

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

H.12

(For Immediate Release)

April 9, 1952

CHANGES IN COMMERCIAL AND INDUSTRIAL LOANS, BY INDUSTRY AND PURPOSE

Commercial, industrial, and agricultural loans at weekly reporting member banks declined by \$192 million during the week ended April 2, the largest weekly decrease since April 1949. Repayments of loans of \$92 million by manufacturers of food, liquor, and tobacco products, \$33 million by public utilities, \$27 million by manufacturers of petroleum, coal, chemicals, and rubber products, and \$22 million by commodity dealers were the principal factors in this decline.

The declines in loans to manufacturers of food, liquor, and tobacco products and to manufacturers of petroleum, coal, chemicals, and rubber products were the largest weekly decreases in these categories since a sample of the largest banks began reporting these data last spring. Nominal increases occurred in five industrial categories.

Changes in loans during the week and since the year-end were as follows:

<u>Business of Borrower</u>	<u>Week ended April 2^{p/}</u>	<u>Since December 26^{p/}</u>
	(In millions of dollars)	
Manufacturing and mining:		
Food, liquor, and tobacco	- 92	-513
Textiles, apparel, and leather	+ 2	+ 19
Metals and metal products	+ 5	+954
Petroleum, coal, chemicals, and rubber	- 27	+165
Other manufacturing and mining	+ 6	+ 61
Trade -- wholesale and retail	- 9	-133
Commodity dealers	- 22	-355
Sales finance companies	+ 7	-318
Public utilities and transportation	- 33	- 43
Construction	+ 6	- 30
Other types of business	- 3	- 41
Classified changes - net	-160	-233
Unclassified changes - net	- 32	-187
Net change in commercial, industrial, and agricultural loans	-192	-420
 <u>Purpose Classification</u>		
Defense	- 10	+597
Non-defense	-150	-830

^{p/} Preliminary; see footnote on attached table.

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

In some respects March reflected a reversal of January and February trends. Loans to the wholesale and retail trade, to sales finance companies, and to public utilities showed monthly increases for the first time since December. Loans to the construction industry showed a nominal monthly increase for the first time since July. Repayments of loans to manufacturers of food, liquor, and tobacco products were somewhat larger in March than the two previous months, while repayments of loans to commodity dealers continued at about the same rate.

Loans to manufacturers of metals and metal products, to manufacturers or producers of petroleum, coal, chemicals, and rubber, and to "other" manufacturing and mining increased during March, as they had in practically every previous month since the series was started.

Unclassified loans showed a nominal increase in March, the first monthly increase in the history of the series and very possibly representing numerous small loans made for the payment of income taxes.

For the year as a whole, the increase in commercial loans has been approximately the increase in loans to manufacturers of metals and metal products. About two-thirds of the loans classified as to purpose have been for defense and defense-supporting activities.

CHANGES IN COMMERCIAL AND INDUSTRIAL LOANS OF A SAMPLE OF WEEKLY REPORTING MEMBER BANKS
BY INDUSTRY, PURPOSE, AND FEDERAL RESERVE DISTRICT,
WEEK ENDED WEDNESDAY, APRIL 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	-91.6	- 3.5	-58.3	- 2.5	- .7	- .8	+ .6	-16.6	- .3	- 1.8	- 3.5	+ .4	- 4.6
Textiles, apparel, and leather	+ 2.2	- 3.9	+ 8.9	--	+ .5	- .8	--	- 1.0	- .1	- .1	- .3	- .1	- .9
Metals and metal products (including machinery & transportation equipment)	+ 5.2	+ 2.0	+ 1.3	+ .3	- 3.7	+ .3	+ .7	- 3.3	--	+ 2.1	- .3	+ 1.8	+ 4.0
Petroleum, coal, chemicals, and rubber	-27.1	- .5	-15.9	+ .3	- 3.9	--	- .4	- 1.6	- .1	- .8	--	- 4.1	- .1
Other manufacturing and mining	+ 5.5	+ 2.8	+ 6.8	- .6	+ .2	- .1	- .1	+ .8	- .3	+ .3	--	+ .7	- 5.0
Trade:													
Wholesale	(- 8.9)	- .4	- 1.3	+ .2	+ .6	+ .3	- .4	- .5	- .2	+ .1	+ .1	(- .1)	+ .5
Retail		- 2.3	- 2.0	- .4	- 1.0	+ .4	- .8	- 2.3	- .5	--	- 1.6	(- .1)	+ 2.7
Commodity dealers	-21.9	- 2.0	- 1.7	- .2	+ .4	+ .2	+ .8	- 1.9	- 7.9	--	- 3.5	- 3.5	- 2.6
Sales finance companies	+ 6.5	+ 1.1	+ 1.4	- 1.6	+ 3.0	+ 3.8	+ .6	- 5.7	+ 1.3	+ 1.1	--	+ .3	+ 1.2
Public utilities (including transportation)	-33.1	- 1.8	-31.1	- .5	- 1.1	+ 2.0	+ .3	- .3	+ .6	--	- .1	- 1.1	--
Construction	+ 6.1	+ .3	+ 2.2	- .1	+ .2	- .2	+ .5	+ 1.0	+ .8	+ .2	--	+ 1.5	- .3
All other types of business	- 3.1	+ .1	- 3.0	+ .2	+ 1.4	- 1.5	- .3	- .4	- 1.9	--	+ .4	- .3	+ 2.2
Net change in classified loans ^{1/}	-160.2	- 8.1	-92.7	- 4.9	- 4.1	+ 3.6	+ 1.5	-31.8	- 8.6	+ 1.1	- 8.8	- 4.5	- 2.9
Unclassified changes - net	-31.8	+ .1	-18.3	- 1.1	- .9	+ .4	- .5	- 4.2	- .4	+ 1.9	+ .8	- 1.5	- 8.1
Net change in com'l, ind'l, & agr'l loans	-192.0	- 8.0	-111.0	- 6.0	- 5.0	+ 4.0	+ 1.0	-36.0	- 9.0	+ 3.0	- 8.0	- 6.0	-11.0
Purpose Classification													
Defense contracts	+10.5	- .1	+ 6.8	+ .2	- 1.1	--	- .1	- .8	+ .3	+ 1.0	+ .4	+ 1.6	+ 2.3
Defense-supporting activities:													
Plant and equipment	-20.9	- 1.2	- 9.7	+ .6	- 8.6	- .1	+ .1	- .4	- .1	- .1	- .1	--	- 1.3
All other	+ .6	- .2	+ 3.0	- .1	+ .8	+ .2	+ .3	+ 1.1	--	--	- .7	--	- 3.8
Non-defense activities:													
Inventory and working capital	-142.3	- 6.9	-82.0	- 5.2	+ 5.5	+ .7	- .4	-30.6	- 9.5	+ .1	- 7.9	- 6.5	+ .4
Plant and equipment	- 3.4	- .5	- 4.5	- .4	+ .4	+ 1.9	+ 1.3	--	+ .1	+ .1	- .3	- .7	- .8
Retirement of non-bank debt and preferred stock	- .6	--	- 1.1	--	- .2	--	--	- .4	--	--	- .1	+ 1.2	--
All other (for loans classified)	- 4.1	+ .8	- 5.2	--	- .9	+ .9	+ .3	- .7	+ .6	--	- .1	- .1	+ .3
Net change in classified loans ^{1/}	-160.2	- 8.1	-92.7	- 4.9	- 4.1	+ 3.6	+ 1.5	-31.8	- 8.6	+ 1.1	- 8.8	- 4.5	- 2.9

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 these of all commercial banks.

CHANGES IN COMMERCIAL AND INDUSTRIAL LOANS OF A SAMPLE OF WEEKLY REPORTING MEMBER BANKS
BY INDUSTRY AND PURPOSE, FOR THE TWELVE MONTHS ENDED WEDNESDAY, MARCH 26, 1952

(In millions of dollars)

Business of Borrower	12 months' totals	3 months ended June 27	6 months ended December 26	5 weeks ended January 30	4 weeks ended February 27	4 weeks ended March 26
Manufacturing and mining:						
Food, liquor, and tobacco	+267.6	-243.1	+932.2	-118.2	-112.5	-190.8
Textiles, apparel, and leather	-228.7	+115.6	-360.8	- 38.7	+ 47.7	+ 7.5
Metals and metal products (including machinery & transportation equip.)	+2,096.8	+275.2	+873.3	+520.1	+140.7	+287.5
Petroleum, coal, chemicals, and rubber	+365.8	+ 48.1	+125.4	+ 39.3	+103.9	+ 49.1
Other manufacturing and mining	+256.4	+ 60.0	+141.0	+ 3.9	+ 18.5	+ 33.0
Trade -- wholesale and retail	- 45.6	+ 62.0	+ 16.2	-155.0	- 5.0	+ 36.2
Commodity dealers	- 31.7	-421.2	+722.2	- 92.6	-120.9	-119.2
Sales finance companies	-232.3	+ 62.6	+ 29.6	-319.5	- 59.4	+ 54.4
Public utilities (including transportation)	+516.2	+174.8	+350.8	- 53.4	- 10.0	+ 54.0
Construction	- 89.8	+ 44.2	- 98.1	- 29.6	- 6.9	+ .6
All other types of business	+ 7.1	+ 8.0	+ 37.0	- 48.8	+ 18.2	- 7.3
Net change in classified loans ^{1/}	+2,881.8	+186.2	+2,768.8	-292.5	+ 14.3	+205.0
Unclassified changes - net	-719.8	-168.2	-396.8	-139.5	- 17.3	+ 2.0
Net change in commercial, industrial, and agricultural loans	+2,162.0	+ 18.0	+2,372.0	-432.0	- 3.0	+207.0
<u>Purpose Classification^{2/}</u>						
Defense contracts	+1,032.8	+246.2	+468.9	+139.9	+ 72.3	+105.5
Defense-supporting activities:						
Plant and equipment	+836.1	+ 98.8	+526.7	+102.9	+ 22.3	+ 85.4
All other	+268.1	+ 53.9	+135.8	+ 19.6	+ 36.1	+ 22.7
Non-defense activities:						
Inventory and working capital	+749.8	-131.8	+1,549.0	-530.9	-126.4	- 10.1
Plant and equipment	+220.8	+134.0	+ 43.7	+ 1.3	+ 28.9	+ 12.9
Retirement of non-bank debt and preferred stock	+ 36.1	- 10.6	+ 29.9	+ 8.7	+ 3.9	+ 4.2
All other (for loans classified)	-101.3	- 47.4	+ 18.5	- 34.0	- 22.8	- 15.6
Net change in classified loans ^{1/ 2/}	+3,042.4	+343.1	+2,772.5	-292.5	+ 14.3	+205.0

^{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.