

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

H.12

(For Immediate Release)

December 11, 1951

CHANGES IN COMMERCIAL AND INDUSTRIAL LOANS, BY INDUSTRY AND PURPOSE

The previously reported \$7 million decrease in commercial, industrial, and agricultural loans at weekly reporting member banks for the week ended November 28 resulted from decreases of \$34 million in unclassified loans and \$26 million in loans to manufacturers of textiles, apparel, and leather, and smaller decreases in a number of other business categories. These were largely offset by increases of \$32 million to commodity dealers, \$22 million to manufacturers of food, liquor, and tobacco products, and \$20 million to manufacturers of metals and metal products.

Loans to public utilities (including transportation) increased \$26 million in the New York District and decreased \$28 million in the San Francisco District; the net increase was \$3 million. The increases in loans to commodity dealers were largely in the St. Louis, New York, and Dallas districts.

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

<u>Business of Borrower</u>	Week	Since	Since
	ended November 28	June 27	March 28
	(In millions of dollars)		
Manufacturing and mining:			
Food, liquor, and tobacco	+ 22	+683	+440
Textiles, apparel, and leather	- 26	-310	-195
Metals and metal products	+ 20	+653	+928
Petroleum and other	- 2	+193	+301
Trade -- wholesale and retail	- 10	+ 71	+133
Commodity dealers	+ 32	+563	+142
Sales finance companies	- 3	-108	- 46
Public utilities and transportation	+ 3	+321	+495
Construction and other	- 9	- 97	- 45
Classified changes	+ 27	+1,968	+2,154
Unclassified changes	- 34	-323	-491
Net changes in commercial, industrial, and agricul- tural loans	- 7	+1,645	+1,663

The changes during November are shown in the second attached table, compared with the changes during the preceding seven months since a sample of the largest banks began reporting these data. Loans to commodity dealers and to manufacturers of food, liquor, and tobacco increased by smaller amounts in November than in October, indicating that the peak of the crop movement may be over. The increase in loans to public utilities during November amounted to only \$3 million as compared with substantial increases in every previous month. On the other hand, the increase in loans to manufacturers of metals and metal products was \$117 million during the four weeks of November as compared with \$85 million during the five weeks of October.

CHANGES IN COMMERCIAL AND INDUSTRIAL LOANS OF A SAMPLE OF WEEKLY REPORTING MEMBER BANKS

H. 12 (a) BY INDUSTRY, PURPOSE, AND FEDERAL RESERVE DISTRICT,
WEEK ENDED WEDNESDAY, NOVEMBER 28, 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	+21.9	+ .3	+16.7	- .8	+ 1.5	+ .6	+ 1.4	+ .9	+ 2.4	- 1.7	- 1.2	+ 2.0	- .2
Textiles, apparel, and leather	-25.7	- 7.2	- 6.6	- .5	- .6	- .7	- .6	- 7.6	- .8	- .6	+ .2	- .6	- .1
Metals and metal products (including machinery & transportation equipment)	+19.9	+ .5	+12.4	+ 1.0	+ 5.2	+ .4	+ .6	- 1.9	- .1	+ .2	+ .6	- .1	+ 1.1
Petroleum, coal, chemicals, and rubber	- 3.7	- .5	+ .3	--	- .5	- .1	- .1	- .5	- .1	+ .3	--	- 1.4	- 1.1
Other manufacturing and mining	+ 1.7	- 1.1	+ .9	+ .9	- 1.0	- .3	+ .1	+ .3	- .4	- .6	- .1	- .1	+ 3.1
Trade:													
Wholesale	(- 9.8)	--	+ 3.4	- .1	- .3	+ .4	- .5	- 2.2	+ .4	- .1	- .2	(- .7)	- 1.8
Retail	(- 9.8)	- 1.9	- 2.5	- 2.0	--	- .2	+ .1	- .9	- .4	- .2	--	(- .7)	- .1
Commodity dealers	+31.8	- .5	+10.6	- 1.4	- .1	+ .9	+ 2.4	+ .7	+12.1	- .3	- .9	+ 9.4	- 1.1
Sales finance companies	- 2.7	- 1.0	-10.7	+ 1.3	- 1.8	+ 2.4	+ .9	+ .6	- .7	+ .1	+ .6	- .3	+ 5.9
Public utilities (including transportation)	+ 2.5	+ 1.0	+26.3	+ .5	+ 1.3	- .1	+ .5	+ 1.9	+ .4	--	- 1.2	- .1	-28.0
Construction	- 6.8	- .2	- 3.0	+ 1.5	- .8	- .2	- .1	- .9	+ .8	- .6	- 1.5	+ .7	- 2.5
All other types of business	- 1.7	+ .4	- 1.7	+ .2	+ .5	+ .5	- .3	- 1.5	+ 1.0	+ .5	- 2.3	+ .9	+ .1
Net change of classified loans ^{1/}	+27.4	-10.2	+46.1	+ .6	+ 3.4	+ 3.6	+ 4.4	-11.1	+14.6	- 3.0	- 6.0	+ 9.7	-24.7
To balance with net change in weekly reporting series	-34.4	- 2.8	-17.1	- 2.6	- 5.4	- 2.6	- 1.4	- 3.9	- .6	- 3.0	- 2.0	+ 2.3	+ 4.7
Net change in commercial, industrial, and agricultural loans	- 7.0	-13.0	+29.0	- 2.0	- 2.0	+ 1.0	+ 3.0	-15.0	+14.0	- 6.0	- 8.0	+12.0	-20.0
Purpose Classification													
Defense contracts	+23.6	+ .1	+10.7	+ .2	+ 5.0	+ 1.1	+ .4	+ 3.4	--	+ .2	+ .4	+ .7	+ 1.4
Defense-supporting activities:													
Plant and equipment	+ 6.6	+ .4	+21.3	+ .6	+ .6	- .1	+ .1	+ .9	+ .1	+ .2	- .1	--	-17.4
All other	- 6.1	--	- 1.3	+ .7	+ .6	--	--	+ .1	--	--	- .6	--	- 5.6
Non-defense activities:													
Inventory and working capital	- 3.2	-10.9	+ 9.7	- .9	- 4.4	+ 2.4	+ .5	-15.9	+14.1	- 3.2	- 5.8	+ 7.3	+ 3.9
Plant and equipment	+ 2.0	+ 1.6	+ 4.7	--	--	- .1	+ .9	+ .4	--	- .2	+ .4	+ .2	- 5.9
Retirement of non-bank debt and preferred stock	+ 3.7	--	+ 2.5	- .1	--	--	--	- .3	--	--	+ .1	+ 1.4	+ .1
All other (for loans classified)	+ .8	- 1.4	- 1.5	+ .1	+ 1.6	+ .3	+ 2.5	+ .3	+ .4	--	- .4	+ .1	- 1.2
Net change of classified loans ^{1/}	+27.4	-10.2	+46.1	+ .6	+ 3.4	+ 3.6	+ 4.4	-11.1	+14.6	- 3.0	- 6.0	+ 9.7	-24.7

^{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.

CHANGES IN COMMERCIAL AND INDUSTRIAL LOANS OF A SAMPLE OF WEEKLY REPORTING MEMBER BANKS
BY INDUSTRY AND PURPOSE, FOR THE EIGHT MONTHS ENDED WEDNESDAY, NOVEMBER 28, 1951

(In millions of dollars)

Business of Borrower	8 months ¹ totals	3 months ended June 27	3 months ended September 26	5 weeks ended October 31	4 weeks ended November 28
Manufacturing and mining:					
Food, liquor, and tobacco	+440.2	-243.1	+231.4	+289.9	+162.0
Textiles, apparel, and leather	-194.6	+115.6	- 77.5	-139.4	- 93.3
Metals and metal products (including machinery and transportation equipment)	+288.2	+275.2	+451.7	+ 84.8	+116.5
Petroleum, coal, chemicals, and rubber	+137.6	+ 48.1	+ 42.0	+ 26.3	+ 21.2
Other manufacturing and mining	+163.7	+ 60.0	+ 69.8	+ 5.6	+ 28.3
Trade -- wholesale and retail	+132.8	+ 62.0	+ 22.6	+ 17.8	+ 30.4
Commodity dealers	+142.0	-421.2	+164.1	+229.7	+169.4
Sales finance companies	- 45.8	+ 62.6	-100.3	- 3.8	- 4.3
Public utilities (including transportation)	+495.3	+174.8	+218.3	+ 99.6	+ 2.6
Construction	- 37.0	+ 44.2	- 32.9	- 27.8	- 20.5
All other types of business	- 8.0	+ 8.0	- 26.2	+ 19.8	- 9.6
Net change of classified loans ^{1/}	+2,154.4	+186.2	+963.0	+602.5	+402.7
To balance with net change in weekly reporting series	-491.4	-168.2	-105.0	-109.5	-108.7
Net change in commercial, industrial, and agricultural loans	+1,663.0	+ 18.0	+858.0	+493.0	+294.0
<u>Purpose Classification^{2/}</u>					
Defense contracts	+629.4	+246.2	+257.0	+ 49.2	+ 77.0
Defense-supporting activities:					
Plant and equipment	+536.5	+ 98.8	+292.7	+103.0	+ 42.0
All other	+143.9	+ 53.9	+ 63.9	+ 9.7	+ 16.4
Non-defense activities:					
Inventory and working capital	+887.5	-131.8	+301.1	+440.1	+278.1
Plant and equipment	+176.5	+134.0	+ 42.5	- 2.6	+ 2.6
Retirement of non-bank debt and preferred stock	+ 11.3	- 10.6	+ 22.3	- .9	+ .5
All other (for loans classified)	- 70.1	- 47.4	- 12.8	+ 4.0	- 13.9
Net change of classified loans ^{1/ 2/}	+2,315.0	+343.1	+966.7	+602.5	+402.7

^{1/} See footnote on preceding table regarding current coverage. During April and most of May the coverage was somewhat smaller.

^{2/} During April and early May, many of the banks were classifying only the new loans, and not repayments, as to purpose. The purpose classification, "Defense-supporting activities", was not generally used prior to the week of May 16.