

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

H.12

(For Immediate Release)

May 14, 1958

CHANGES IN COMMERCIAL AND INDUSTRIAL LOANS BY INDUSTRY

Net decreases of \$48 million in loans to sales finance companies, \$13 million to manufacturers of food, liquor, and tobacco products, and \$48 million to unclassified borrowers were the principal factors in the \$64 million decreases in commercial and industrial loans at weekly reporting member banks during the week ended May 7.

Offsetting net increases during the week included \$28 million in loans to "other" types of business, \$14 million to the construction industry, and \$11 million to "other" manufacturing and mining concerns.

Changes in loans during the week and since the last Wednesday in December are shown below; the third column shows the changes during the comparable period last year.

<u>Business of Borrower</u>	Week ended/ May 7 ^{p/}	Cumulative since year-end	
		Dec. 25, 1957 to May 7, 1958 ^{p/}	Dec. 26, 1956 to May 8, 1957
(In millions of dollars)			
Manufacturing and mining:			
Food, liquor, and tobacco	-13	- 708	-446
Textiles, apparel, and leather	- 2	+ 72	+127
Metals and metal products	- 7	- 48	+584
Petroleum, coal, chemicals, and rubber	- 7	- 54	+ 95
Other manufacturing and mining	+11	+ 71	+ 90
Trade--wholesale and retail	+ 9	- 257	- 44
Commodity dealers	- 3	- 245	-377
Sales finance companies	-48	- 729	+257
Public utilities and transportation	--	- 39	+159
Construction	+14	+ 9	- 49
All other types of business	<u>+28</u>	<u>+ 2</u>	<u>-153</u>
Classified changes - net	-16	-1,925	+243
Unclassified changes - net	<u>-48</u>	<u>- 269</u>	<u>-170</u>
Net change in commercial and industrial loans	-64	-2,194	- 73

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

In addition to the weekly table, a monthly table is attached showing changes during April compared with the preceding month and with April 1957, and also showing changes during the past twelve months.

In contrast to the preceding month when there were the usual large borrowings to pay quarterly income taxes, and to April 1957 when loan liquidation was light, the net decrease in commercial and industrial loans during April 1958 was relatively large.

More than one-third of the decrease in total classified loans during the month was to manufacturers of metals and metal products, which showed the largest monthly decrease in this business category since June 1954.

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, 1958

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	-12.5	--	-16.8	+ .1	- .7	- .9	-2.3	+13.1	-2.7	- .3	- .8	- .3	- .9
Textiles, apparel, and leather	- 1.6	+ .8	+ 1.0	+ .2	+ .4	-2.8	- .8	+ .5	- .8	- .1	+ .1	- .2	+ .1
Metals and metal products (including machinery & transportation equipment)	- 6.5	+ 2.2	+ .4	-4.1	+ .1	- .2	+ .3	- 3.7	- .8	+ .3	- .5	- .3	- .2
Petroleum, coal, chemicals, and rubber	- 6.7	+ .3	-12.9	- .6	+ .4	+ .2	+ .2	- 1.9	- .1	+ .5	+ .2	+6.6	+ .4
Other manufacturing and mining	+10.7	- .4	+ 4.5	--	--	+ .4	+1.8	+ 4.1	+ .9	- .1	- .5	+1.5	- 1.5
Trade:													
Wholesale	(+ 9.3)	- .9	- 4.9	-1.1	+ .2	+ .3	+2.6	+ 1.3	+ .9	- .6	--	(+4.3)	+ 2.2
Retail		- 3.1	+ .5	+ .3	+ .2	- .1	- .2	+ 3.5	+ .7	+ .4	+1.7		+ 1.1
Commodity dealers	- 2.8	+ .1	+ 8.6	- .8	- .9	-2.3	-1.3	- 5.8	+ .4	+1.0	-1.3	- .2	- .3
Sales finance companies	-47.6	- 2.8	-38.6	- .5	+1.0	+2.5	-1.4	+ 2.6	+1.4	-2.9	-1.3	-1.5	- 6.1
Public utilities (including transportation)	- .4	- 7.5	+14.1	+1.1	+2.0	+ .1	+1.2	- 1.3	- .4	+ .5	- .1	- .3	- 9.8
Construction	+13.9	+ 1.0	+ 5.6	- .1	+ .1	+ .2	+ .5	+ 6.5	+ .1	- .1	- .2	-2.6	+ 2.9
All other types of business	+28.3	- 1.1	+24.1	+2.1	-1.0	- .5	-3.3	+ 6.5	+ .3	--	+1.8	-4.0	+ 3.4
Net change in classified loans <u>1/</u>	-15.9	-11.4	-14.4	-3.4	+1.8	-3.1	-2.7	+25.4	- .1	-1.4	- .9	+3.0	- 8.7
Unclassified changes - net	-48.1	- 2.6	-12.6	+ .4	- .8	-2.9	- .3	- 5.4	+ .1	+ .4	- .1	-1.0	-23.3
Net change in commercial and industrial loans	-64.0	-14.0	-27.0	-3.0	+1.0	-6.0	-3.0	+20.0	--	-1.0	-1.0	+2.0	-32.0

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 about 95 per cent of total commercial and industrial loans of all weekly reporting member banks and about 75 per cent of those of all commercial banks.

Business of Borrower	5 weeks ended	4 weeks ended	4 weeks ended	12 months ended
	April 30, 1958	March 26, 1958	April 24, 1957	April 30, 1958
	(In millions of dollars)			
Manufacturing and mining:				
Food, liquor, and tobacco	-177.3	- 46.3	-73.8	- 323.1
Textiles, apparel, and leather	- 55.7	+ 48.8	+ 6.4	- 59.8
Metals and metal products (including machinery and transportation equipment)	-299.5	+233.1	-19.0	- 102.7
Petroleum, coal, chemicals, and rubber	- 59.8	- 6.2	+29.3	+ 274.4
Other manufacturing and mining	- 32.4	+ 91.5	+10.9	+ 6.4
Trade -- wholesale and retail	+ 23.4	+ 73.1	+64.3	- 110.5
Commodity dealers	- 22.6	- 80.1	-83.0	- 19.9
Sales finance companies	-268.1	+105.7	+91.6	- 747.4
Public utilities (including transportation)	+ 59.0	- 19.9	-39.2	+ 464.3
Construction	+ 15.8	+ 8.9	+ 4.1	- 19.3
All other types of business	- 69.7	+ 72.7	-18.3	+ 69.8
Net change in classified loans <u>1/</u>	-886.9	+481.3	-26.7	- 567.8
Unclassified changes - net	+ 31.9	+ 90.7	-57.3	- 637.2
Net change in commercial and industrial loans	-855.0	+572.0	-84.0	-1,205.0

1/ See footnote on preceding table regarding current coverage.