

*Miss Nelson*

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

H.12

(For Immediate Release)

January 5, 1952

CHANGES IN COMMERCIAL AND INDUSTRIAL LOANS, BY INDUSTRY AND PURPOSE

Beginning Wednesday, January 9, this press statement will be released on the same day as the related statement showing the condition of weekly reporting member banks. Figures for the San Francisco Federal Reserve District will be preliminary. Final totals for each week will appear in the Federal Reserve Bulletin, and final San Francisco District figures appear in a press release issued by the Federal Reserve Bank of San Francisco.

Increases of \$66 million in loans to sales finance companies, \$40 million to manufacturers of metals and metal products, \$30 million to manufacturers of food, liquor, and tobacco products, and \$28 million to public utilities were the principal factors in the \$151 million increase in commercial, industrial, and agricultural loans at weekly reporting member banks during the week ended December 26. The largest decrease was \$39 million to the wholesale and retail trade.

The sales finance increase was the largest weekly increase in this business classification since a sample of the largest banks began reporting these data in late March at the request of the National Voluntary Credit Restraint Committee. The food products increase, however, was much less than in the three previous weeks. Loans to commodity dealers increased in five districts and decreased in the other seven; the \$10 million increase was one of the smallest of twenty-two consecutive weekly increases.

The trade decrease was in loans to the retail trade in the New York, Chicago, and San Francisco districts; it was the largest weekly decrease since the series was started. After a small increase in the previous week, loans to manufacturers of textiles, apparel, and leather again declined; over half of the \$11 million decrease was in the Boston District.

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 December 26	June 27	March 28
	(In millions of dollars)		
Manufacturing and mining:			
Food, liquor, and tobacco	+ 30	+932	+689
Textiles, apparel, and leather	- 11	-361	-245
Metals and metal products	+ 40	+873	+1,149
Petroleum and other	+ 30	+266	+375
Trade — wholesale and retail	- 39	+ 16	+ 78
Commodity dealers	+ 10	+722	+301
Sales finance companies	+ 66	+ 30	+ 92
Public utilities and transportation	+ 28	+351	+526
Construction and other	+ 7	- 61	- 9
Classified changes	+161	+2,769	+2,955
Unclassified changes	- 10	-396	-564
Net changes in commercial, industrial, and agricultural loans	+151	+2,373	+2,391

Loans for defense and defense-supporting activities increased \$54 million and non-defense loans increased \$106 million.

Changes for the month of December are shown in the second attached table, and are compared with preceding months. During December, loans to manufacturers of food, liquor, and tobacco products, and of metals and metal products continued to increase and at a faster weekly rate than in October and November. The increase in loans to commodity dealers was at a slightly slower rate than during those months. Loans to manufacturers of textiles, apparel, and leather continued to decrease but at a somewhat slower rate.

The decrease in loans to the wholesale and retail trade during December more than offset their increases during October and November. On the other hand, the recent increases in loans to sales finance companies more than offset the net repayments of the two previous months.

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 26, 1951

H.12(a)

(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	+30.0	+ 1.2	+ 4.8	+ 6.4	+11.7	+ 1.9	+ 2.1	+ 1.5	- 1.1	+ 1.0	+ 2.1	+ .3	- 1.9
Textiles, apparel, and leather	-11.1	- 6.3	- 4.4	- 1.2	- .3	- .5	+ 2.0	- .4	--	+ .1	- .1	+ .2	- .2
Metals and metal products (including machinery & transportation equipment)	+39.7	- 1.7	+29.7	+ 1.1	+ 1.9	+ .1	+ .3	+ 7.4	- .2	+ .6	+ 1.0	- .3	- .2
Petroleum, coal, chemicals, and rubber	+17.2	+ 3.1	+ 8.5	+ .4	+ 2.6	--	- .3	+ 2.3	+ .4	- .4	- .6	+ 2.1	- .9
Other manufacturing and mining	+12.6	+ .5	- .7	- .2	- 3.1	- .1	+ .5	- .7	+ .5	- .1	--	+ .3	+15.7
Trade:													
Wholesale	(-39.1)	+ 1.0	- 1.6	+ .6	- .1	- .1	+ .8	- .5	- .2	- .4	- .2	(- 2.8)	+ 1.6
Retail	(-39.1)	- 2.7	-18.8	- 1.5	+ .2	--	- 1.1	- 6.7	- .2	- .8	+ .3	(- 2.8)	- 5.9
Commodity dealers	+10.3	+ 1.1	+16.9	+ .6	- .3	- .6	- 2.4	- 1.1	- 1.2	- .1	+ .5	-11.1	+ 8.0
Sales finance companies	+66.2	+ 2.2	+34.8	+ 5.4	+ 7.6	+ 1.8	+ 3.1	+ 7.5	+ 2.8	+ 1.3	- .9	+ .7	- .1
Public utilities (including transportation)	+27.9	+ 3.7	+19.2	+ 1.5	+ .8	+ .1	--	- 1.1	+ 1.1	--	--	+ .4	+ 2.2
Construction	-12.1	- .4	+ .8	--	- .4	- .8	- 1.1	- 1.4	- .2	- .2	- .8	- 6.5	- 1.1
All other types of business	+19.0	- .4	+10.0	- .3	+ .9	+ .2	+ .3	+ .1	+ 1.1	- .2	- 1.1	+ 6.8	+ 1.6
Net change of classified loans <sup>1/</sup>	+160.6	+ 1.3	+99.2	+12.8	+21.5	+ 2.0	+ 4.2	+ 6.9	+ 2.8	+ .8	+ .2	- 9.9	+18.8
To balance with net change in weekly reporting series	- 9.6	+ .7	-18.2	- 1.8	- .5	+ 1.0	- 1.2	+ .1	+ 2.2	+ .2	+ 1.8	- 2.1	+ 8.2
Net change in commercial, industrial, and agricultural loans	+151.0	+ 2.0	+81.0	+11.0	+21.0	+ 3.0	+ 3.0	+ 7.0	+ 5.0	+ 1.0	+ 2.0	-12.0	+27.0
<u>Purpose Classification</u>													
Defense contracts	+10.0	- .9	+ 8.8	+ .8	+ 2.7	+ .2	--	+ 5.4	- .6	--	+ .1	- 7.1	+ .6
Defense-supporting activities:													
Plant and equipment	+22.3	+ 1.8	+14.4	+ 2.0	+ 1.3	- .1	--	+ 1.7	+ .7	--	+ .1	--	+ .4
All other	+21.9	- .1	+ 6.7	- .9	+ .5	--	+ 1.1	+ 2.3	+ .3	--	- .2	--	+12.2
Non-defense activities:													
Inventory and working capital	+88.9	+ .6	+52.4	+11.3	+14.7	+ 2.0	+ 2.3	- .1	+ 1.8	+ .8	+ .2	- 5.4	+ 8.3
Plant and equipment	+ 4.8	--	+ 8.3	--	+ 1.3	- .1	- .5	- 2.2	- .4	--	+ .5	- .6	- 1.5
Retirement of non-bank debt and preferred stock	+ .6	- .3	--	- .1	--	--	+ .1	- .3	--	--	--	+ 1.3	- .1
All other (for loans classified)	+12.1	+ .2	+ 8.6	- .3	+ 1.0	--	+ 1.2	+ .1	+ 1.0	--	- .5	+ 1.9	- 1.1
Net change of classified loans <sup>1/</sup>	+160.6	+ 1.3	+99.2	+12.8	+21.5	+ 2.0	+ 4.2	+ 6.9	+ 2.8	+ .8	+ .2	- 9.9	+18.8

<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.

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

(In millions of dollars)

Business of Borrower	9 months' totals	3 months ended June 27	3 months ended September 26	5 weeks ended October 31	4 weeks ended November 28	4 weeks ended December 26
Manufacturing and mining:						
Food, liquor, and tobacco	+689.1	-243.1	+231.4	+289.9	+162.0	+248.9
Textiles, apparel, and leather	-245.2	+115.6	- 77.5	-139.4	- 93.3	- 50.6
Metals and metal products (incl. machinery & transportation equip.)	+1,148.5	+275.2	+451.7	+ 84.8	+116.5	+220.3
Petroleum, coal, chemicals, and rubber	+173.5	+ 48.1	+ 42.0	+ 26.3	+ 21.2	+ 35.9
Other manufacturing and mining	+201.0	+ 60.0	+ 69.8	+ 5.6	+ 28.3	+ 37.3
Trade -- wholesale and retail	+ 78.2	+ 62.0	+ 22.6	+ 17.8	+ 30.4	- 54.6
Commodity dealers	+301.0	-421.2	+164.1	+229.7	+169.4	+159.0
Sales finance companies	+ 92.2	+ 62.6	-100.3	- 3.8	- 4.3	+138.0
Public utilities (including transportation)	+525.6	+174.8	+218.3	+ 99.6	+ 2.6	+ 30.3
Construction	- 53.9	+ 44.2	- 32.9	- 27.8	- 20.5	- 16.9
All other types of business	+ 45.0	+ 8.0	- 26.2	+ 19.8	- 9.6	+ 53.0
Net change of classified loans <sup>1/</sup>	+2,955.0	+186.2	+963.0	+602.5	+402.7	+800.6
To balance with net change in weekly reporting series	-564.0	-168.2	-105.0	-109.5	-108.7	- 72.6
Net change in commercial, industrial, and agricultural loans	+2,391.0	+ 18.0	+858.0	+493.0	+294.0	+728.0
Purpose Classification <sup>2/</sup>						
Defense contracts	+715.1	+246.2	+257.0	+ 49.2	+ 77.0	+ 85.7
Defense-supporting activities:						
Plant and equipment	+625.5	+ 98.8	+292.7	+103.0	+ 42.0	+ 89.0
All other	+189.7	+ 53.9	+ 63.9	+ 9.7	+ 16.4	+ 45.8
Non-defense activities:						
Inventory and working capital	+1,417.2	-131.8	+301.1	+440.1	+278.1	+529.7
Plant and equipment	+177.7	+134.0	+ 42.5	- 2.6	+ 2.6	+ 1.2
Retirement of non-bank debt and preferred stock	+ 19.3	- 10.6	+ 22.3	- .9	+ .5	+ 8.0
All other (for loans classified)	- 28.9	- 47.4	- 12.8	+ 4.0	- 13.9	+ 41.2
Net change of classified loans <sup>1/2/</sup>	+3,115.6	+343.1	+966.7	+602.5	+402.7	+800.6

<sup>1/</sup> See footnote on preceding table regarding current coverage. During April and most of May the coverage was somewhat smaller.

<sup>2/</sup> 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.