

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

H.12

(For Immediate Release)

August 8, 1956

CHANGES IN COMMERCIAL AND INDUSTRIAL LOANS BY INDUSTRY

Net increases of \$66 million in loans to sales finance companies and \$56 million to commodity dealers were the principal factors in the \$131 million increase in commercial and industrial loans at weekly reporting member banks during the week ended August 1.

Other net borrowings during the week included \$25 million to "other" types of business and \$19 million to manufacturers of food, liquor, and tobacco products.

The larger decreases were \$20 million in loans to manufacturers and producers of petroleum, coal, chemicals, and rubber products, which was the first weekly decrease in this category since mid-June, \$15 million to manufacturers of metals and metal products, and \$11 million to the wholesale and retail trade.

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 <u>Aug. 1<sup>p/</sup></u>	Cumulative since mid-year	
		June 27, 1956 to <u>Aug. 1, 1956<sup>p/</sup></u>	June 29, 1955 to <u>Aug. 3, 1955</u>
(In millions of dollars)			
Manufacturing and mining:			
Food, liquor, and tobacco	+ 19	- 81	- 61
Textiles, apparel, and leather	+ 8	+ 37	+ 61
Metals and metal products	- 15	-136	- 35
Petroleum, coal, chemicals, & rubber	- 20	+ 44	+ 26
Other manufacturing and mining	+ 6	+ 81	+ 36
Trade--wholesale and retail	- 11	- 15	+ 35
Commodity dealers	+ 56	+197	+ 62
Sales finance companies	+ 66	-137	+ 54
Public utilities and transportation	+ 5	- 24	+ 7
Construction	- 8	- 24	+ 24
Other types of business	<u>+ 25</u>	<u>+ 49</u>	<u>+ 86</u>
Classified changes - net	+129	- 10	+295
Unclassified changes - net	<u>+ 2</u>	<u>- 89</u>	<u>1/ -246</u>
Net change in commercial and industrial loans	+131	- 98	<u>1/ + 49</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 July compared with the preceding month and with July 1955, and also showing changes during the past twelve months.

The direction of change during July was the same as in July 1955 in all business categories except the wholesale and retail trade, public utilities, and construction, where the amounts of changes were not large. However, the net change in commercial and industrial loans was down \$229 million in July 1956, in contrast to an increase of \$25 million a year ago. This resulted from much larger net repayments by sales finance companies than in the previous year; manufacturers of metals and metal products and of food, liquor, and tobacco products also made larger repayments than in July 1955. Partially offsetting factors were larger net increases in loans to commodity dealers, to manufacturers and producers of petroleum, coal, chemicals, and rubber products, and to "other" manufacturing and mining.

CHANGES IN COMMERCIAL AND INDUSTRIAL LOANS OF A SAMPLE OF WEEKLY REPORTING MEMBER BANKS  
BY INDUSTRY AND FEDERAL RESERVE DISTRICT,  
WEEK ENDED WEDNESDAY, AUGUST 1, 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	+ 19.0	--	+ 2.0	+ .2	- .4	+ .5	- .9	+12.3	+ .1	- .3	-1.2	+ 1.8	+ 4.9
Textiles, apparel, and leather	+ 8.1	- .2	+ 5.0	+ .8	- .3	- .7	+ .1	+ 1.2	+ .5	+ .4	- .2	+ .1	+ 1.4
Metals and metal products (including machinery & transportation equipment)	- 14.9	+6.6	- 8.8	-1.1	- 8.1	- .2	- .9	- 6.6	- .8	+ .6	- .7	+ .3	+ 4.8
Petroleum, coal, chemicals, and rubber	- 20.2	+ .9	-20.9	+ .2	+ 1.8	- .6	+2.3	- 2.7	- .1	+ .2	--	+ 2.3	- 3.6
Other manufacturing and mining	+ 5.6	+ .1	- 2.3	- .3	+ 1.0	+1.4	- .1	+ 2.5	+ .2	- .4	+ .4	+ 2.7	+ .4
Trade:													
Wholesale	(- 11.4)	-1.2	- 2.1	+ .1	- 1.3	- .2	+ .2	+ .7	- .7	- .2	- .6	(- .9)	- .8
Retail		-1.3	+ 1.2	- .9	- .2	- .2	+ .1	- .7	- .8	- .6	- .6	(- .9)	- .4
Commodity dealers	+ 55.5	- .9	+26.9	-1.5	+ 2.2	+2.8	--	+ 1.7	+8.8	+1.8	+ .1	+ 9.4	+ 4.2
Sales finance companies	+ 66.3	+1.6	+21.1	+4.8	+18.0	+1.9	+3.6	+11.7	+1.5	+2.5	-3.3	+ 1.5	+ 1.4
Public utilities (including transportation)	+ 4.5	+ .1	+10.5	+ .2	+ 3.2	- .1	-1.7	- 8.5	+ .4	--	- .1	--	+ .5
Construction	- 8.2	+ .1	- 6.2	+ .2	- .4	- .5	+ .3	- 2.0	--	- .2	+ .7	- .5	+ .3
All other types of business	+ 25.0	-2.6	+25.3	+1.9	+ .6	+1.4	- .6	+ .7	+ .7	+ .2	- .5	- 4.8	+ 2.7
Net change in classified loans <u>1/</u>	+129.3	+3.2	+51.7	+4.6	+16.1	+5.5	+2.4	+10.3	+9.8	+4.0	-6.0	+11.9	+15.8
Unclassified changes - net	+ 1.7	+1.8	+ 2.3	- .6	- 2.1	-2.5	+ .6	- .3	- .8	-2.0	-1.0	+ .1	+ 6.2
Net change in commercial and industrial loans	+131.0	+5.0	+54.0	+4.0	+14.0	+3.0	+3.0	+10.0	+9.0	+2.0	-7.0	+12.0	+22.0

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 July 25, 1956	4 weeks ended June 27, 1956	4 weeks ended July 27, 1955	12 months ended July 25, 1956
	(In millions of dollars)			
Manufacturing and mining:				
Food, liquor, and tobacco	-100.4	+ 25.3	- 64.7	+ 142.5
Textiles, apparel, and leather	+ 28.6	+ 61.6	+ 28.0	+ 309.9
Metals and metal products (including machinery and transportation equipment)	-120.6	+ 395.9	- 46.0	+1,511.3
Petroleum, coal, chemicals, and rubber	+ 64.0	+ 170.2	+ 17.6	+ 679.0
Other manufacturing and mining	+ 75.3	+ 105.9	+ 29.1	+ 478.6
Trade -- wholesale and retail	- 3.6	- 35.4	+ 29.6	+ 464.7
Commodity dealers	+141.6	- 95.9	+ 65.8	+ 158.6
Sales finance companies	-203.7	+ 59.4	- 36.5	+ 215.6
Public utilities (including transportation)	- 28.1	+ 221.9	+ 1.7	+ 362.2
Construction	- 15.5	+ 23.6	+ 35.5	+ 109.5
All other types of business	+ 23.6	+ 86.4	+ 64.8	+ 477.7
Net change in classified loans <u>1/</u>	-138.8	+1,018.9	+124.9	+4,909.6
Unclassified changes - net	- 90.2	+ 63.1	- 99.9	- 32.6
Net change in commercial and industrial loans	-229.0	+1,082.0	+ 25.0	+4,877.0
Loans reclassified on October 5				+ 318.0
Total				+5,195.0

1/ See footnote on preceding table regarding current coverage.