

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

H.12

(For Immediate Release)

October 16, 1951

CHANGES IN COMMERCIAL AND INDUSTRIAL LOANS, BY INDUSTRY AND PURPOSE

The previously reported increase of \$93 million in commercial, industrial, and agricultural loans at weekly reporting member banks for the week ended October 3 included additional borrowings by processors and distributors of food products, by manufacturers of metals and metal products, sales finance companies, and public utilities (including transportation). Net repayments were made by manufacturers of textiles, apparel, and leather, the construction industry, and wholesale and retail trade.

Changes in loans classified by type of business, during the week and since the end of March when a sample of the largest banks began reporting these data, were as follows:

<u>Business of Borrower</u>	<u>Week ended October 3</u>	<u>Change since March 28</u>
	(In millions of dollars)	
Manufacturing and mining:		
Food, liquor, and tobacco	+ 53	+ 41
Textiles, apparel, and leather	- 16	+ 22
Metals and metal products	+ 41	+768
Petroleum and other	- 3	+217
Trade -- wholesale and retail	- 12	+ 72
Commodity dealers	+ 28	-251
Sales finance companies	+ 42	+ 4
Public utilities and transportation	+ 24	+417
Construction and other	<u>- 15</u>	<u>+ 1</u>
Total changes classified	+141	+1,290

Changes in loans classified as to purpose showed an increase of \$56 million for defense and defense-supporting activities, of which \$34 million was for plant and equipment. There was an increase of \$85 million in non-defense loans, largely for inventory and working capital.

CHANGES IN COMMERCIAL AND INDUSTRIAL LOANS OF A SAMPLE OF WEEKLY REPORTING MEMBER BANKS  
BY INDUSTRY, PURPOSE, AND FEDERAL RESERVE DISTRICT,  
WEEK ENDED WEDNESDAY, OCTOBER 3, 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
<b>Manufacturing and mining:</b>													
Food, liquor, and tobacco	+52.5	+ 1.2	+41.0	- 2.5	- 1.5	- .1	- 1.6	+ 5.8	- .6	- .3	- 1.0	- .1	+12.2
Textiles, apparel, and leather	-15.8	- 1.1	-11.4	- .8	- .6	- .6	- .3	- .7	- .4	- .4	--	- .2	+ .7
Metals and metal products (including machinery & transportation equipment)	+40.7	+ 4.2	+23.3	- 1.3	+ 9.3	+ .3	- .1	- .5	--	+ .5	- .1	- .1	+ 5.2
Petroleum, coal, chemicals, and rubber	- 1.3	- .2	+ 1.4	+ .3	+ .7	- 1.1	- .7	- .1	--	+ .9	- .2	- 2.8	+ .5
Other manufacturing and mining	- 1.9	- 2.4	+ .6	- 1.1	+ 2.3	+ .3	+ .8	- .9	+ 1.3	--	- .3	- .9	- 1.6
<b>Trade:</b>													
Wholesale	(-12.4)	- .7	- 1.8	- .7	+ .3	+ .2	- .7	- 4.1	- .6	- .3	+ .1	(- .6)	+ .2
Retail	(-12.4)	+ .2	+ 3.1	--	- 2.3	- .4	+ .6	- 3.7	- 1.8	+ .5	+ .3	(- .6)	- .2
Commodity dealers	+27.5	+ 2.3	+14.2	- .4	--	+ 3.0	+ 2.4	- 3.9	+ 8.1	+ .7	- 2.3	- 1.7	+ 5.1
Sales finance companies	+42.1	+ 5.3	+43.3	- 1.3	+ 5.4	+ 2.9	+ .7	-14.1	- 3.2	+ 1.6	+ 1.2	- .1	+ .4
Public utilities (including transportation)	+23.9	- 2.8	+25.3	- .4	+ 5.7	--	- .2	- 1.3	+ .1	+ 1.5	+ 1.0	--	- 5.0
Construction	-10.8	- .1	- 2.3	+ .5	- .3	- .6	- 3.3	- 1.3	+ .4	- .5	- 1.0	- .7	- 1.6
All other types of business	- 3.9	+ .1	+ 2.8	--	+ .8	+ .5	+ 1.2	- 6.6	+ .7	--	+ .3	- 4.5	+ .8
Net change of classified loans <sup>1/</sup>	+140.6	+ 6.0	+139.5	- 7.7	+19.8	+ 4.4	- 1.2	-31.4	+ 4.0	+ 4.2	- 2.0	-11.7	+16.7
To balance with net change in weekly reporting series	-47.6	- 2.0	-23.5	- 3.3	- 4.8	- .4	- .8	- 5.6	--	- .2	+ 2.0	+ .7	- 9.7
Net change in commercial, industrial, and agricultural loans	+93.0	+ 4.0	+116.0	-11.0	+15.0	+ 4.0	- 2.0	-37.0	+ 4.0	+ 4.0	--	-11.0	+ 7.0
<u>Purpose Classification</u>													
Defense contracts	+25.2	+ 4.1	+ 9.9	--	+ 3.6	+ .4	- .6	+ 2.2	- .3	+ .2	- .6	- .2	+ 6.5
Defense-supporting activities:													
Plant and equipment	+34.1	- .2	+30.3	--	+ 3.6	- .1	+ .1	+ 2.5	--	+ .2	+ .3	--	- 2.6
All other	- 3.4	- .2	+ .9	- 1.7	+ .4	+ .1	--	- 4.2	--	+ .6	- .2	--	+ .9
Non-defense activities:													
Inventory and working capital	+82.1	+ 4.3	+97.0	- 5.9	+ 9.5	+ 2.2	+ 2.0	-34.2	+ 5.3	+ 3.2	- 1.8	-12.7	+13.2
Plant and equipment	- 1.7	- 2.3	- 3.4	--	+ 1.4	+ .2	- .7	+ 1.4	+ .1	--	+ 1.2	+ .2	+ .2
Retirement of non-bank debt and preferred stock	+ 2.1	- .8	- .4	--	+ .1	--	--	+ 1.7	--	--	--	+ 1.6	- .1
All other (for loans classified)	+ 2.2	+ 1.1	+ 5.2	- .1	+ 1.2	+ 1.6	- 2.0	- .8	- 1.1	--	- .9	- .6	- 1.4
Net change of classified loans <sup>1/</sup>	+140.6	+ 6.0	+139.5	- 7.7	+19.8	+ 4.4	- 1.2	-31.4	+ 4.0	+ 4.2	- 2.0	-11.7	+16.7

<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.