ 6	- 74
Classified changes	+186	+1,865
Unclassified changes	- 5	-237
Net changes in commercial, industrial, and agricultural loans	+181	+1,628

Changes in loans classified as to purpose showed an increase of only \$11 million for defense and defense-supporting activities and a \$175 million increase in non-defense loans.

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, NOVEMBER 14, 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	+25.6	+ .1	+13.6	+ 1.2	--	+ .2	- .3	+ 3.6	+ 3.4	+ 2.0	+ .6	+ 3.8	- 2.6
Textiles, apparel, and leather	-18.5	- 3.4	- 7.4	- 1.3	- 1.2	- .4	+ .7	- 2.7	- 1.4	- .4	- .1	- .4	- .5
Metals and metal products (including machinery & transportation equipment)	+42.0	+ 1.8	+21.1	- .4	+ 6.1	+ .1	+ .6	+ 8.9	+ 1.0	+ 1.5	- .2	--	+ 1.5
Petroleum, coal, chemicals, and rubber	+ 6.5	+ .4	+ .6	--	- .4	+ .1	- .1	+ 2.5	- .1	+ 1.9	- .7	+ 1.9	+ .4
Other manufacturing and mining	+18.1	--	+ 5.0	- 1.7	+ 4.5	+ .3	+ .2	+ 1.6	+ .1	+ .1	- .3	+ 2.2	+ 6.1
Trade:													
Wholesale	(+37.0)	+ .5	+ 5.3	- .1	+ .9	- .3	+ .4	+ 3.4	+ 2.0	- 1.0	- .2	(- .7)	+ .9
Retail	(+37.0)	- 1.2	+ 8.8	+ 3.9	+ 3.0	+ .6	- .4	+ 7.7	+ .2	+ 1.0	+ 1.1	(- .7)	+ 1.2
Commodity dealers	+52.2	+ 1.8	+12.8	+ 2.0	+ .1	- .1	+ 1.7	+ 3.8	+ 7.0	+ .7	+ 1.1	+ 7.5	+13.8
Sales finance companies	+49.5	+ 4.2	+10.8	+ 2.6	+ 9.6	+ 1.4	+ 2.2	+ 9.7	- 1.0	+ 1.8	+ .8	+ 1.4	+ 6.0
Public utilities (including transportation)	-32.7	- 1.5	-31.1	- .1	- 2.3	- .1	- .1	+ 2.0	+ .4	+ 1.0	- .1	- .1	- .7
Construction	- 2.0	+ .1	--	+ .1	+ 1.4	- .1	- 2.1	- .5	- .4	- 1.0	- .4	- .3	+ 1.2
All other types of business	+ 8.2	- .1	+ 8.2	+ .3	+ 1.8	- 1.3	+ 1.5	+ .2	- .9	+ .1	+ .1	- 2.2	+ .5
Net change of classified loans ^{1/}	+185.9	+ 2.7	+47.7	+ 6.5	+23.5	+ .4	+ 4.3	+40.2	+10.3	+ 7.7	+ 1.7	+13.1	+27.8
To balance with net change in weekly reporting series	- 4.9	+ 2.3	- 3.7	+ 1.5	- .5	- 2.4	- .3	- 4.2	- .3	- .7	+ .3	+ 2.9	+ .2
Net change in commercial, industrial, and agricultural loans	+181.0	+ 5.0	+44.0	+ 8.0	+23.0	- 2.0	+ 4.0	+36.0	+10.0	+ 7.0	+ 2.0	+16.0	+28.0
<u>Purpose Classification</u>													
Defense contracts	+26.3	+ .6	+14.4	+ .6	+ 1.9	- .8	+ .5	+ 4.2	+ .9	+ 1.1	- .1	+ 1.6	+ 1.4
Defense-supporting activities:													
Plant and equipment	-13.4	+ .8	-16.8	--	+ 2.9	--	- .2	+ 1.5	+ .5	--	- .8	--	- 1.3
All other	- 1.6	- .1	- 2.9	- 1.1	+ 1.0	--	- 1.3	+ .7	- .1	+ 1.1	+ .3	--	+ .8
Non-defense activities:													
Inventory and working capital	+163.4	+ 1.4	+52.1	+ 6.9	+16.5	- .2	+ 3.3	+33.4	+ 8.0	+ 5.5	+ 1.4	+ 8.9	+26.2
Plant and equipment	- 1.3	--	- 4.3	--	- 2.4	+ .1	+ 1.2	+ 1.9	+ .1	--	+ .5	--	+ 1.6
Retirement of non-bank debt and preferred stock	- .6	--	- 1.0	--	--	--	--	--	--	--	--	+ .6	- .2
All other (for loans classified)	+13.1	--	+ 6.2	+ .1	+ 3.6	+ 1.3	+ .8	- 1.5	+ .9	--	+ .4	+ 2.0	- .7
Net change of classified loans ^{1/}	+185.9	+ 2.7	+47.7	+ 6.5	+23.5	+ .4	+ 4.3	+40.2	+10.3	+ 7.7	+ 1.7	+13.1	+27.8

^{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.