

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

H.12

(For Immediate Release)

July 11, 1956

CHANGES IN COMMERCIAL AND INDUSTRIAL LOANS BY INDUSTRY

Net decreases of \$25 million each in loans to manufacturers of food, liquor, and tobacco products and to manufacturers of metals and metal products, \$10 million to the construction industry and \$34 million to unclassified borrowers were largely offset by increases of \$25 million in loans to "other" types of business, \$20 million to manufacturers and producers of petroleum, coal, chemicals, and rubber products, and \$16 million to manufacturers of textiles, apparel, and leather products. The net decrease in commercial and industrial loans at weekly reporting member banks during the week ended July 4 was \$8 million.

The increase of \$9 million in loans to commodity dealers was the first weekly increase in this category since last February.

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

<u>Business of Borrower</u>	Week ended July 4 <sup>p/</sup>	Cumulative since year-end	
		Dec. 28, 1955 to July 4, 1956 <sup>p/</sup>	Dec. 29, 1954 to July 6, 1955
(In millions of dollars)			
Manufacturing and mining:			
Food, liquor, and tobacco	-25	- 327	- 562
Textiles, apparel, and leather	+16	+ 254	+ 227
Metals and metal products	-25	+1,337	+ 133
Petroleum, coal, chemicals, & rubber	+20	+ 444	+ 327
Other manufacturing and mining	+ 1	+ 370	+ 151
Trade--wholesale and retail	+ 5	+ 176	+ 146
Commodity dealers	+ 9	- 377	- 457
Sales finance companies	+ 5	- 317	+ 553
Public utilities and transportation	+ 5	+ 370	+ 353
Construction	-10	+ 45	+ 126
Other types of business	<u>+25</u>	<u>+ 174</u>	<u>+ 158</u>
Classified changes - net	+26	+2,149	+1,156
Unclassified changes - net	<u>-34</u>	<u>+ 86</u>	<u>1/- 253</u>
Net change in commercial and industrial loans	- 8	+2,235	<u>1/+ 903</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.

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

All industrial classifications except the wholesale and retail trade and commodity dealers increased their borrowings in June. More than one-third of the increase in total classified loans during the month was to manufacturers of metals and metal products; these loans have also accounted for nearly one-third of the increase in classified loans during the past year.

The decrease in loans to the wholesale and retail trade was the first monthly decrease in this category since January. The increase in loans to manufacturers and producers of petroleum, coal, chemicals, and rubber products was the largest monthly increase in this category since the series was started in 1951.

CHANGES IN COMMERCIAL AND INDUSTRIAL LOANS OF A SAMPLE OF WEEKLY REPORTING MEMBER BANKS  
BY INDUSTRY AND FEDERAL RESERVE DISTRICT,  
WEEK ENDED WEDNESDAY, JULY 4, 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	-25.1	+ .8	-18.8	- .1	-6.8	-3.4	-1.4	- 4.4	+6.1	- .8	+1.8	+ .8	+ 1.1
Textiles, apparel, and leather	+16.2	+1.7	+11.9	- 1.3	- .3	+1.1	- .1	+ .4	+ .7	+ .1	- .1	+ .2	+ 1.9
Metals and metal products (including machinery & transportation equipment)	-24.8	-3.7	-11.0	- 2.3	-2.5	--	- .3	- 9.1	+1.6	+ .8	+ .1	-1.3	+ 2.9
Petroleum, coal, chemicals, and rubber	+19.6	+ .3	+22.7	--	+ .6	-1.6	+ .3	- 2.9	+ .9	--	+1.1	-1.8	--
Other manufacturing and mining	+ .9	+1.9	- 1.3	+ .3	- .5	+ .5	--	+ 1.0	-2.2	+1.5	+ .2	-1.3	+ .8
Trade:													
Wholesale	(+ 4.8)	- .3	+ 5.9	+ .3	+ .3	+ .7	+ .6	- 2.2	-1.4	+ .2	--	(+1.6)	+ 3.0
Retail		-1.2	- 3.2	- 2.1	+4.1	+ .1	- .3	+ 1.0	+ .6	+ .8	+ .2		- 3.9
Commodity dealers	+ 8.6	- .4	+ 4.3	- .9	--	+ .1	+1.7	+ .1	- .4	-1.2	+3.4	-1.8	+ 3.7
Sales finance companies	+ 5.0	-4.4	+30.0	-14.8	+2.0	+1.5	- .3	- 3.7	-4.1	-1.5	-2.5	- .9	+ 3.7
Public utilities (including transportation)	+ 4.9	+1.2	+ 1.5	- 3.1	-1.6	+ .6	+1.5	+ 1.9	+ .9	+3.7	- .2	- .2	- 1.3
Construction	- 9.9	- .1	- .5	- 1.6	- .8	+ .3	+ .1	- 4.2	-1.0	- .3	- .8	- .1	- .9
All other types of business	+25.4	+ .1	+ 1.3	+ 1.5	+2.0	+2.9	--	+ 5.3	+1.6	--	+ .6	+6.2	+ 3.9
Net change in classified loans <u>1/</u>	+25.6	-4.1	+42.8	-24.1	-3.5	+2.8	+1.8	-16.8	+3.3	+3.3	+3.8	+1.4	+14.9
Unclassified changes - net	-33.6	-1.9	-20.8	- .9	- .5	-1.8	- .8	+ 2.8	-1.3	- .3	+ .2	+1.6	- 9.9
Net change in commercial and industrial loans	- 8.0	-6.0	+22.0	-25.0	-4.0	+1.0	+1.0	-14.0	+2.0	+3.0	+4.0	+3.0	+ 5.0

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 June 27, 1956	5 weeks ended May 30, 1956	5 weeks ended June 29, 1955	12 months ended June 27, 1956
	(In millions of dollars)			
Manufacturing and mining:				
Food, liquor, and tobacco	+ 25.3	- 81.3	- 29.2	+ 178.2
Textiles, apparel, and leather	+ 61.6	+ 37.9	+ 39.6	+ 309.3
Metals and metal products (including machinery and transportation equipment)	+ 395.9	+ 53.2	+ 69.6	+1,585.9
Petroleum, coal, chemicals, and rubber	+ 170.2	- 7.1	+ 35.5	+ 632.6
Other manufacturing and mining	+ 105.9	+ 32.0	+ 44.0	+ 432.4
Trade--wholesale and retail	- 35.4	+ 20.0	+ 43.2	+ 497.9
Commodity dealers	- 95.9	-107.1	- 60.8	+ 82.8
Sales finance companies	+ 59.4	-101.3	+238.7	+ 382.8
Public utilities (including transportation)	+ 221.9	- 43.5	+242.5	+ 392.0
Construction	+ 23.6	+ 32.8	+ 64.0	+ 160.5
All other types of business	+ 86.4	+102.6	+ 51.5	+ 518.9
Net change in classified loans <u>1/</u>	+1,018.9	- 61.8	+738.6	+5,173.3
Unclassified changes - net	+ 63.1	+ 4.8	+121.4	- 42.3
Net change in commercial and industrial loans	+1,082.0	- 57.0	+860.0	+5,131.0
Loans reclassified on October 5				+ 318.0
Total				+5,449.0

1/ See footnote on preceding table regarding current coverage.