

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

H.12

(For Immediate Release)

September 14, 1955

CHANGES IN COMMERCIAL AND INDUSTRIAL LOANS BY INDUSTRY

A decrease of \$169 million in loans to sales finance companies was the principal factor in the \$97 million decrease in commercial, industrial, and agricultural loans at weekly reporting member banks during the week ended September 7. This decline included the repayment of bank loans from the proceeds of a debenture issue by one of the large sales finance companies.

The principal increases during the week were \$27 million in loans to manufacturers of food, liquor, and tobacco products, \$14 million to public utilities, \$11 million each to "other" manufacturing and mining and to the wholesale and retail trade, and \$25 million to unclassified borrowers.

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

<u>Business of Borrower</u>	Week ended Sept. 7 ^{p/}	<u>Cumulative since mid-year</u>	
		June 29, 1955 to Sept. 7, 1955 ^{p/}	June 30, 1954 to Sept. 8, 1954
		(In millions of dollars)	
Manufacturing and mining:			
Food, liquor, and tobacco	+ 27	+ 22	+ 11
Textiles, apparel, and leather	+ 4	+110	+ 88
Metals and metal products	- 9	- 23	- 313
Petroleum, coal, chemicals, & rubber	- 10	+ 28	- 41
Other manufacturing and mining	+ 11	+ 57	- 19
Trade -- wholesale and retail	+ 11	+ 71	- 3
Commodity dealers	- 5	+ 90	+ 143
Sales finance companies	-169	+ 69	- 56
Public utilities and transportation	+ 14	+ 57	- 102
Construction	+ 2	+ 39	+ 34
Other types of business	+ 3	+188	- 3
Classified changes - net	-122	+707	- 262
Unclassified changes - net	+ 25	-134	- 794
Net change in commercial, industrial, and agricultural loans	- 97	+573	-1,055

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

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

All industrial classifications increased borrowings during August. Loans to unclassified borrowers decreased by \$146 million during the first week in August when the Commodity Credit Corporation certificates of interest were redeemed; these unclassified loans increased in the four subsequent weeks.

The increases in sales finance companies was the largest monthly increase in this business category since December 1952; it was in contrast to the decrease in the previous month and in August 1954. The increase in loans to manufacturers of food, liquor, and tobacco products, amounting to \$60 million, was the first monthly increase in this industry since December 1954. Loans to "other" types of business, to the wholesale and retail trade, to manufacturers and producers of petroleum, coal, chemicals, and rubber products, and to "other" manufacturing and mining have shown monthly increases in every month since January.

CHANGES IN COMMERCIAL AND INDUSTRIAL LOANS OF A SAMPLE OF WEEKLY REPORTING MEMBER BANKS
BY INDUSTRY AND FEDERAL RESERVE DISTRICT,
WEEK ENDED WEDNESDAY, SEPTEMBER 7, 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	+26.7	+ .2	+13.6	+ 1.0	- .4	+ 2.0	+ 1.0	+ 1.3	+ 1.2	+ 2.4	+ .5	+ .4	+ 3.5
Textiles, apparel, and leather	+ 3.5	- .3	+ 5.4	+ .7	+ .1	+ .2	--	+ 1.7	- 4.7	--	- .1	- .1	+ .6
Metals and metal products (including machinery & transportation equipment)	- 9.4	- .5	- 4.0	- .8	- 2.0	+ .5	- .2	- 2.2	+ .7	+ .4	+ .4	- 1.0	- .7
Petroleum, coal, chemicals, and rubber	-10.3	--	- 6.2	- 2.3	- .3	+ .2	+ .2	- 1.6	- .1	- .2	- 1.2	+ 1.0	+ .2
Other manufacturing and mining	+11.0	+ .3	+ 5.5	- .1	- .4	+ .1	+ 1.7	+ 5.5	+ .6	- .5	- .1	- .4	- 1.2
Trade:													
Wholesale	(+11.0)	- .5	- 2.4	- .2	+ .2	- .5	+ .8	+ 1.5	+ 1.5	+ .6	- .2	(+ 2.5)	+ 1.6
Retail	(+11.0)	- .9	+ 4.5	+ .7	- .1	- .1	+ .6	- 1.6	+ .1	+ .6	+ .7	(+ 2.5)	+ 1.6
Commodity dealers	- 4.9	+ .9	- 6.8	+ 1.2	- .1	+ .4	- .1	- 1.7	+ .6	- 1.8	- .8	+ 2.1	+ 1.2
Sales finance companies	-168.5	- 1.5	-134.4	- 6.5	-11.0	--	- 2.0	- 1.9	- 2.7	- 3.3	+ .2	- 1.7	- 3.7
Public utilities (including transportation)	+13.8	+ 2.6	+10.9	+ 1.7	- .2	+ .6	- .7	- .1	- .5	+ .3	+ 2.4	+ .2	- 3.4
Construction	+ 1.7	- .1	- .9	+ .6	+ 1.2	+ .2	+ .3	--	- .7	- .4	- .8	+ 3.5	- 1.2
All other types of business	+ 3.1	- .7	+ 6.6	+ 2.7	- .7	- 4.0	+ 2.2	- 2.5	- .6	+ .5	- .9	+ 2.6	- 2.1
Net change in classified loans <u>1/</u>	-122.3	- .5	-108.2	- 1.3	-13.7	- .4	+ 3.8	- 1.6	- 4.6	- 1.4	+ .1	+ 9.1	- 3.6
Unclassified changes - net	+25.3	+ 1.5	+ 7.2	- 1.7	+ .7	- .6	- .8	+ 1.6	+ 1.6	- .6	- .1	+ .9	+15.6
Net change in commercial, industrial, and agricultural loans	-97.0	+ 1.0	-101.0	- 3.0	-13.0	- 1.0	+ 3.0	--	- 3.0	- 2.0	--	+10.0	+12.0

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 210 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 August 31, 1955	4 weeks ended July 27, 1955	4 weeks ended August 25, 1954	12 months ended August 31, 1955
	(In millions)		of dollars)	
Manufacturing and mining:				
Food, liquor, and tobacco	+ 59.8	- 64.7	- 24.3	- 27.5
Textiles, apparel, and leather	+ 78.0	+ 28.0	+ 40.1	+ 223.8
Metals and metal products (including machinery and transportation equipment)	+ 32.6	- 46.0	- 99.2	- 153.0
Petroleum, coal, chemicals, and rubber	+ 20.4	+ 17.6	+ 2.2	+ 500.6
Other manufacturing and mining	+ 16.6	+ 29.1	+ 1.6	+ 147.5
Trade -- wholesale and retail	+ 30.5	+ 29.6	+ 8.6	+ 344.5
Commodity dealers	+ 29.3	+ 65.8	+ 44.8	+ 62.2
Sales finance companies	+274.4	- 36.5	- 43.7	+ 916.3
Public utilities (including transportation)	+ 41.2	+ 1.7	- 16.3	+ 306.0
Construction	+ 1.6	+ 35.5	+ 19.3	+ 217.4
All other types of business	+120.3	+ 64.8	+ 3.3	+ 486.5
Net change in classified loans <u>1/</u>	+704.7	+124.9	- 63.6	+3,024.3
Unclassified changes - net	- 59.7	- 99.9	-687.4	+ 373.7
Net change in commercial, industrial, and agricultural loans	+645.0	+ 25.0	-751.0	+3,398.0

1/ See footnote on preceding table regarding current coverage.