

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

H.12

(For Immediate Release)

January 13, 1954

CHANGES IN COMMERCIAL AND INDUSTRIAL LOANS BY INDUSTRY

Practically all industrial classifications participated in the year-end decline of \$438 million in commercial, industrial, and agricultural loans at weekly reporting member banks during the week ended January 6. This was the largest weekly decline on record and was reflected in all but the Dallas District.

The principal repayments were \$152 million by manufacturers of metals and metal products, \$92 million by manufacturers of food, liquor, and tobacco products, \$49 million by the wholesale and retail trade, and \$22 million by "other" manufacturers. The decrease in loans to manufacturers of metals and metal products was the largest weekly decrease since September 30, 1953 and the decrease in loans to manufacturers of food, liquor, and tobacco products was the largest since April 1952.

Changes in loans during the week and since mid-year are shown below; the third column shows the changes during the comparable period last year:

<u>Business of Borrower</u>	<u>Week</u>	<u>Cumulative since mid-year</u>	
	<u>ended</u>	<u>June 24,</u>	<u>Corresponding</u>
	<u>January 6^{p/}</u>	<u>1953 ^{p/}</u>	<u>period, 1952</u>
		(In millions of dollars)	
Manufacturing and mining:			
Food, liquor, and tobacco	- 92	+409	+729
Textiles, apparel, and leather	- 7	-109	- 41
Metals and metal products	-152	-503	+ 2
Petroleum, coal, chemicals, & rubber	- 6	+ 97	+241
Other manufacturing and mining	- 22	- 76	+ 23
Trade -- wholesale and retail	- 49	- 48	+119
Commodity dealers	- 12	+368	+628
Sales finance companies	- 11	-149	+512
Public utilities & transportation	+ 4	+ 23	- 61
Construction	- 3	- 26	+ 8
Other types of business	- 2	+ 96	+163
Classified changes - net	-351	+ 82	+2,323
Unclassified changes - net	- 87	+ 63	-119
Net change in commercial, industrial, and agricultural loans	-438	+145	+2,204

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

In addition to the weekly table, a monthly table is attached showing changes during December compared with the preceding month, with December 1952, and with the past twelve months.

Changes during December were similar in many respects to those of November and a year ago December. In all three months there were increases in loans to manufacturers of food, liquor, and tobacco products, to manufacturers and producers of petroleum, coal, chemicals, and rubber products, and to commodity dealers; and there were repayments by manufacturers of textiles, apparel, and leather products, by "other" manufacturers, and by the construction industry.

Loans to sales finance companies, which had decreased during the preceding four months, showed the largest monthly increase since a year ago December. Loans to public utilities and to "other" types of business increased in December, following declines in November; these loans had also increased in December a year ago.

The net decline in loans to the wholesale and retail trade in December, which followed three months of net increases, was the largest monthly decline in this business category since this series was inaugurated in the spring of 1951.

Loans to manufacturers of metals and metal products declined further in December; these repayments in the past six months are in contrast to net increases in December 1952 and during the past twelve months.

It has been estimated that the new issue of Commodity Credit Corporation certificates of interest accounted for more than the total increase in commercial, industrial, and agricultural loans at weekly reporting member banks during December; it is partly reflected in the increase in unclassified changes - net.

CHANGES IN COMMERCIAL AND INDUSTRIAL LOANS OF A SAMPLE OF WEEKLY REPORTING MEMBER BANKS
BY INDUSTRY AND FEDERAL RESERVE DISTRICT,
WEEK ENDED WEDNESDAY, JANUARY 6, 1954

	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>
	(In millions of dollars)												
Manufacturing and mining:													
Food, liquor, and tobacco	-92.2	- 1.2	-68.9	- 1.1	- 2.4	- 1.1	- .8	-10.2	- 5.1	- .2	- .7	- .1	- .4
Textiles, apparel, and leather	- 7.2	- 1.6	- 4.1	- 1.4	- .2	- .6	- .2	+ .5	- .3	- .2	+ .3	+ .4	+ .2
Metals and metal products (including machinery & transportation equipment)	-151.9	- 8.6	-84.4	-14.8	-12.0	- .3	- .2	-28.5	- .2	- .8	+ .6	- .4	- 2.3
Petroleum, coal, chemicals, and rubber	- 5.5	- .9	+ 2.5	- 5.0	- 3.0	+ .4	+ .4	+ 1.6	--	- .2	+ .2	--	- 1.5
Other manufacturing and mining	-22.0	- .8	- 7.8	- 1.0	- 6.5	- .6	- .7	- 3.1	- 1.1	+ .1	- 1.6	+ .4	+ .7
Trade:													
Wholesale	(-49.3)	+ 1.9	- 5.8	+ .3	- .7	- .1	- 1.3	+ .5	- 1.9	+ .1	- 2.3	(- .9)	- .3
Retail	(-49.3)	- .9	-21.2	- 1.2	- 1.6	- 1.7	- 2.3	- 7.7	- .8	- .3	- 1.8	(- .9)	+ .7
Commodity dealers	-11.7	- .5	- 5.0	+ .3	- .2	- .2	+ .2	- 1.0	- 2.6	+ 1.6	- .2	- 3.3	- .8
Sales finance companies	-11.1	- 2.9	+ 1.2	+ 5.8	+ .8	+ .9	- 1.2	- 9.9	- 1.6	- 1.3	+ .9	- 4.5	+ .7
Public utilities (including transportation)	+ 4.3	- .7	+ 6.1	+ 1.0	- 4.2	- .1	+ .1	- .4	+ 1.9	--	- .2	+ .2	+ .6
Construction	- 3.0	- .3	+ .7	- .3	+ .3	- .5	- .2	- 1.5	+ .7	--	+ .1	+ .4	- 2.4
All other types of business	- 1.7	- .4	+ 8.4	--	- 2.4	- .8	+ 3.6	- .6	- 1.2	+ 1.2	+ .5	- 8.0	- 2.0
Net change in classified loans ^{1/}	-351.3	-16.9	-178.3	-17.4	-32.1	- 4.7	- 2.6	-60.3	-12.2	--	- 4.2	-15.8	- 6.8
Unclassified changes - net	-86.7	- 6.1	-66.7	- 1.6	- 4.9	- 1.3	- 2.4	- 5.7	- 1.8	--	- 2.8	+21.8	-15.2
Net change in commercial, industrial, and agricultural loans	-438.0	-23.0	-245.0	-19.0	-37.0	- 6.0	- 5.0	-66.0	-14.0	--	- 7.0	+ 6.0	-22.0

p/ Preliminary; final totals will appear in the F. R. Bulletin and San Francisco District final 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 over 90 per cent of total commercial and industrial loans of all weekly reporting member banks and nearly 70 per cent of those of all commercial banks.

Business of Borrower	5 weeks ended Dec. 30, 1953	4 weeks ended Nov. 25, 1953	5 weeks ended Dec. 31, 1952	12 months ended Dec. 30, 1953
	(In millions of dollars)			
Manufacturing and mining:				
Food, liquor, and tobacco	+ 86.1	+72.6	+ 67.8	-120.2
Textiles, apparel, and leather	- 34.5	-57.1	- 32.9	+ 49.3
Metals and metal products (including machinery and transportation equipment)	- 84.6	-24.5	+ 30.9	+ 94.5
Petroleum, coal, chemicals, and rubber	+ 46.0	+ 7.4	+ 46.2	+ 92.5
Other manufacturing and mining	- 37.5	-20.5	- 33.9	+ 41.4
Trade -- wholesale and retail	-185.2	+67.4	- 86.1	+208.7
Commodity dealers	+ 52.5	+81.4	+ 2.0	-252.4
Sales finance companies	+169.9	-55.6	+406.4	-227.6
Public utilities (including transportation)	+ 21.1	-72.0	+ 11.5	+102.3
Construction	- 21.0	- 1.3	- 9.9	- 5.1
All other types of business	+ 32.4	-22.4	+ 62.5	+ 90.1
Net change in classified loans ^{1/}	+ 45.2	-24.6	+464.5	+ 73.5
Unclassified changes - net	+129.8	-71.4	-132.5	- 83.5
Net change in commercial, industrial, and agricultural loans	+175.0	-96.0	+332.0	- 10.0

^{1/} See footnote on preceding table regarding current coverage.