

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

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CHANGES IN COMMERCIAL AND INDUSTRIAL LOANS, BY INDUSTRY

Repayments of loans of \$41 million by commodity dealers, \$28 million by manufacturers of food, liquor, and tobacco products, and \$23 million by public utilities were partly offset by nominal increases in loans to manufacturers of metals and metal products, to sales finance companies, and the wholesale and retail trade. A net decrease of \$73 million was reported in commercial, industrial, and agricultural loans at weekly reporting member banks during the week ended May 7.

The larger repayments of loans by public utilities were in the San Francisco, New York, and St. Louis Districts.

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

<u>Business of Borrower</u>	Week ended May 7 ^{p/}	Since December 26 ^{p/}
	(In millions of dollars)	
Manufacturing and mining:		
Food, liquor, and tobacco	- 28	-745
Textiles, apparel, and leather	- 3	- 21
Metals and metal products	+ 11	+1,001
Petroleum, coal, chemicals, & rubber	- 4	+162
Other manufacturing and mining	+ 3	+ 63
Trade -- wholesale and retail	+ 8	- 96
Commodity dealers	- 41	-504
Sales finance companies	+ 11	-311
Public utilities and transportation	- 23	-103
Construction	+ 4	- 15
Other types of business	--	- 67
Classified changes - net	- 64	-635
Unclassified changes - net	- 10	-234
Net change in commercial, industrial, and agricultural loans	- 73	-869

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

The classification of these loans as to purpose was discontinued at the end of April 1952.

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

In some respects April reflected a reversal of the first quarter of the year. Loans to manufacturers of textiles, apparel, and leather products and to manufacturers and producers of petroleum, coal, chemicals, and rubber products, which had shown net increases during the first quarter of this year, declined during April. On the other hand, loans to the wholesale and retail trade, to sales finance companies, and to the construction industry increased during April, following net declines during the first quarter.

Repayments of loans to manufacturers of food, liquor, and tobacco products, which accounted for more than half of the decline in commercial, industrial, and agricultural loans at weekly reporting member banks during the month, were at a much higher rate than in the three previous months. Repayments of loans to commodity dealers continued at about the same rate, while repayments by public utilities were somewhat greater than in the first quarter.

The increase in April in loans to manufacturers of metals and metal products was the smallest monthly increase in this category since the preceding April.

In the classification as to purpose, defense and defense-supporting loans showed their smallest net monthly increase in April; non-defense loans continued to show substantial declines.

CHANGES IN COMMERCIAL AND INDUSTRIAL LOANS OF A SAMPLE OF WEEKLY REPORTING MEMBER BANKS
BY INDUSTRY AND FEDERAL RESERVE DISTRICT,
WEEK ENDED WEDNESDAY, MAY 7, 1952

(In millions of dollars)

Business of Borrower	All Dis- tricts <u>P/</u>	Boston	New York	Phila- delphia	Cleve- land	Rich- mond	Atlanta	Chicago	St. Louis	Minne- apolis	Kansas City	Dallas	San Fran- cisco <u>P/</u>
Manufacturing and mining:													
Food, liquor, and tobacco	-28.3	- .1	-13.1	+ .9	- .3	- .3	- 1.3	- 8.3	- 2.6	- .9	- 2.1	- .4	+ .2
Textiles, apparel, and leather	- 2.9	- .4	- 3.4	+ .5	- .1	--	- .6	+ .6	- .7	+ .1	+ .1	+ .3	+ .7
Metals and metal products (including machinery & transportation equipment)	+10.8	+ .6	+ 5.3	+ 1.5	+ 1.1	- .1	+ .5	+ 1.8	- .4	+ .1	- .5	- .1	+ 1.0
Petroleum, coal, chemicals, and rubber	- 4.1	- .2	- .3	+ .4	--	--	- .4	- .3	--	- .1	- .6	- 3.3	+ .7
Other manufacturing and mining	+ 2.5	+ .2	+ 5.3	+ .1	- 1.8	+ .1	+ .1	+ .2	- .4	- 1.1	- .4	- .3	+ .5
Trade:													
Wholesale	()	+ .2	+ .1	- .4	- .5	+ 1.4	--	+ 1.4	- .2	+ .3	+ .3	()	+ 2.3
Retail	(+ 7.5)	--	- .5	--	+ .2	+ .5	+ .2	+ 1.7	--	- .1	+ 1.4	(+ .2)	- 1.0
Commodity dealers	-40.8	+ .1	-15.2	- 1.9	- .4	- .8	- .6	- 2.2	- 6.6	- 1.3	- 3.8	- 7.8	- .3
Sales finance companies	+11.1	+ 2.5	+ 8.9	- .3	- .3	- 1.8	- .4	+ 5.3	+ .8	- .6	- .1	- 1.0	- 1.9
Public utilities (including transportation)	-23.2	+ .4	- 8.5	--	+ 1.6	+ .1	- .1	- .5	- 5.8	--	- .7	- .4	- 9.3
Construction	+ 4.2	+ .8	- 1.3	+ .5	+ .2	+ .3	+ .4	+ 2.6	--	+ .1	+ 1.2	- .1	- .5
All other types of business	- .3	- .1	+ 3.4	- .2	- .2	+ .3	- 1.9	- 1.4	+ 1.6	- .1	- .6	+ .6	- 1.7
Net change in classified loans ^{1/}	-63.5	+ 4.0	-19.3	+ 1.1	- .5	- .3	- 4.1	+ .9	-14.3	- 3.6	- 5.8	-12.3	- 9.3
Unclassified changes - net	- 9.5	- 1.0	- 4.7	- .1	- 2.5	- .7	+ .1	- 3.9	+ .3	+ .6	- 2.2	+ 1.3	+ 3.3
Net change in commercial, industrial, and agricultural loans	-73.0	+ 3.0	-24.0	+ 1.0	- 3.0	- 1.0	- 4.0	- 3.0	-14.0	- 3.0	- 8.0	-11.0	- 6.0

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; these banks hold nearly 95 per cent of total commercial and industrial loans of all weekly reporting member banks and about 70 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 THIRTEEN MONTHS ENDED WEDNESDAY, APRIL 30, 1952

(In millions of dollars)

Business of Borrower	13 months' totals	3 months ended June 27	6 months ended December 26	3 months ended March 26	5 weeks ended April 30
Manufacturing and mining:					
Food, liquor, and tobacco	- 27.5	-243.1	+932.2	-421.5	-295.1
Textiles, apparel, and leather	-263.3	+115.6	-360.8	+ 16.5	- 34.6
Metals and metal products (including machinery & transportation equipment)	+2,138.2	+275.2	+873.3	+948.3	+ 41.4
Petroleum, coal, chemicals, and rubber	+339.8	+ 48.1	+125.4	+192.3	- 26.0
Other manufacturing and mining	+261.2	+ 60.0	+141.0	+ 55.4	+ 4.8
Trade -- wholesale and retail	- 25.5	+ 62.0	+ 16.2	-123.8	+ 20.1
Commodity dealers	-162.2	-421.2	+722.2	-332.7	-130.5
Sales finance companies	-229.5	+ 62.6	+ 29.6	-324.5	+ 2.8
Public utilities (including transportation)	+446.1	+174.8	+350.8	- 9.4	- 70.1
Construction	- 72.7	+ 44.2	- 98.1	- 35.9	+ 17.1
All other types of business	- 21.4	+ 8.0	+ 37.0	- 37.9	- 28.5
Net change in classified loans ^{1/}	+2,383.2	+186.2	+2,768.8	- 73.2	-498.6
Unclassified changes - net	-789.2	-168.2	-396.8	-154.8	- 69.4
Net change in commercial, industrial, and agricultural loans	+1,594.0	+ 18.0	+2,372.0	-228.0	-568.0
<u>Purpose Classification^{2/}</u>					
Defense contracts	+1,026.0	+246.2	+468.9	+317.7	- 6.8
Defense-supporting activities:					
Plant and equipment	+856.2	+ 98.8	+526.7	+210.6	+ 20.1
All other	+273.1	+ 53.9	+135.8	+ 78.4	+ 5.0
Non-defense activities:					
Inventory and working capital	+253.9	-131.8	+1,549.0	-667.4	-495.9
Plant and equipment	+209.7	+134.0	+ 43.7	+ 43.1	- 11.1
Retirement of non-bank debt and preferred stock	+ 35.2	- 10.6	+ 29.9	+ 16.8	- 9.9
All other (for loans classified)	-110.3	- 47.4	+ 18.5	- 72.4	- 9.0
Net change in classified loans ^{1/ 2/}	+2,543.8	+343.1	+2,772.5	- 73.2	-498.6

^{1/} See footnote on preceding table regarding current coverage. During April and most of May, 1951, the coverage was somewhat smaller.

^{2/} During April and early May, 1951, 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.