

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

H.12

(For Immediate Release)

December 28, 1951

CHANGES IN COMMERCIAL AND INDUSTRIAL LOANS, BY INDUSTRY AND PURPOSE

Increases of \$83 million in loans to manufacturers of food, liquor, and tobacco products, \$69 million to manufacturers of metals and metal products, \$52 million to sales finance companies, and \$37 million to commodity dealers were the principal factors in the \$223 million increase in commercial, industrial, and agricultural loans at weekly reporting member banks during the week ended December 19.

This was the third largest weekly increase in commercial, industrial, and agricultural loans of the year. The two larger increases were also around tax dates -- an increase of \$267 million during the week ended March 14, and an increase of \$256 million during the week ended September 12.

The food products' increase was the second largest of twenty-one consecutive weekly increases; it occurred largely in the New York and Chicago districts but nearly all districts showed increases. The \$4 million increase in loans to manufacturers of textiles, apparel, and leather was the first since September and the second weekly increase since loans in this industrial classification began to decline in July. The metals and metal product increase was largely in the New York, Cleveland, and Chicago districts; and the commodity increase was largely in the New York and Dallas districts.

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 19</u>	Since <u>June 27</u>
	(In millions of dollars)	
Manufacturing and mining:		
Food, liquor, and tobacco	+ 83	+902
Textiles, apparel, and leather	+ 4	-350
Metals and metal products	+ 69	+834
Petroleum and other	+ 9	+237
Trade -- wholesale and retail	- 12	+ 55
Commodity dealers	+ 37	+712
Sales finance companies	+ 52	- 37
Public utilities and transportation	- 7	+323
Construction and other	<u>+ 17</u>	<u>- 68</u>
Classified changes	+253	+2,608
Unclassified changes	<u>- 30</u>	<u>-386</u>
Net changes in commercial, industrial, and agricultural loans	+223	+2,222

In the classification of loans as to purpose, loans for defense and defense-supporting activities increased \$61 million and non-defense loans increased \$192 million; the latter was the largest weekly increase since this series was started in late March.

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 19, 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	+82.8	+ 6.6	+43.8	+ 5.6	+ 1.8	+ 1.3	+ 1.3	+19.9	+ 2.7	- .8	+ 1.0	+ 1.1	- 1.5
Textiles, apparel, and leather	+ 4.1	+ 3.6	+ 7.2	- 3.2	--	+ 1.0	+ .1	- 2.2	- 1.5	- .1	--	- .2	- .6
Metals and metal products (including machinery & transportation equipment)	+69.3	+ 4.9	+34.1	+ 2.0	+14.8	+ .1	+ .7	+11.4	+ .7	+ .1	+ .3	- .2	+ .4
Petroleum, coal, chemicals, and rubber	+ 4.8	+ .1	- 2.1	+ .3	+ 3.6	- 1.0	+ .2	+ .4	+ .2	- .4	+ 1.4	+ 2.0	+ .1
Other manufacturing and mining	+ 4.1	- .1	- .8	+ .2	+ 2.2	- .3	- .4	- .1	- 2.4	+ .3	+ .4	- .2	+ 5.3
Trade:													
Wholesale	(-11.7)	+ 1.5	- 1.2	--	+ .1	+ .4	+ 2.2	+ 1.1	+ 1.8	+ .1	--	(- 1.7)	+ .1
Retail	(-11.7)	- .7	-12.6	+ .5	+ 1.1	+ .3	- .3	- 3.6	- 1.7	- .2	--	(- 1.7)	+ 1.1
Commodity dealers	+36.8	+ 2.5	+22.0	+ 1.4	--	+ 3.5	+ .6	- .4	- 2.8	- .6	+ 1.6	+ 8.9	+ .1
Sales finance companies	+52.2	+ .4	+26.8	+ 2.7	+ 2.8	- 1.0	+ 1.3	+15.4	- .1	+ .6	+ .9	+ .5	+ 1.9
Public utilities (including transportation)	- 6.8	+ 1.0	-23.2	--	+ 1.2	- .5	- .1	+ 2.5	+ 1.4	+ .3	--	+ .2	+10.4
Construction	- 4.7	- .1	+ 2.9	+ 1.1	- .3	+ .4	--	- 4.7	- 1.4	- .1	- .6	+ 2.2	- 4.1
All other types of business	+21.7	- .5	+13.6	+ .3	+ .3	+ .4	+ 1.1	+ 5.1	+ .2	- 1.0	- 1.3	+ 2.9	+ .6
Net change of classified loans ^{1/}	+252.6	+19.2	+110.5	+10.9	+27.6	+ 4.6	+ 6.7	+44.8	- 2.9	- 1.8	+ 3.7	+15.5	+13.8
To balance with net change in weekly reporting series	-29.6	- 3.2	-15.5	+ .1	- 5.6	- .6	+ 2.3	- 2.8	+ .9	- .2	- 2.7	+ 2.5	- 4.8
Net change in commercial, industrial, and agricultural loans	+223.0	+16.0	+95.0	+11.0	+22.0	+ 4.0	+ 9.0	+42.0	- 2.0	- 2.0	+ 1.0	+18.0	+ 9.0
Purpose Classification													
Defense contracts	+31.4	+ .2	+15.4	- .3	+ 4.0	+ .5	- .3	+ 8.9	+ .5	--	- 1.0	+ 3.1	+ .4
Defense-supporting activities:													
Plant and equipment	+24.0	+ 4.0	- .3	+ .7	+10.1	+ .8	--	+ 3.2	+ .2	--	+ .6	--	+ 4.7
All other	+ 5.1	+ .5	+ 1.1	+ .2	+ 1.8	- .8	- .1	+ .1	+ .1	--	--	--	+ 2.2
Non-defense activities:													
Inventory and working capital	+170.7	+14.4	+95.0	+10.1	+ 7.5	+ 2.1	+ 5.5	+31.3	- 4.3	- 1.8	+ 4.9	+ 4.9	+ 1.1
Plant and equipment	+ 7.0	--	- 6.1	+ .2	+ .3	+ .1	+ .2	+ 1.2	+ 1.6	--	- .7	+ 5.3	+ 4.9
Retirement of non-bank debt and preferred stock	+ 5.8	--	+ 3.6	--	--	--	--	- .2	--	--	--	+ 2.1	+ .3
All other (for loans classified)	+ 8.6	+ .1	+ 1.8	--	+ 3.9	+ 1.9	+ 1.4	+ .3	- 1.0	--	- .1	+ .1	+ .2
Net change of classified loans ^{1/}	+252.6	+19.2	+110.5	+10.9	+27.6	+ 4.6	+ 6.7	+44.8	- 2.9	- 1.8	+ 3.7	+15.5	+13.8

^{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.