

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

H.12

(For Immediate Release)

February 29, 1956

CHANGES IN COMMERCIAL AND INDUSTRIAL LOANS BY INDUSTRY

Net decreases of \$83 million in loans to sales finance companies, \$21 million to manufacturers of textiles, apparel, and leather products, and \$16 million to manufacturers of food, liquor, and tobacco products were the principal factors in the \$30 million decrease in commercial and industrial loans at weekly reporting member banks during the week ended February 22. Partially offsetting increases were \$48 million in loans to manufacturers of metals and metal products, \$15 million to "other" manufacturing and mining, and \$14 million to the wholesale and retail trade.

The decrease in loans to manufacturers of textiles, apparel, and leather products was the largest weekly decrease in this business category since the first week of November 1955.

The increase in loans to manufacturers of metals and metal products was the seventh consecutive weekly increase in this business category. These loans have increased by \$255 million since the year-end as compared with an increase of \$35 million during the corresponding period last year and a decrease of \$146 million during the corresponding period of 1954.

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 Feb. 22 <sup>p/</sup>	Cumulative since year-end	
		Dec. 28, 1955 to Feb. 22, 1956 <sup>p/</sup>	Dec. 29, 1954 to Feb. 23, 1955
		(In millions of dollars)	
Manufacturing and mining:			
Food, liquor, and tobacco	-16	-194	-237
Textiles, apparel, and leather	-21	+ 42	+119
Metals and metal products	+48	+255	+ 35
Petroleum, coal, chemicals, & rubber	+ 5	+ 76	+109
Other manufacturing and mining	+15	+ 54	- 6
Trade--wholesale and retail	+14	- 39	-102
Commodity dealers	+ 5	- 31	-128
Sales finance companies	-83	-499	+ 8
Public utilities and transportation	+ 1	+ 96	- 20
Construction	- 3	- 34	+ 13
Other types of business	- 6	- 89	- 38
Classified changes - net	-41	-364	-248
Unclassified changes - net	<u>+11</u>	<u>- 71</u>	<u>1/- 67</u>
Net change in commercial and industrial loans	-30	-435	<u>1/-315</u>

<sup>p/</sup> Preliminary; see footnote on attached table.

<sup>1/</sup> Prior to 1956, unclassified changes and total net change included changes in agricultural loans.

CHANGES IN COMMERCIAL AND INDUSTRIAL LOANS OF A SAMPLE OF WEEKLY REPORTING MEMBER BANKS  
BY INDUSTRY AND FEDERAL RESERVE DISTRICT,  
WEEK ENDED WEDNESDAY, FEBRUARY 22, 1956

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	-15.5	- .5	- 5.6	+ .9	- 1.1	- .2	- .6	- 4.6	- 1.6	+ 1.5	- 1.3	- .4	- 2.0
Textiles, apparel, and leather	-21.1	+ 1.9	-25.9	- .2	+ .4	+ 1.0	+ .9	- 1.3	+ 1.6	+ .2	+ .2	+ .7	- .6
Metals and metal products (including machinery & transportation equipment)	+47.9	+ 2.9	+25.1	+ .2	--	--	- .2	+15.7	+ 1.6	--	+ .9	+ .5	+ 1.2
Petroleum, coal, chemicals, and rubber	+ 5.4	+ .2	+ 8.5	- .1	- .7	+ .6	- .1	+ .1	+ .3	- .6	+ 1.3	- 4.1	--
Other manufacturing and mining	+15.0	+ .1	+ 4.4	+ 1.2	+ 4.0	+ .2	--	+ 4.0	+ .2	--	+ .3	+ .5	+ .1
Trade:													
Wholesale	(+14.3)	+ 1.0	+ 3.6	+ .4	- .2	- .2	+ .9	+ 1.6	- .9	+ .2	- .3	(- .2)	- 3.1
Retail		+ .3	+ 2.3	+ 1.3	+ .2	+ .1	+ .3	+ 1.3	- .2	+ .2	+ 1.2	(- .2)	+ 4.5
Commodity dealers	+ 5.1	- 2.6	+12.9	+ 2.1	+ .3	- .1	- .8	- 2.3	+ .1	- 1.6	- .5	+ .3	- 2.7
Sales finance companies	-83.4	+ 5.0	-32.5	- 4.7	-15.0	- 3.5	- 1.1	-20.8	- 2.1	- 1.2	- 1.8	- 6.4	+ .7
Public utilities (including transportation)	+ 1.1	+ .6	+ 1.3	+ .2	- .4	--	- .3	+ .7	- 1.0	+ .3	- .3	+ .1	- .1
Construction	- 3.0	+ .1	- 1.1	- .9	- .6	+ .7	+ .6	+ .8	- 1.2	+ 1.2	--	- 1.6	- 1.0
All other types of business	- 6.4	- 1.8	- 2.9	+ 2.8	- 1.1	+ 1.9	- 1.1	+ .3	- 1.0	- .1	- .6	- 3.5	+ .7
Net change in classified loans <u>1/</u>	-40.6	+ 7.2	- 9.9	+ 3.2	-14.2	+ .5	- 1.5	- 4.5	- 4.2	+ .1	- .9	-14.1	- 2.3
Unclassified changes - net	+10.6	- 1.2	- 3.1	- .2	+ .2	+ 2.5	- .5	- 2.5	- .8	+ .9	+ .9	+ 2.1	+12.3
Net change in commercial and industrial loans	-30.0	+ 6.0	-13.0	+ 3.0	-14.0	+ 3.0	- 2.0	- 7.0	- 5.0	+ 1.0	--	-12.0	+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 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.