

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

H.12

(For Immediate Release)

December 18, 1951

CHANGES IN COMMERCIAL AND INDUSTRIAL LOANS, BY INDUSTRY AND PURPOSE

An increase of \$75 million in loans to manufacturers of food, liquor, and tobacco products, and a \$66 million increase in loans to commodity dealers were the principal factors in the \$141 million increase in commercial, industrial, and agricultural loans at weekly reporting member banks during the week ended December 5.

Both of these business categories have shown increases for nineteen consecutive weeks. It was the largest weekly increase in loans to commodity dealers during this period and the second largest weekly increase for food manufacturers. The principal increases in commodity loans were \$27 million in the New York District, \$14 million in the St. Louis District, and \$6 million each in the Dallas and San Francisco districts. The principal increases in loans to manufacturers of food, etc., were \$39 million in the New York District and \$9 million in the Chicago District.

Most of the other business categories also showed increases; unclassified loans and loans to manufacturers of textiles, apparel, and leather showed decreases.

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>December 5</u>	Since <u>June 27</u>
	(In millions of dollars)	
Manufacturing and mining:		
Food, liquor, and tobacco	+ 75	+758
Textiles, apparel, and leather	- 23	-333
Metals and metal products	+ 22	+675
Petroleum and other	+ 10	+203
Trade -- wholesale and retail	--	+ 70
Commodity dealers	+ 66	+630
Sales finance companies	+ 11	- 98
Public utilities and transportation	+ 21	+342
Construction and other	+ 2	- 95
Classified changes	+183	+2,152
Unclassified changes	- 42	+366
Net changes in commercial, industrial, and agricultural loans	+141	+1,786

In the classification as to purpose shown in the attached table, loans for defense and defense-supporting activities increased \$47 million and non-defense loans increased \$137 million.

CHANGES IN COMMERCIAL AND INDUSTRIAL LOANS OF A SAMPLE OF WEEKLY REPORTING MEMBER BANKS
BY INDUSTRY, PURPOSE, AND FEDERAL RESERVE DISTRICT
WEEK ENDED WEDNESDAY, DECEMBER 5, 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	+74.8	+ 1.6	+39.4	+ 2.6	+ 4.8	+ 2.7	+ 2.8	+ 8.8	+ 5.0	+ 5.2	+ .8	+ 1.4	- .3
Textiles, apparel, and leather	-23.2	- 3.4	- 8.0	- 3.3	+ .1	- .2	+ .1	- 3.1	- 5.7	- .1	- .4	- .2	+ 1.0
Metals and metal products (including machinery & transportation equipment)	+21.7	+ .9	+14.6	+ .9	+ 3.4	- .1	+ .5	+ 2.7	+ 1.4	+ 1.5	+ .6	+ .1	- 4.8
Petroleum, coal, chemicals, and rubber	+ 2.5	+ .1	+ .9	+ .2	- .2	+ .1	+ .4	+ .6	- .1	+ .7	- .3	+ .4	- .3
Other manufacturing and mining	+ 7.3	- 1.1	+ 2.3	- .8	- 2.4	+ .2	+ .1	- .4	+ .7	+ .1	- .3	+ .4	+ 8.5
Trade:													
Wholesale	(- .4)	+ .4	- 3.6	- 2.1	- .8	+ .2	- .1	- 1.9	- .1	+ .1	+ .7	(+ 1.4)	+ 2.2
Retail	(- .4)	+ 1.0	+ 4.6	- .8	- .2	+ .1	+ .4	+ 2.1	- .8	- .6	--	(+ 1.4)	- 2.6
Commodity dealers	+66.4	+ 3.1	+27.1	+ 2.1	- 1.2	+ 1.8	+ 2.8	+ 2.0	+14.0	+ .3	+ 2.5	+ 6.4	+ 5.5
Sales finance companies	+10.9	+ .3	+ .9	+ 3.2	+ 7.2	- .8	+ .3	+ 2.0	+ 3.9	- .6	- 1.2	+ .1	- 4.4
Public utilities (including transportation)	+21.0	+ 1.2	+17.9	- .2	+ .6	--	+ .2	+ .5	+ .2	--	- .3	- .3	+ 1.2
Construction	- 2.5	- .2	+ .6	- .2	- .7	- .1	+ .5	- .6	- .4	- .3	- .3	- .8	--
All other types of business	+ 4.9	- .7	+ 5.2	+ .1	- .6	+ .1	+ 1.0	- .1	+ .4	- .1	- .4	+ 2.2	- 2.2
Net change of classified loans ^{1/}	+183.4	+ 3.2	+101.9	+ 1.7	+10.0	+ 4.0	+ 9.0	+12.6	+18.5	+ 6.2	+ 1.4	+11.1	+ 3.8
To balance with net change in weekly reporting series	-42.4	- 1.2	-20.9	- 3.7	- 4.0	+ 3.0	+ 1.0	- 6.6	- 1.5	- 1.2	+ 2.6	- .1	- 9.8
Net change in commercial, industrial, and agricultural loans	+141.0	+ 2.0	+81.0	- 2.0	+ 6.0	+ 7.0	+10.0	+ 6.0	+17.0	+ 5.0	+ 4.0	+11.0	- 6.0
<u>Purpose Classification</u>													
Defense contracts	+14.7	- .3	+ 8.1	- .8	+ .5	+ .1	- .2	+ 2.8	+ .6	--	+ .2	--	+ 3.7
Defense-supporting activities:													
Plant and equipment	+27.1	+ 1.3	+19.9	- .2	+ 3.5	--	+ .1	+ .8	+ .3	--	+ .1	--	+ 1.3
All other	+ 5.1	--	+ 4.1	- .6	+ .8	- .1	+ .1	- .1	- 2.6	--	- .1	--	+ 3.6
Non-defense activities:													
Inventory and working capital	+121.6	+ 2.9	+63.5	+ 3.6	+ 3.3	+ 2.6	+ 9.2	+ 7.6	+18.4	+ 6.1	+ 1.9	+ 9.7	- 7.2
Plant and equipment	+ 1.4	- .1	- 1.3	- .1	+ .4	+ .3	+ .6	+ 1.1	- .3	--	--	- 9.4	+ 1.2
Retirement of non-bank debt and preferred stock	+ 1.8	- .6	- .4	--	- .4	--	--	+ .6	--	--	--	+ 2.7	- .1
All other (for loans classified)	+11.7	--	+ 8.0	- .2	+ 1.9	+ 1.1	- .8	- .2	+ 2.1	+ .1	- .7	- .9	+ 1.3
Net change of classified loans ^{1/}	+183.4	+ 3.2	+101.9	+ 1.7	+10.0	+ 4.0	+ 9.0	+12.6	+18.5	+ 6.2	+ 1.4	+11.1	+ 3.8

^{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.