

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

H.12

(For Immediate Release)

January 12, 1955

CHANGES IN COMMERCIAL AND INDUSTRIAL LOANS BY INDUSTRY

Net decreases of \$68 million in loans to manufacturers of food, liquor, and tobacco products, \$55 million to the wholesale and retail trade, \$34 million to "other" types of business, and \$21 million to commodity dealers were partly offset by an increase of \$41 million in loans to sales finance companies. The net decrease in commercial, industrial, and agricultural loans at weekly reporting member banks during the week ended January 5 was \$152 million.

The decreases in loans to manufacturers of food, liquor, and tobacco products and to commodity dealers probably reflect seasonal repayments that usually begin about this time of the year. The wholesale and retail trade decrease, which was reflected in all but one district, was the largest weekly decrease in this business category since December 1953.

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>	Week	<u>Cumulative since mid-year</u>	
	ended Jan. 5 ^{p/}	June 30, 1954 to Jan. 5, 1955 ^{p/}	July 1, 1953 to Jan. 6, 1954
		(In millions of dollars)	
Manufacturing and mining:			
Food, liquor, and tobacco	- 68	+430	+442
Textiles, apparel, and leather	- 1	- 27	-114
Metals and metal products	+ 4	-545	-478
Petroleum, coal, chemicals, & rubber	+ 10	+ 97	+134
Other manufacturing and mining	- 8	- 70	- 71
Trade -- wholesale and retail	- 55	+ 65	- 58
Commodity dealers	- 21	+518	+382
Sales finance companies	+ 41	+ 72	-147
Public utilities and transportation	- 7	-232	+ 99
Construction	- 1	+ 81	- 29
Other types of business	- 34	+134	+ 98
Classified changes - net	-141	+524	+258
Unclassified changes - net	- 11	- 74	+ 99
Net change in commercial, industrial, and agricultural loans	-152	+450	+357

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

In addition to the usual weekly table, a monthly table is attached showing changes during December compared with the preceding month and with December 1953, and also showing changes during the past twelve months.

Changes during December were in the same direction as in November and in December 1953 except in the categories of manufacturers and producers of petroleum, coal, chemicals, and rubber products, in wholesale and retail trade, and in the construction industry. Construction loans increased during November and December 1954 in contrast to decreases during the same 1953 months. Loans to the wholesale and retail trade usually begin a seasonal decline in December, and the current monthly decline was the largest since January 1954; it followed four months of increases.

The increase in loans to sales finance companies was the largest monthly increase in this business category since December 1952. Loans to manufacturers of food, liquor, and tobacco products have increased during the past four months and loans to commodity dealers have increased during the past six months; the current increases were somewhat smaller than in November but larger than in December 1953.

CHANGES IN COMMERCIAL AND INDUSTRIAL LOANS OF A SAMPLE OF WEEKLY REPORTING MEMBER BANKS
BY INDUSTRY AND FEDERAL RESERVE DISTRICT,
WEEK ENDED WEDNESDAY, JANUARY 5, 1955

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>
	(In millions of dollars)												
Manufacturing and mining:													
Food, liquor, and tobacco	-68.3	- 2.1	-49.1	- 1.6	- .2	+ .5	+ .6	- 5.8	- 4.0	- .9	- 1.2	- .7	- 3.8
Textiles, apparel, and leather	- 1.3	- 2.7	+ .3	- .1	+ .1	- .1	+ 1.5	- 1.1	- .5	+ 1.3	- .1	+ .2	- .1
Metals and metal products (including machinery & transportation equipment)	+ 3.6	+ .9	+ 1.2	- 5.0	+ 3.1	- .2	+ .4	+ 4.6	- 1.0	--	- .7	+ .6	- .3
Petroleum, coal, chemicals, and rubber	+ 9.6	- .4	- 1.7	+ .1	- .5	+ .2	+ .2	+ 3.3	+ 2.1	--	+ 2.1	+ 2.8	+ 1.4
Other manufacturing and mining	- 8.0	- 1.6	--	- 1.1	+ 1.8	- .1	--	- 3.5	- .7	- .3	+ .1	- .2	- 2.4
Trade:													
Wholesale	(-55.1)	- .5	- 8.2	- 1.8	+ .5	- .5	- .8	- 2.5	- 1.5	--	--	(- 2.3)	- 1.6
Retail		- 3.6	-17.7	- 1.4	- 1.4	- 2.1	- .7	- 5.5	- 1.2	+ 1.9	- 1.2		- 3.0
Commodity dealers	-20.8	- 1.1	+ 1.6	- .7	- 5.2	- .2	+ 1.2	- 2.2	- 5.0	--	- 1.4	- 5.4	- 2.4
Sales finance companies	+40.6	+ 2.8	+ 7.0	- 1.7	+ 5.5	+ 1.0	- .3	+15.3	+ 4.9	- .6	+ 1.7	- 1.1	+ 6.1
Public utilities (including transportation)	- 6.6	- 1.3	- 7.5	- .4	- 3.8	+ 1.4	- .4	+ 2.3	+ 1.4	--	- .2	- .2	+ 2.1
Construction	- .8	- .5	- 1.7	+ .2	+ .4	+ 2.3	+ .3	- 2.2	+ 1.9	- 1.4	- 1.2	+ 1.0	+ .1
All other types of business	-33.5	+ 1.2	-20.0	+ .5	- 3.3	- .8	- 1.7	+ 5.1	- 1.4	--	+ 2.6	-17.5	+ 1.8
Net change in classified loans <u>1/</u>	-140.6	- 8.9	-95.8	-13.0	- 3.0	+ 1.4	+ .3	+ 7.8	- 5.0	--	+ .5	-22.8	- 2.1
Unclassified changes - net	-11.4	+ .9	-29.2	- 3.0	--	- .4	- .3	- 5.8	- 7.0	+ 3.0	+ 1.5	+11.8	+17.1
Net change in commercial, industrial, and agricultural loans	-152.0	- 8.0	-125.0	-16.0	- 3.0	+ 1.0	--	+ 2.0	-12.0	+ 3.0	+ 2.0	-11.0	+15.0

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.

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CHANGES IN COMMERCIAL AND INDUSTRIAL LOANS OF A SAMPLE OF WEEKLY REPORTING MEMBER BANKS BY INDUSTRY

Business of Borrower	5 weeks ended Dec. 29, 1954	4 weeks ended Nov. 24, 1954	5 weeks ended Dec. 30, 1953	12 months ended Dec. 29, 1954
	(In millions of dollars)			
Manufacturing and mining:				
Food, liquor, and tobacco	+110.5	+ 130.3	+ 86.1	- 86.6
Textiles, apparel, and leather	- 30.4	- 44.3	- 34.5	+ 29.7
Metals and metal products (including machinery and transportation equipment)	- 24.2	- 48.5	- 84.6	-1,125.1
Petroleum, coal, chemicals, and rubber	+ 49.4	- 14.4	+ 46.0	+ 77.2
Other manufacturing and mining	- 16.6	- 17.7	- 37.5	- 63.1
Trade -- wholesale and retail	- 67.9	+ 29.9	-185.2	+ 79.6
Commodity dealers	+ 78.1	+ 130.5	+ 52.5	+ 175.2
Sales finance companies	+228.2	+ 63.0	+169.9	- 143.1
Public utilities (including transportation)	+ 45.6	+ 13.1	+ 21.1	- 99.5
Construction	+ 13.6	+ 24.3	- 21.0	+ 152.7
All other types of business	+ 3.7	r/ + 49.7	+ 32.4	+ 273.4
Net change in classified loans ^{1/}	+390.0	r/ + 315.9	+ 45.2	- 649.6
Unclassified changes - net	- 36.0	r/ + 773.1	+129.8	- 244.4
Net change in commercial, industrial, and agricultural loans	+354.0	r/ +1,089.0	+175.0	- 894.0

r/ Revised.

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