

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

H.12

(For Immediate Release)

December 4, 1951

CHANGES IN COMMERCIAL AND INDUSTRIAL LOANS, BY INDUSTRY AND PURPOSE

The previously reported \$24 million increase in commercial, industrial, and agricultural loans at weekly reporting member banks for the week ended November 21 resulted from increases of \$52 million to commodity dealers, \$44 million to manufacturers of food, liquor, and tobacco products, \$39 million to manufacturers of metals and metal products, and \$32 million in loans to public utilities. These were largely offset by a \$52 million decrease in unclassified loans, \$38 million in loans to sales finance companies, and \$35 million to manufacturers of textiles, apparel, and leather.

It was the 17th consecutive week in which loans to commodity dealers and manufacturers of food, liquor, and tobacco had increased; \$15 million of the increase in each of these categories was reported in the San Francisco District. Loans to manufacturers of textiles, apparel, and leather have decreased in 18 of the last 19 weeks. Inquiries of some of the banks reporting substantial decreases in unclassified loans indicate that the decrease reflects net repayments by a large number of small borrowers to a considerable extent.

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

<u>Business of Borrower</u>	<u>Week ended November 21</u>	<u>Since June 27</u>
	(In millions of dollars)	
Manufacturing and mining:		
Food, liquor, and tobacco	+ 44	+661
Textiles, apparel, and leather	- 35	-285
Metals and metal products	+ 39	+633
Petroleum and other	--	+195
Trade -- wholesale and retail	- 3	+ 81
Commodity dealers	+ 52	+531
Sales finance companies	- 38	-106
Public utilities and transportation	+ 32	+318
Construction and other	- 15	- 89
Classified changes	+ 76	+1,941
Unclassified changes	- 52	-289
Net changes in commercial, industrial, and agricultural loans	+ 24	+1,652

As shown in the attached table, loans for defense and defense-supporting activities accounted for most of the increase classified as to purpose.

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 21, 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	+43.8	+ 4.9	+ 7.3	+ 1.4	+ .4	- .3	+ 1.8	+ 6.3	+ 2.5	- .1	+ 1.8	+ 3.2	+14.6
Textiles, apparel, and leather	-34.9	- 6.9	-16.1	- 2.1	- 1.6	- .2	- .1	- 6.6	- .3	- .3	--	--	- .7
Metals and metal products (including machinery & transportation equipment)	+39.3	+ .7	+29.7	+ 2.0	+ .8	+ .1	+ .3	+ 8.1	- .1	--	+ .3	- .1	- 2.5
Petroleum, coal, chemicals, and rubber	+ 2.2	- .1	+ .1	- .7	- .1	+ .2	+ .8	+ .7	+ .4	- 1.9	+ .2	+ 2.2	+ .4
Other manufacturing and mining	- 1.9	- .8	- .4	- .5	+ .1	- .1	+ .3	- 3.7	- .6	--	+ .2	- .4	+ 4.0
Trade:													
Wholesale	(- 3.1)	+ .3	- 3.3	- .3	+ 2.7	- .2	+ .2	- .5	--	- .2	- .4	(- 2.3)	+ .3
Retail	(- 3.1)	- 2.8	- 3.1	+ 1.3	- .6	+ .3	- .1	+ 4.5	- .6	- .6	+ .3	(- 2.3)	+ 2.0
Commodity dealers	+52.0	+ .5	+19.5	+ 2.4	- .3	+ .5	+ 2.1	- 1.7	+ 2.6	+ .2	+ 4.1	+ 7.0	+15.1
Sales finance companies	-38.4	+ .9	-34.9	+ 1.4	- 3.0	- 1.0	- 2.2	- 2.2	+ .1	+ .6	+ 1.2	- 1.6	+ 2.3
Public utilities (including transportation)	+31.5	+ .2	+29.0	--	+ 1.4	+ .2	--	--	+ .6	--	+ .1	- .1	+ .1
Construction	- 7.5	- .8	+ 1.3	- .1	+ .4	--	- .4	- 6.6	- .6	+ .2	+ .9	- .8	- 1.0
All other types of business	- 7.5	+ 1.8	- 7.2	+ .1	+ .6	+ .3	+ .6	+ .3	- 1.3	--	- 2.1	+ .4	- 1.0
Net change of classified loans <sup>1/</sup>	+75.5	- 2.1	+21.9	+ 4.9	+ .8	- .2	+ 3.3	- 1.4	+ 2.7	- 2.1	+ 6.6	+ 7.5	+33.6
To balance with net change in weekly reporting series	-51.5	- 2.9	-34.9	- 1.9	- 2.8	+ .2	- 1.3	-10.6	+ 1.3	- .9	+ 2.4	- .5	+ .4
Net change in commercial, industrial, and agricultural loans	+24.0	- 5.0	-13.0	+ 3.0	- 2.0	--	+ 2.0	-12.0	+ 4.0	- 3.0	+ 9.0	+ 7.0	+34.0
<u>Purpose Classification</u>													
Defense contracts	+25.5	+ .4	+24.4	+ .7	+ .1	--	--	+ 2.5	+ .1	- .2	+ .9	- .4	- 3.0
Defense-supporting activities:													
Plant and equipment	+23.5	+ .2	+18.0	+ .2	+ .9	- .1	+ .3	+ 1.1	--	--	+ .1	--	+ 2.8
All other	+16.3	+ .3	+12.9	- .8	+ 2.1	- .1	--	+ .1	- .4	--	--	--	+ 2.2
Non-defense activities:													
Inventory and working capital	+12.6	- 3.1	-30.6	+ 4.7	- 3.7	- .5	+ 2.5	- 5.0	+ 5.1	- 1.9	+ 7.0	+ 7.4	+30.7
Plant and equipment	+ 4.4	--	+ 1.0	+ .1	+ 1.3	--	+ .9	- .4	--	--	- .7	+ .2	+ 2.0
Retirement of non-bank debt and preferred stock	+ .1	--	- .2	--	--	--	--	--	--	--	--	+ .6	- .3
All other (for loans classified)	- 6.9	+ .1	- 3.6	--	+ .1	+ .5	- .4	+ .3	- 2.1	--	- .7	- .3	- .8
Net change of classified loans <sup>1/</sup>	+75.5	- 2.1	+21.9	+ 4.9	+ .8	- .2	+ 3.3	- 1.4	+ 2.7	- 2.1	+ 6.6	+ 7.5	+33.6

<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.