BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

H.12 (For Immediate Release) October 9, 1951

CHANGES IN COMMERCIAL AND INDUSTRIAL LOANS, BY INDUSTRY AND PURPOSE

Increases in loans to manufacturers of food, liquor, and tobacco products, to manufacturers of metals and metal products, to commodity dealers, and to public utilities (including transportation) caused the $140 million increase in commercial, industrial, and agricultural loans at weekly reporting member banks during the week ended September 26. The largest offsetting decrease was in loans to sales finance companies. Defense loans increased $83 million and non-defense loans increased $65 million during the week.

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

Business of Borrower	Week ended September 26	Change since March 28
	(In millions of dollars)	
Manufacturing and mining:		
Food, liquor, and tobacco	+ 44	- 12
Textiles, apparel, and leather	- 10	+ 38
Metals and metal products	+ 50	+727
Petroleum and other	+ 3	+220
Trade -- wholesale and retail	+ 10	+ 85
Commodity dealers	+ 35	-279
Sales finance companies	- 23	- 38
Public utilities and transportation	+ 48	+393
Construction and other	- 9	+ 15
Total changes classified	+148	+1,149

In addition to the usual table showing changes for the week by industry of borrower, purpose of loans, and Federal Reserve District, there is also attached a summary table showing the changes during the first six months that a sample of the largest banks have been reporting these data at the request of the National Voluntary Credit Restraint Committee.

The changes during September were similar to those during August. There were substantial increases in loans to manufacturers of food, liquor, and tobacco products and to commodity dealers, continuing the seasonal borrowing by these processors and distributors to finance the crop movement. However, the increase in loans to the wholesale and retail trade was nominal as compared to the increase in August. The increases in these industrial classifications caused the increases in non-defense loans during August and September.

Loans to manufacturers of metals and metal products and to public utilities (including transportation) increased during September, as they had in every previous month. These loans, many of which are for defense contracts or defense-supporting activities, have accounted for the increases in defense loans every month.

Loans to manufacturers of textiles, apparel, and leather increased in nearly every week until mid-July, but since then there has been only one weekly increase.

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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, SEPTEMBER 26, 1951

(In millions of dollars)

Business of Borrower	All Districts	Boston	New York	Philadelphia	Cleveland	Richmond	Atlanta	Chicago	St. Louis	Minneapolis	Kansas City	Dallas	San Francisco
Manufacturing and mining:													
Food, liquor, and tobacco	+43.9	+ 2.4	+18.7	- .7	+ .6	+ 2.4	- 1.3	+ 6.5	+ 3.9	+ .8	- .6	- .7	+11.9
Textiles, apparel, and leather	- 9.6	- 4.2	- 6.1	- .7	- .5	+ 2.3	+ .8	- 1.5	--	- .4	--	- .5	+ 1.2
Metals and metal products (including machinery & transportation equipment)	+49.7	+ 1.9	+24.1	+ .3	+ 5.7	+ .1	- .9	+16.1	+ .6	--	- .1	- .1	+ 2.0
Petroleum, coal, chemicals, and rubber	+ 4.6	- .2	+ 6.2	- .4	- .5	+ .5	+ .5	+ .6	- 1.1	--	+ .3	- 1.6	+ .3
Other manufacturing and mining	- 1.8	+ .5	- 3.7	--	- .4	+ .7	- .1	+ .9	- .6	- .1	+ .4	+ .7	- .1
Trade:													
Wholesale	( )	--	+ .7	+ .7	+ .7	- .1	- .6	- .2	- .5	- .1	- .7	( )	- 1.3
Retail	(+ 9.8)	+ 5.1	- .1	+ 2.1	+ .3	- .8	+ .9	+ 1.1	+ .4	+ 1.3	- .3	(- .7)	+ 1.9
Commodity dealers	+35.3	- 1.6	+12.1	--	- .9	+ .9	+ 2.0	+ 1.1	+ 8.6	+ .7	- 1.6	+ 6.9	+ 7.1
Sales finance companies	-23.3	- 1.8	- 5.9	- 2.9	+ 1.3	- .3	- 1.4	- 3.3	- 1.3	- 1.3	- .3	+ .2	- 6.3
Public utilities (including transportation)	+48.0	+ 3.0	+28.1	+ 4.0	+ 2.0	--	--	+ 5.9	- .1	+ 3.0	- .1	- .1	+ 2.3
Construction	- 6.0	+ .4	--	+ .1	+ .4	- 1.2	+ .2	- 3.4	+ .2	- .6	--	+ 1.0	- 3.1
All other types of business	- 2.6	--	- 3.6	- .1	+ .1	- .5	+ .1	+ .4	+ .7	+ .2	+ .3	- .2	--
Net change of classified loans 1/	+148.0	+ 5.5	+70.5	+ 2.4	+ 8.8	+ 4.0	+ .2	+24.2	+10.8	+ 3.5	- 2.7	+ 4.9	+15.9
To balance with net change in weekly reporting series	- 8.0	- 2.5	-13.5	- .4	- 4.8	- 1.0	- .2	- 1.2	+ 2.2	- .5	+ 3.7	- .9	+11.1
Net change in commercial, industrial, and agricultural loans	+140.0	+ 3.0	+57.0	+ 2.0	+ 4.0	+ 3.0	--	+23.0	+13.0	+ 3.0	+ 1.0	+ 4.0	+27.0
Purpose Classification													
Defense contracts	+42.2	+ 1.1	+22.5	+ .1	+ 3.7	--	+ .2	+11.3	+ .3	--	- .1	+ 1.0	+ 2.1
Defense-supporting activities:													
Plant and equipment	+28.0	+ .1	+17.8	+ 4.0	+ 3.4	--	- .7	+ 2.9	+ .1	--	+ .1	--	+ .3
All other	+12.7	- .3	+ 8.4	+ .7	+ 1.2	+ .5	--	+ .2	- 1.3	+ 2.0	--	--	+ 1.3
Non-defense activities:													
Inventory and working capital	+58.1	+ .9	+25.1	- 2.7	- 1.3	+ 3.5	+ 1.1	+ 6.1	+11.7	+ 1.5	- 1.9	+ 3.3	+10.8
Plant and equipment	+ 9.2	+ 2.6	+ 2.2	+ .3	+ 1.9	- .3	+ .1	+ 1.7	- .1	--	+ .5	+ .1	+ .2
Retirement of non-bank debt and preferred stock	+ 1.3	+ .8	- .9	--	--	--	+ .1	--	--	--	--	+ .9	+ .4
All other (for loans classified)	- 3.5	+ .3	- 4.6	--	- .1	+ .3	- .6	+ 2.0	+ .1	--	- 1.3	- .4	+ .8
Net change of classified loans 1/	+148.0	+ 5.5	+70.5	+ 2.4	+ 8.8	+ 4.0	+ .2	+24.2	+10.8	+ 3.5	- 2.7	+ 4.9	+15.9

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.

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H.12(b)

CHANGES IN COMMERCIAL AND INDUSTRIAL LOANS OF A SAMPLE OF WEEKLY REPORTING MEMBER BANKS BY INDUSTRY AND PURPOSE, FOR THE SIX MONTHS ENDED WEDNESDAY, SEPTEMBER 26, 1951

(In millions of dollars)

Business of Borrower	6 months' totals	3 months ended June 27	4 weeks ended July 25	5 weeks ended August 29	4 weeks ended September 26
Manufacturing and mining:					
Food, liquor, and tobacco	- 11.7	-243.1	-128.4	+151.8	+208.0
Textiles, apparel, and leather	+ 38.1	+115.6	+ 13.6	- 54.0	- 37.1
Metals and metal products (including machinery and transportation equipment)	+726.9	+275.2	+ 78.0	+206.8	+166.9
Petroleum, coal, chemicals, and rubber	+ 90.1	+ 48.1	- .1	+ .1	+ 42.0
Other manufacturing and mining	+129.8	+ 60.0	+ 22.3	+ 29.4	+ 18.1
Trade -- wholesale and retail	+ 84.6	+ 62.0	- 98.3	+113.2	+ 7.7
Commodity dealers	-278.6	-421.2	- 34.8	+ 89.5	+ 87.9
Sales finance companies	- 38.4	+ 62.6	- 55.8	- 46.6	+ 1.4
Public utilities (including transportation)	+393.0	+174.8	+ 38.3	+ 76.6	+103.3
Construction	(+ 15.4	+ 52.2)	+ .3	+ 8.4	- 19.3
All other types of business			- 20.4	- 20.7	+ 14.9
Net change of classified loans 1/	+1,149.2	+186.2	-185.3	+554.5	+593.8
To balance with net change in weekly reporting series	-273.2	-168.2	- 76.7	- 10.5	- 17.8
Net change in commercial, industrial, and agricultural loans	+876.0	+ 18.0	-262.0	+544.0	+576.0
Purpose Classification 2/					
Defense contracts	+503.2	+246.2	+ 73.6	+ 80.4	+103.0
Defense-supporting activities:					
Plant and equipment	+391.5	+ 98.8	+ 66.4	+152.2	+ 74.1
All other	+117.8	+ 53.9	- 5.9	+ 22.0	+ 47.8
Non-defense activities:					
Inventory and working capital	+169.3	-131.8	-303.5	+258.4	+346.2
Plant and equipment	+176.5	+134.0	--	+ 32.4	+ 10.1
Retirement of non-bank debt and preferred stock	+ 11.7	- 10.6	+ 11.2	+ 9.8	+ 1.3
All other (for loans classified)	- 60.2	- 47.4	- 23.4	- .6	+ 11.2
Net change of classified loans 1/ 2/	+1,309.8	+343.1	-181.6	+554.6	+593.7

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.

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