

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

H.12

(For Immediate Release)

March 12, 1952

CHANGES IN COMMERCIAL AND INDUSTRIAL LOANS, BY INDUSTRY AND PURPOSE

Repayments of loans of \$41 million by manufacturers of food, liquor, and tobacco products, \$33 million by unclassified borrowers, and \$32 million by commodity dealers were largely offset by increases of \$45 million in loans to sales finance companies, \$30 million to manufacturers of metals and metal products, and \$21 million to producers of petroleum, coal, chemicals, and rubber. As a result, the net decrease in commercial, industrial, and agricultural loans at weekly reporting member banks during the week ended March 5 was only \$2 million.

After increasing for three consecutive weeks, loans to the wholesale and retail trade decreased slightly.

Loans for defense and defense-supporting activities increased \$37 million. Non-defense loans decreased \$6 million.

Changes in loans classified by type of business, during the week and since December 26, 1951, were as follows:

<u>Business of Borrower</u>	<u>Week ended March 5^{p/}</u>	<u>Since December 26^{p/}</u>
	(In millions of dollars)	
Manufacturing and mining:		
Food, liquor, and tobacco	- 41	-272
Textiles, apparel, and leather	+ 14	+ 23
Metals and metal products	+ 30	+691
Petroleum and other	+ 24	+189
Trade — wholesale and retail	- 7	-167
Commodity dealers	- 32	-245
Sales finance companies	+ 45	-334
Public utilities and transportation	+ 3	- 60
Construction and other	- 5	- 72
Classified changes - net	<u>+ 31</u>	<u>-248</u>
Unclassified changes - net	<u>- 33</u>	<u>-171</u>
Net change in commercial, industrial, and agricultural loans	- 2	-419

p/ Preliminary; see footnote on attached table.

In addition to the weekly table, there is also attached a summary table showing the changes during February compared with preceding periods since last spring when a sample of the largest banks began reporting changes in their larger loans according to industry and purpose classification.

Increases and decreases were about in balance during February. Repayments of loans to commodity dealers and to manufacturers of food, liquor, and tobacco products were at about the same rate as in January. The decrease in loans to wholesale and retail trade was nominal as compared with January.

Loans to manufacturers of textiles, apparel, and leather, which had declined in every month since July, increased during the month of February. The increase in loans to manufacturers or producers of petroleum, coal, chemicals, and rubber was larger than in any previous month; available information indicates that most of this recent expansion was to manufacturers of chemicals and petroleum products.

Repayments of loans by sales finance companies and the increase in loans to manufacturers of metals and metal products were both much less than in January when both had been substantially affected by shifts in loans -- from a sales finance company being liquidated, to its parent company.

During the eleven months since the sample of the largest banks began reporting these data, commercial, industrial, and agricultural loans have increased by \$1,955 million, and the classified loans increased by \$2,677 million. The unclassified decrease of \$722 million may be due in part to the decline of smaller loans in the sampled banks; the remainder must be due to the coverage of new loans being more complete than the coverage of repayments.

CHANGES IN COMMERCIAL AND INDUSTRIAL LOANS OF A SAMPLE OF WEEKLY REPORTING MEMBER BANKS
 BY INDUSTRY, PURPOSE, AND FEDERAL RESERVE DISTRICT,
 WEEK ENDED WEDNESDAY, MARCH 5, 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	-41.3	- 2.5	-19.8	- 1.0	- 3.5	- .3	- .1	- 7.2	- .2	+ .5	- .5	- 1.2	- 5.5
Textiles, apparel, and leather	+13.6	+ 4.5	+ 7.6	- 1.6	+ .5	+ .5	- .5	+ 1.2	+ .5	+ .1	+ .1	- .1	+ .8
Metals and metal products (including machinery & transportation equipment)	+29.8	+ .3	+13.7	+ 3.0	+ 2.7	- .4	- 1.3	+13.7	+ .4	- .5	+ 1.5	- .2	- 3.1
Petroleum, coal, chemicals, and rubber	+21.4	+ .2	+14.6	--	+ 1.9	+ .2	- .4	+ 2.5	+ .2	- .2	- .1	+ 1.9	+ .6
Other manufacturing and mining	+ 2.1	--	+ 3.2	+ .6	- .8	+ .1	- .3	+ .9	+ .3	+ .4	+ .2	- 1.5	- 1.0
Trade:													
Wholesale	(- 7.0)	+ 1.1	- 7.1	+ 1.3	- .3	+ .3	+ 1.5	- .8	+ .8	+ .4	+ 1.9	(+ .1)	+ 1.0
Retail	(- 7.0)	- 1.1	+ .3	- 1.4	- 2.7	+ .1	- 1.7	- 1.2	+ .9	+ .7	- 1.0	(+ .1)	- .1
Commodity dealers	-31.9	+ .7	- 5.7	- 2.3	--	- 1.4	- .9	- 1.8	- 3.2	- 2.0	- 2.0	- 7.8	- 5.5
Sales finance companies	+44.9	+ 3.1	+44.8	- 3.2	+ 5.7	+ 2.4	+ 1.3	- 3.9	- 2.9	- .7	+ 2.1	- 4.4	+ .6
Public utilities (including transportation)	+ 3.4	- .7	+ 5.9	- .3	+ 1.2	- .3	- .5	- 1.4	+ .3	--	+ .1	+ .4	- 1.3
Construction	- 3.0	+ .1	+ .7	+ .8	- .3	+ .3	- 2.2	- .1	- .8	--	- .2	- .6	- .7
All other types of business	- 1.5	- .8	- .5	+ .4	+ 1.3	- .7	+ .1	+ 1.3	+ .6	+ .2	+ .8	- 1.5	- 2.7
Net change in classified loans ^{1/}	+30.5	+ 4.9	+57.7	- 3.7	+ 5.7	+ .8	- 5.0	+ 3.2	- 3.1	- 1.1	+ 2.9	-14.9	-16.9
Unclassified changes - net	-32.5	+ 3.1	-20.7	- 2.3	- .7	+ 2.2	--	- 1.2	+ .1	+ .1	- .9	- .1	-12.1
Net change in com'l, ind'l, & agr'l loans	- 2.0	+ 8.0	+37.0	- 6.0	+ 5.0	+ 3.0	- 5.0	+ 2.0	- 3.0	- 1.0	+ 2.0	-15.0	-29.0
Purpose Classification													
Defense contracts	+13.7	+ 2.7	+ 6.6	+ .8	+ .2	- .1	+ .9	+ 6.5	- .3	+ .3	+ .4	- .9	- 3.4
Defense-supporting activities:													
Plant and equipment	+19.7	- .4	+14.3	- .2	+ 3.0	+ .1	- .1	+ 2.9	+ .1	--	--	--	--
All other	+ 3.3	--	+ 5.1	+ 1.1	+ .6	--	+ .1	+ .2	+ .8	- .1	+ .2	--	- 4.7
Non-defense activities:													
Inventory and working capital	+ 6.6	+ 3.0	+41.8	- 5.3	+ .1	- .1	- 2.3	- 7.4	- 2.2	- 1.3	+ 1.3	-16.3	- 4.7
Plant and equipment	- 2.2	- .5	--	--	--	- .2	- 1.7	+ 1.3	- .9	--	+ .5	+ 1.0	- 1.7
Retirement of non-bank debt and preferred stock	- 1.0	--	- 3.2	- .1	--	--	--	--	+ .1	--	+ .1	+ 1.8	+ .3
All other (for loans classified)	- 9.6	+ .1	- 6.9	--	+ 1.8	+ 1.1	- 1.9	- .3	- .7	--	+ .4	- .5	- 2.7
Net change in classified loans ^{1/}	+30.5	+ 4.9	+57.7	- 3.7	+ 5.7	+ .8	- 5.0	+ 3.2	- 3.1	- 1.1	+ 2.9	-14.9	-16.9

p/ Preliminary; final totals will appear in the F.R. Bulletin and final San Francisco District figures appear in a release of the Reserve Bank.

^{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.

CHANGES IN COMMERCIAL AND INDUSTRIAL LOANS OF A SAMPLE OF WEEKLY REPORTING MEMBER BANKS
BY INDUSTRY AND PURPOSE, FOR THE ELEVEN MONTHS ENDED WEDNESDAY, FEBRUARY 27, 1952

H.12(b)

(In millions of dollars)

Business of Borrower	11 months' totals	3 months ended June 27	6 months ended December 26	5 weeks ended January 30	4 weeks ended February 27
Manufacturing and mining:					
Food, liquor, and tobacco	+458.4	-243.1	+932.2	-118.2	-112.5
Textiles, apparel, and leather	-236.2	+115.6	-360.8	- 38.7	+ 47.7
Metals and metal products (including machinery & transportation equipment)	+1,809.3	+275.2	+873.3	+520.1	+140.7
Petroleum, coal, chemicals, and rubber	+316.7	+ 48.1	+125.4	+ 39.3	+103.9
Other manufacturing and mining	+223.4	+ 60.0	+141.0	+ 3.9	+ 18.5
Trade -- wholesale and retail	- 81.8	+ 62.0	+ 16.2	-155.0	- 5.0
Commodity dealers	+ 87.5	-421.2	+722.2	- 92.6	-120.9
Sales finance companies	-286.7	+ 62.6	+ 29.6	-319.5	- 59.4
Public utilities (including transportation)	+462.2	+174.8	+350.8	- 53.4	- 10.0
Construction	- 90.4	+ 44.2	- 98.1	- 29.6	- 6.9
All other types of business	+ 14.4	+ 8.0	+ 37.0	- 48.8	+ 18.2
Net change in classified loans ^{1/}	+2,676.8	+186.2	+2,768.8	-292.5	+ 14.3
Unclassified changes - net	-721.8	-168.2	-396.8	-139.5	- 17.3
Net change in commercial, industrial, and agricultural loans	+1,955.0	+ 18.0	+2,372.0	-432.0	- 3.0
<u>Purpose Classification^{2/}</u>					
Defense contracts	+927.3	+246.2	+468.9	+139.9	+ 72.3
Defense-supporting activities:					
Plant and equipment	+750.7	+ 98.8	+526.7	+102.9	+ 22.3
All other	+245.4	+ 53.9	+135.8	+ 19.6	+ 36.1
Non-defense activities:					
Inventory and working capital	+759.9	-131.8	+1,549.0	-530.9	-126.4
Plant and equipment	+207.9	+134.0	+ 43.7	+ 1.3	+ 28.9
Retirement of non-bank debt and preferred stock	+ 31.9	- 10.6	+ 29.9	+ 8.7	+ 3.9
All other (for loans classified)	- 85.7	- 47.4	+ 18.5	- 34.0	- 22.8
Net change in classified loans ^{1/ 2/}	+2,837.4	+343.1	+2,772.5	-292.5	+ 14.3

^{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 middle of May.