

Miss Nelson

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

H.12

(For Immediate Release)

January 9, 1952

CHANGES IN COMMERCIAL AND INDUSTRIAL LOANS, BY INDUSTRY AND PURPOSE

The principal factors in the year-end decrease of \$173 million in commercial, industrial, and agricultural loans at weekly reporting member banks were decreases of \$76 million in loans to public utilities, \$68 million to manufacturers of food, liquor, and tobacco products, \$63 million to the wholesale and retail trade, and \$49 million in unclassified loans. These were partially offset by increases of \$53 million in loans to sales finance companies, \$51 million to manufacturers of metals and metal products, and \$28 million in loans to manufacturers of petroleum, coal, chemicals, and rubber products.

The food products and commodity dealers decreases were the first in these business categories since the week of July 25. The trade and public utility decreases were the largest weekly decreases in these business classifications since a sample of the largest banks began reporting these data. Over two-thirds of the trade decrease was in loans to the retailers. The trade decrease was largely in the New York and Chicago districts and the public utilities decrease in the New York and San Francisco districts.

Changes in loans classified by type of business, during the week and since mid-1951, were as follows:

| <u>Business of Borrower</u> | Week ended January 2 ^p / ₇ | Since June 27 |
|---|--|------------------|
| | (In millions of dollars) | |
| Manufacturing and mining: | | |
| Food, liquor, and tobacco | - 68 | +864 |
| Textiles, apparel, and leather | - 29 | -389 |
| Metals and metal products | + 51 | +924 |
| Petroleum and other | + 29 | +296 |
| Trade -- wholesale and retail | - 63 | - 47 |
| Commodity dealers | - 14 | +708 |
| Sales finance companies | + 53 | + 82 |
| Public utilities and transportation | - 76 | +275 |
| Construction and other | - 8 | - 69 |
| Classified changes | -124 | +2,645 |
| Unclassified changes | - 49 | -445 |
| Net changes in commercial, industrial, and agricultural loans | -173 | +2,200 |

p/ Preliminary; see footnote on attached table.

Loans for defense and defense-supporting activities decreased \$23 million and non-defense loans decreased \$101 million; these were the first decreases reported for either since August.

CHANGES IN COMMERCIAL AND INDUSTRIAL LOANS OF A SAMPLE OF WEEKLY REPORTING MEMBER BANKS
BY INDUSTRY, PURPOSE, AND BY FEDERAL RESERVE DISTRICT,
WEEK ENDED WEDNESDAY, JANUARY 2, 1952

(In millions of dollars)

| Business of Borrower | All Dis- tricts P | Boston | New York | Phila- delphia | Cleve- land | Rich- mond | Atlanta | Chicago | St. Louis | Minne- apolis | Kansas City | Dallas | San Fran- cisco P |
|---|----------------------|--------|-------------|-------------------|----------------|---------------|---------|---------|--------------|------------------|----------------|---------|----------------------|
| Manufacturing and mining: | | | | | | | | | | | | | |
| Food, liquor, and tobacco | -68.1 | - 2.6 | -52.0 | - 2.3 | - .7 | - 1.4 | - .7 | - 2.0 | - 2.8 | - 1.8 | - .9 | + .5 | - 1.4 |
| Textiles, apparel, and leather | -28.6 | - 7.7 | -20.8 | - 1.3 | + .7 | - .9 | + 1.9 | - .4 | + 1.0 | - 1.3 | -- | + .4 | - .2 |
| Metals and metal products (including machinery & transportation equipment) | +51.0 | + 1.2 | +31.1 | + 2.9 | +13.1 | + .8 | - .7 | + 5.4 | - .2 | - .5 | - 1.0 | - .1 | - 1.0 |
| Petroleum, coal, chemicals, and rubber | +27.5 | + .3 | +22.1 | - .9 | - .7 | + 1.0 | + .7 | - 1.7 | -- | + .6 | + 1.2 | + 5.2 | - .3 |
| Other manufacturing and mining | + 1.7 | - 1.1 | + 2.3 | + .7 | - 2.6 | + .4 | - .2 | + 1.4 | - .6 | - .2 | - .4 | + .3 | + 1.7 |
| Trade: | | | | | | | | | | | | | |
| Wholesale | (-62.7) | - 2.6 | - 1.9 | - .8 | - .6 | - .7 | + .1 | - 7.9 | + .1 | - .3 | - .6 | (- 1.9) | - 3.1 |
| Retail | (-62.7) | - 3.0 | -19.9 | - .8 | - .9 | - 2.8 | - .2 | - 7.7 | - 1.8 | - .3 | - 1.1 | (- 1.9) | - 4.0 |
| Commodity dealers | -14.1 | - 3.5 | + 9.5 | + 1.1 | - .2 | - .5 | - .8 | - 3.1 | -12.5 | - .8 | + 1.1 | - 6.8 | + 2.4 |
| Sales finance companies | +52.6 | - .1 | +25.8 | - 2.2 | + 3.6 | + .1 | + .4 | +11.0 | + 1.7 | + 1.6 | + .3 | + 1.0 | + 9.4 |
| Public utilities (including transportation) | -75.5 | - 2.1 | -56.0 | - .2 | + 4.6 | + .2 | + .9 | + .5 | + 2.4 | + 2.0 | - .2 | -- | -27.6 |
| Construction | -13.4 | - .9 | - 2.3 | + .7 | - .5 | - 1.1 | - 1.0 | - 7.0 | - .3 | - 1.1 | - .3 | + .3 | + .1 |
| All other types of business | + 5.7 | + .8 | + 3.3 | + 1.6 | - 1.4 | + .4 | - 2.5 | - 1.2 | + .4 | + .2 | + .8 | + 2.9 | + .4 |
| Net change of classified loans ^{1/} | -123.9 | -21.3 | -58.8 | - 1.5 | +14.4 | - 4.5 | - 2.1 | -12.7 | -12.6 | - 1.9 | - 1.1 | + 1.8 | -23.6 |
| Unclassified changes | -49.1 | - .7 | -29.2 | - 3.5 | - 5.4 | - .5 | - 1.9 | - 3.3 | + 1.6 | - 2.1 | - .9 | - 5.8 | + 2.6 |
| Net change in comm'l, ind'l, & agr'l loans | -173.0 | -22.0 | -88.0 | - 5.0 | + 9.0 | - 5.0 | - 4.0 | -16.0 | -11.0 | - 4.0 | - 2.0 | - 4.0 | -21.0 |
| <u>Purpose Classification</u> | | | | | | | | | | | | | |
| Defense contracts | +19.2 | - .1 | +13.4 | - 1.3 | + 3.1 | + 1.3 | - .5 | + 2.9 | - .1 | + .3 | -- | - .7 | + .9 |
| Defense-supporting activities: | | | | | | | | | | | | | |
| Plant and equipment | -33.1 | - 1.1 | -19.9 | - .2 | +10.6 | + .1 | + .5 | - .2 | + 1.2 | -- | - .2 | -- | -23.9 |
| All other | - 9.4 | - .1 | - 9.2 | - 2.5 | + 1.8 | + .3 | + .2 | + .2 | + .6 | -- | - .1 | -- | - .6 |
| Non-defense activities: | | | | | | | | | | | | | |
| Inventory and working capital | -115.1 | -16.9 | -50.7 | + 1.7 | - .1 | - 7.8 | - 3.6 | -21.1 | -13.1 | - 4.1 | - .7 | - 1.2 | + 2.5 |
| Plant and equipment | - 5.4 | - 1.0 | + .1 | - .3 | - 1.0 | -- | + .8 | - 2.4 | - .3 | + 1.6 | - .1 | + .3 | - 3.1 |
| Retirement of non-bank debt and preferred stock | + 9.1 | -- | + 2.2 | -- | + .7 | - .4 | + .1 | + 5.6 | -- | -- | + .2 | + 1.0 | - .3 |
| All other (for loans classified) | +10.8 | - 2.1 | + 5.3 | + 1.1 | - .7 | + 2.0 | + .4 | + 2.3 | - .9 | + .3 | - .2 | + 2.4 | + .9 |
| Net change of classified loans ^{1/} | -123.9 | -21.3 | -58.8 | - 1.5 | +14.4 | - 4.5 | - 2.1 | -12.7 | -12.6 | - 1.9 | - 1.1 | + 1.8 | -23.6 |

P Preliminary; final totals will appear in the Federal Reserve Bulletin and final San Francisco District figures are available in a release of the Federal Reserve Bank of San Francisco.

^{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.