

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

H.12

(For Immediate Release)

June 8, 1955

CHANGES IN COMMERCIAL AND INDUSTRIAL LOANS BY INDUSTRY

Net decreases of \$31 million in loans to manufacturers of metals and metal products, \$16 million to commodity dealers, \$12 million to "other" types of business \$9 million to manufacturers of food, liquor, and tobacco products, and \$15 million to unclassified borrowers were partly offset by increases of \$39 million in loans to sales finance companies, \$22 million to public utilities, and \$13 million to the construction industry. The net decrease in commercial, industrial, and agricultural loans at weekly reporting member banks during the week ended June 1 was \$5 million.

The decrease in loans to manufacturers of metals and metal products followed four weeks of increases; it was largely in the New York District. Loans to the wholesale and retail trade decreased \$2 million, the first weekly decrease in this business category since the first week of February.

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

| <u>Business of Borrower</u> | Week ended June 1 ^{p/} | <u>Cumulative since year-end</u> | |
|--|---------------------------------------|--|---|
| | | <u>Dec. 29, 1954</u> to <u>June 1, 1955^{p/}</u> | <u>Dec. 30, 1953</u> to <u>June 2, 1954</u> |
| (In millions of dollars) | | | |
| Manufacturing and mining: | | | |
| Food, liquor, and tobacco | - 9 | -520 | - 516 |
| Textiles, apparel, and leather | + 7 | +187 | + 43 |
| Metals and metal products | -31 | + 76 | - 443 |
| Petroleum, coal, chemicals, & rubber | - 4 | +273 | - 42 |
| Other manufacturing and mining | + 3 | +111 | - 28 |
| Trade -- wholesale and retail | - 2 | +101 | - 47 |
| Commodity dealers | -16 | -416 | - 331 |
| Sales finance companies | +39 | +389 | - 233 |
| Public utilities and transportation | +22 | +164 | - 50 |
| Construction | +13 | + 82 | + 55 |
| Other types of business | -12 | + 80 | + 47 |
| Classified changes - net | +10 | +528 | -1,545 |
| Unclassified changes - net | -15 | -315 | - 236 |
| Net change in commercial, industrial, and agricultural loans | - 5 | +213 | -1,781 |

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

In addition to the weekly table, a monthly table is attached showing changes during May compared with the preceding month, and with May 1954, and also showing changes during the past twelve months.

All industrial classifications except manufacturers of food, liquor, and tobacco products, manufacturers of textiles, apparel, and leather products, and commodity dealers increased borrowings in May; and the net increase was in contrast to May 1954 when most business categories showed repayments.

The increases in "other" manufacturing and mining, amounting to \$50 million, and in the construction industry, amounting to \$39 million, were the largest monthly increases in these industries since the series was inaugurated in the spring of 1951.

The decrease of \$101 million in unclassified borrowings during the month represents in large part the redemption of Commodity Credit Corporation certificates of interest.

CHANGES IN COMMERCIAL AND INDUSTRIAL LOANS OF A SAMPLE OF WEEKLY REPORTING MEMBER BANKS
BY INDUSTRY AND FEDERAL RESERVE DISTRICT,
WEEK ENDED WEDNESDAY, JUNE 1, 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 | - 8.9 | - 2.1 | - 5.5 | + .4 | -- | - .9 | + .2 | - 1.3 | - .1 | - .6 | + 1.3 | + .5 | - .8 |
| Textiles, apparel, and leather | + 6.9 | + 3.2 | + 5.3 | - 1.2 | + .1 | - .3 | -- | + .8 | - 3.7 | -- | + .9 | + .1 | + 1.7 |
| Metals and metal products (including machinery & transportation equipment) | -31.0 | - 2.6 | -23.4 | - 2.7 | - 3.3 | - .3 | - .5 | + 1.1 | - .1 | - .8 | + 1.0 | + 2.5 | - 1.9 |
| Petroleum, coal, chemicals, and rubber | - 4.3 | + .7 | - 3.7 | - .9 | - .3 | - .3 | - .6 | + .2 | - .3 | + .2 | + .2 | + .4 | + .1 |
| Other manufacturing and mining | + 2.7 | + .6 | + 4.4 | + .9 | - 2.3 | - .4 | + .1 | - 1.1 | + .3 | - .3 | - .5 | - .1 | + 1.1 |
| Trade: | | | | | | | | | | | | | |
| Wholesale | (- 1.5) | - 1.2 | -- | + .4 | + 1.0 | - .3 | + .2 | + 1.0 | - 1.3 | -- | - .5 | (+ 1.5) | + .6 |
| Retail | | -- | + .5 | - .5 | -- | - .1 | - .2 | - .9 | - 1.4 | -- | - .5 | | + .2 |
| Commodity dealers | -16.3 | + .4 | - 6.9 | + .7 | - 1.5 | + .6 | + .9 | - .1 | - 6.0 | - 2.2 | - .3 | - 1.6 | - .3 |
| Sales finance companies | +38.8 | - 3.5 | +55.3 | + 4.7 | - 3.4 | + .2 | + .2 | - 2.6 | - 5.1 | - .2 | - 2.1 | + .6 | - 5.3 |
| Public utilities (including transportation) | +22.2 | + 6.2 | - .5 | + 3.3 | + 3.6 | - .7 | -- | - 4.5 | -- | + 8.5 | - .4 | - .1 | + 6.8 |
| Construction | +12.6 | + .2 | + 6.5 | + .2 | + .3 | + 1.0 | + .3 | - .2 | + 1.8 | - .5 | - 1.2 | + 2.6 | + 1.6 |
| All other types of business | -11.5 | + .4 | -13.6 | + 1.5 | - 1.0 | + 3.0 | + 1.6 | - 2.3 | - .6 | + .3 | + 2.2 | - 2.1 | - .9 |
| Net change in classified loans <u>1/</u> | + 9.7 | + 2.3 | +18.4 | + 6.8 | - 6.8 | + 1.5 | + 2.2 | - 9.9 | -16.5 | + 4.4 | + .1 | + 4.3 | + 2.9 |
| Unclassified changes - net | -14.7 | + .7 | -22.4 | + 1.2 | - 3.2 | - 2.5 | + 1.8 | - .1 | + 2.5 | + .6 | - .1 | - .3 | + 7.1 |
| Net change in commercial, industrial, and agricultural loans | - 5.0 | + 3.0 | - 4.0 | + 8.0 | -10.0 | - 1.0 | + 4.0 | -10.0 | -14.0 | + 5.0 | -- | + 4.0 | +10.0 |

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 | 4 weeks ended May 25, 1955 | 4 weeks ended April 27, 1955 | 4 weeks ended May 26, 1954 | 12 months ended May 25, 1955 |
|---|----------------------------------|------------------------------------|----------------------------------|------------------------------------|
| | (In millions of dollars) | | | |
| Manufacturing and mining: | | | | |
| Food, liquor, and tobacco | -102.2 | -130.2 | - 77.5 | - 43.5 |
| Textiles, apparel, and leather | - 5.5 | - 6.1 | - 9.5 | +159.6 |
| Metals and metal products (including machinery and transportation equipment) | + 34.8 | - 43.0 | -123.8 | -746.9 |
| Petroleum, coal, chemicals, and rubber | + 6.0 | + 76.1 | + 59.6 | +346.5 |
| Other manufacturing and mining | + 49.7 | + 16.0 | - 15.9 | + 68.7 |
| Trade -- wholesale and retail | + 54.1 | + 59.9 | + 17.6 | +225.3 |
| Commodity dealers | - 30.7 | -108.9 | - 25.3 | +102.7 |
| Sales finance companies | + 46.6 | +198.2 | - 11.9 | +448.9 |
| Public utilities (including transportation) | + 43.2 | - 7.8 | - 38.6 | + 99.6 |
| Construction | + 38.7 | + 27.3 | + 28.2 | +169.3 |
| All other types of business | + 61.8 | + 18.2 | + 4.5 | +287.3 |
| Net change in classified loans <u>1/</u> | +196.5 | + 99.7 | -192.6 | +1,117.5 |
| Unclassified changes - net | -100.5 | -151.7 | -136.4 | -330.5 |
| Net change in commercial, industrial, and agricultural loans | + 96.0 | - 52.0 | -329.0 | +787.0 |

1/ See footnote on preceding table regarding current coverage.