

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

H.12

(For Immediate Release)

May 9, 1956

CHANGES IN COMMERCIAL AND INDUSTRIAL LOANS BY INDUSTRY

Most industrial classifications participated in the \$219 million increase in commercial and industrial loans at weekly reporting member banks during the week ended May 2.

The principal increases were \$59 million in loans to manufacturers of metals and metal products, \$46 million to public utilities, \$39 million to "other" types of business, \$35 million to sales finance companies, and \$29 million to the wholesale and retail trade. The increase in loans to "other" types of business was the largest weekly increase in this category since August 1955.

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

<u>Business of Borrower</u>	<u>Week ended May 2^{p/}</u>	<u>Cumulative since year-end</u>	
		<u>Dec. 28, 1955 to May 2, 1956^{p/}</u>	<u>Dec. 29, 1954 to May 4, 1955</u>
(In millions of dollars)			
Manufacturing and mining:			
Food, liquor, and tobacco	- 1	- 247	-444
Textiles, apparel, and leather	+ 16	+ 154	+185
Metals and metal products	+ 59	+ 971	+ 75
Petroleum, coal, chemicals, & rubber	- 6	+ 255	+313
Other manufacturing and mining	+ 12	+ 244	+ 75
Trade--wholesale and retail	+ 29	+ 215	+ 65
Commodity dealers	- 10	- 193	-373
Sales finance companies	+ 35	- 245	+375
Public utilities and transportation	+ 46	+ 233	+107
Construction	+ 3	+ 1	+ 32
Other types of business	+ 39	- 2	+ 32
Classified changes - net	+222	+1,389	+441
Unclassified changes - net	- 3	+ 49	<u>1/</u> -257
Net change in commercial and industrial loans	+219	+1,437	<u>1/</u> +184

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

^{1/} Prior to 1956, unclassified changes and total net change included changes in agricultural loans.

In addition to the weekly table, a monthly table is attached showing changes during April compared with the preceding month and with April 1955, and also showing changes during the past twelve months.

Changes during April were more like those of April 1955 than like the preceding month since the changes in March included large borrowings to pay quarterly income taxes.

The decreases in loans to manufacturers of food, liquor, and tobacco products were smaller than in April 1955, and repayments of loans to public utilities were substantially heavier. The current increase in loans to manufacturers of metals and metal products was in contrast to a decrease in April 1955; during the past year, this category has accounted for nearly a quarter of the increase in commercial and industrial loans.

H.12(a)

CHANGES IN COMMERCIAL AND INDUSTRIAL LOANS OF A SAMPLE OF WEEKLY REPORTING MEMBER BANKS
BY INDUSTRY AND FEDERAL RESERVE DISTRICT,
WEEK ENDED WEDNESDAY, MAY 2, 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	- 1.0	- .5	- 10.0	- 1.2	- .9	- .8	+1.6	+16.4	-3.6	--	+ .9	--	- 2.9
Textiles, apparel, and leather	+ 15.6	+3.1	+ 4.5	- .1	+ .4	--	+1.6	--	+4.3	+ .1	--	- .3	+ 2.0
Metals and metal products (including machinery & transportation equipment)	+ 58.9	+ .3	+ 27.4	+ 3.9	+7.3	--	+ .7	+ 2.5	+4.1	+ .6	+ .7	+ 2.1	+ 9.3
Petroleum, coal, chemicals, and rubber	- 5.9	+ .5	+ 2.6	+ .5	-2.2	- .2	+ .1	- 5.3	+ .2	+ .4	+ .9	- .3	- 3.1
Other manufacturing and mining	+ 12.3	+1.0	+ 2.7	+ .1	+ .2	+ .8	+ .6	+ 2.4	+ .9	+ .1	+ .3	+ .9	+ 2.3
Trade:													
Wholesale	(+ 28.7)	+1.0	+ 2.8	+ .2	- .4	- .1	+1.1	+ 1.5	+1.2	+ .4	+ .4	(+ 1.2)	+ 6.5
Retail	(+ 28.7)	-2.2	+ 6.2	+ 1.2	-1.5	- .1	+ .2	+ 3.8	+ .9	+ .1	+ .4	(+ 1.2)	+ 3.9
Commodity dealers	- 9.8	- .7	- 7.6	- .4	- .3	- .6	+ .1	+ 3.3	-2.7	+1.4	+ .7	- 2.5	- .5
Sales finance companies	+ 35.2	+4.4	+ 22.4	+ 1.4	+7.1	+ 2.6	+1.3	- 2.4	-2.6	+ .3	-2.8	- .3	+ 3.8
Public utilities (including transportation)	+ 46.3	+ .6	+ 51.5	+ .5	-1.8	+ .4	- .7	- 1.0	- .8	--	+1.5	+ .2	- 4.1
Construction	+ 3.0	+1.0	- .5	--	+ .9	+ 1.3	+ .7	+ .5	-2.1	- .3	- .5	- .3	+ 2.3
All other types of business	+ 38.5	- .1	+ 24.3	+ 3.2	-1.7	- .4	- .7	+ .2	+ .5	+ .2	+1.8	+ 8.3	+ 2.9
Net change in classified loans <u>1/</u>	+221.8	+8.4	+126.3	+ 9.3	+7.1	+ 2.9	+6.6	+21.9	+ .3	+3.3	+4.3	+ 9.0	+22.4
Unclassified changes - net	- 2.8	- .4	+ 1.7	+ .7	-1.1	+ 7.1	+ .4	+ 2.1	+ .7	+2.7	+2.7	-12.0	- 7.4
Net change in commercial and industrial loans	+219.0	+8.0	+128.0	+10.0	+6.0	+10.0	+7.0	+24.0	+1.0	+6.0	+7.0	- 3.0	+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 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.

Business of Borrower	4 weeks ended Apr. 25, 1956	4 weeks ended Mar. 28, 1956	4 weeks ended Apr. 27, 1955	12 months ended Apr. 25, 1956
	(In millions of dollars)			
Manufacturing and mining:				
Food, liquor, and tobacco	- 55.2	+ 42.7	-130.2	+ 102.8
Textiles, apparel, and leather	+ .8	+ 84.1	- 6.1	+ 243.9
Metals and metal products (including machinery and transportation equipment)	+ 87.0	+ 509.6	- 43.0	+1,241.2
Petroleum, coal, chemicals, and rubber	+ 57.0	+ 111.2	+ 76.1	+ 511.0
Other manufacturing and mining	+ 17.5	+ 145.1	+ 16.0	+ 388.2
Trade -- wholesale and retail	+ 90.6	+ 106.9	+ 59.9	+ 610.6
Commodity dealers	- 80.1	- 72.6	-108.9	+ 194.3
Sales finance companies	+ 41.0	+ 157.5	+198.2	+ 710.0
Public utilities (including transportation)	-117.7	+ 226.2	- 7.8	+ 499.3
Construction	+ 28.1	+ 2.9	+ 27.3	+ 206.8
All other types of business	- 20.9	+ 60.4	+ 18.2	+ 443.2
Net change in classified loans <u>1/</u>	+ 48.1	+1,374.0	+ 99.7	+5,151.3
Unclassified changes - net	+ 49.9	+ 96.0	-151.7	- 89.3
Net change in commercial and industrial loans	+ 98.0	+1,470.0	- 52.0	+5,062.0
Loans reclassified on October 5				+ 318.0
Total				+5,380.0

1/ See footnote on preceding table regarding current coverage.