

CHANGES IN COMMERCIAL AND INDUSTRIAL LOANS, BY INDUSTRY AND PURPOSE

Increases of 30 million dollars in loans to manufacturers of metals and metal products, 18 million to public utilities, and 11 million to commodity dealers were offset by decreases of 23 million in loans to sales finance companies, 20 million to manufacturers of textiles, apparel, and leather, and 14 million to the wholesale and retail trade during the week ended August 29. The net change in commercial, industrial, and agricultural loans at weekly reporting member banks was a decrease of 1 million, the only weekly decrease during the month.

Changes in loans classified by type of business, during the week and since the end of March, were as follows:

<u>Business of Borrower</u>	<u>Week ended August 29</u>	<u>Change since March 28</u>
	(In millions of dollars)	
Manufacturing and mining:		
Food, liquor, and tobacco	+ 5	-220
Textiles, apparel, and leather	- 20	+ 75
Metals and metal products	+ 30	+560
Petroleum and other	+ 7	+160
Trade -- wholesale and retail	- 14	+ 77
Commodity dealers	+ 11	-367
Sales finance companies	- 23	- 40
Public utilities and transportation	+ 18	+290
Construction and other	- 6	+ 20
<u>Total changes classified</u>	<u>+ 7</u>	<u>+555</u>

Changes in loans classified as to purpose showed an increase of 27 million dollars for defense and defense-supporting activities and a decrease of 20 million in non-defense loans.

In addition to the usual table showing changes for the week by industry of borrower, purpose of loans, and Federal Reserve district, there is also attached a summary table showing the changes since a sample of the largest banks began reporting these data at the request of the National Voluntary Credit Restraint Committee.

During the quarter ended June 27 there was a relatively small net change in commercial loans. The larger increases were in loans to manufacturers of metals and metal products and of textiles, apparel, and leather, and to public utilities; the only decreases during this quarter were in loans to commodity dealers and to manufacturers of food, liquor, and tobacco products, but both categories showed substantial decreases.

During July there was a decrease of 262 million dollars in commercial loans at all weekly reporting member banks. By industry, according to the somewhat smaller sample of loans classified as to business of borrower, there was a further decrease of 128 million dollars in loans to manufacturers of food, liquor, and tobacco products; and other large decreases were in loans to the wholesale and retail trade and to sales finance companies. There was a continued decrease in loans to commodity dealers, but it amounted to only 35 million dollars as compared with 421 million in the preceding three months. The only large increase during July was 78 million dollars to manufacturers of metals and metal products.

During the five weeks ended August 29 there have been substantial increases in commercial, industrial, and agricultural loans in all weeks except the current one; the net increase has amounted to 544 million dollars. The largest increase was 207 million to manufacturers of metals and metal products. After four months of continuous decreases, the trend was reversed in loans to manufacturers of food, liquor, and tobacco products and to commodity dealers, indicating the beginning of the usual seasonal borrowing in the late summer and early fall by these processors and distributors to finance the crop movement. Loans to the wholesale and retail trade, which had decreased 98 million in July, increased 113 million in August. The only businesses showing net decreases during August were loans to manufacturers of textiles, apparel, and leather, to sales finance companies, and in the "all other" classification. The textile decline of 54 million dollars came after four months of increases that had totaled 129 million. Loans

(over)

CHANGES IN COMMERCIAL AND INDUSTRIAL LOANS OF A SAMPLE OF WEEKLY REPORTING MEMBER BANKS  
BY INDUSTRY, PURPOSE, AND FEDERAL RESERVE DISTRICT,  
WEEK ENDED WEDNESDAY, AUGUST 29, 1951

(In millions of dollars)

Business of Borrower	All Districts	Boston	New York	Phila- delphia	Cleve- land	Rich- mond	Atlanta	Chicago	St. Louis	Minne- apolis	Kansas City	Dallas	San Francisco
Manufacturing and mining:													
Food, liquor, and tobacco	+ 5.3	+ 1.2	- 9.4	+ .6	- 2.4	+ 1.2	+ 1.0	+ 1.4	+ 1.4	--	+ .4	+ 2.5	+ 7.4
Textiles, apparel, and leather	-19.8	- 1.6	-11.6	- .7	+ .1	- .6	- 1.6	- .1	- .1	- .4	--	+ .1	- 3.3
Metals and metal products (including machinery & transportation equipment)	+29.5	+ 2.5	+18.1	- .6	+ 2.4	--	+ .1	+ 4.0	- .8	+ .1	--	+ 2.0	+ 1.7
Petroleum, coal, chemicals, and rubber	+ 1.6	- .6	+ 1.2	+ .1	+ .8	+ .2	- .6	+ 1.8	--	+ .5	+ .1	- 1.9	--
Other manufacturing and mining	+ 5.1	+ .2	+ 1.3	--	+ .9	--	+ .1	+ 1.4	- .2	- .1	- .1	- .6	+ 2.2
Trade;													
Wholesale	(-13.6)	- .1	- 1.0	+ .1	+ .1	- .1	- .3	- 2.5	- .6	- .9	+ .1	(- 1.2)	- 2.6
Retail		- .7	+ 1.1	- .5	+ .1	- .2	--	- 6.4	- .2	--	+ 1.4		+ .8
Commodity dealers	+11.2	+ .9	+10.4	+ .3	- .2	+ .5	--	- .5	+ 1.5	--	- .8	+ .1	- 1.0
Sales finance companies	-23.4	- 5.0	-14.2	+ 3.7	- 3.3	- 1.1	- .8	+ .4	- .6	- .4	- 1.7	+ .9	- 1.3
Public utilities (including transportation)	+17.5	+ .6	+17.2	+ .1	+ 1.1	--	- 3.3	+ 2.5	- .3	--	--	- .9	+ .5
Construction	- 2.1	- .8	- .3	- .6	- .2	- .5	- 1.0	- .6	- .9	--	- .6	+ 4.6	- 1.2
All other types of business	- 4.1	+ .5	- 9.7	+ 1.1	+ 2.1	- 1.7	- 1.1	+ 7.7	+ .6	+ .5	- .5	+ .1	- 4.0
Net change of classified loans <sup>1/</sup>	+ 7.2	- 2.9	+ 3.1	+ 3.6	+ 1.5	- 2.3	- 7.5	+ 9.1	- .2	- .7	- 1.7	+ 6.0	- .8
To balance with net change in weekly reporting series	- 8.2	- 1.1	-10.1	+ .4	- 6.5	- 1.7	- 1.5	- 4.1	+ 1.2	- .3	+ 3.7	- 1.0	+12.8
Net change in commercial, industrial, and agricultural loans	- 1.0	- 4.0	- 7.0	+ 4.0	- 5.0	- 4.0	- 9.0	+ 5.0	+ 1.0	- 1.0	+ 2.0	+ 5.0	+12.0
<u>Purpose Classification</u>													
Defense contracts	+17.6	+ 1.8	+ 9.8	- .9	+ 1.6	- .5	- .2	+ 3.4	- .5	--	- .2	+ .4	+ 2.9
Defense-supporting activities:													
Plant and equipment	+ 8.0	--	+ 5.5	+ .1	+ .5	+ .3	- .4	+ 1.9	+ .1	--	--	--	--
All other	+ 1.7	- .1	+ 4.6	- .8	- .3	- .1	- .4	+ .1	- .4	+ .1	+ .2	--	- 1.2
Non-defense activities:													
Inventory and working capital	-15.5	- 4.9	-12.0	+ 4.4	- 1.0	- 2.2	- 1.9	+ 1.2	+ .3	- .8	- 1.6	+ 5.1	- 2.1
Plant and equipment	+ 7.6	+ .4	+ 3.8	+ .1	+ .7	- .1	- 1.4	+ 4.0	- .3	--	+ .4	- .5	+ .5
Retirement of non-bank and preferred stock	+ .9	+ .5	+ .1	+ .5	--	--	--	- 1.8	- .1	--	--	+ 1.4	+ .3
All other (for loans classified)	-13.4	- .6	- 8.7	+ .2	--	+ .3	- 3.2	+ .3	+ .7	--	- .8	- .4	- 1.2
Net change of classified loans <sup>1/</sup>	+ 6.9	- 2.9	+ 3.1	+ 3.6	+ 1.5	- 2.3	- 7.5	+ 9.1	- .2	- .7	- 2.0	+ 6.0	- .8

<sup>1/</sup> About 220 weekly reporting member banks are reporting changes in their larger loans as to industry and purpose; these banks hold nearly 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.

CHANGES IN COMMERCIAL AND INDUSTRIAL LOANS OF A SAMPLE OF WEEKLY REPORTING MEMBER BANKS  
BY INDUSTRY AND PURPOSE, FOR THE FIVE MONTHS ENDED WEDNESDAY, AUGUST 29, 1951

(In millions of dollars)

Business of Borrower	5 months' totals	3 months ended June 27	4 weeks ended July 25	5 weeks ended August 29
Manufacturing and mining:				
Food, liquor, and tobacco	-219.7	-243.1	-128.4	+151.8
Textiles, apparel, and leather	+ 75.2	+115.6	+ 13.6	- 54.0
Metals and metal products (including machinery and transportation equipment)	+560.0	+275.2	+ 78.0	+206.8
Petroleum, coal, chemicals, and rubber	+ 48.1	+ 48.1	- .1	+ .1
Other manufacturing and mining	+111.7	+ 60.0	+ 22.3	+ 29.4
Trade -- wholesale and retail	+ 76.9	+ 62.0	- 98.3	+113.2
Commodity dealers	-366.5	-421.2	- 34.8	+ 89.5
Sales finance companies	- 39.8	+ 62.6	- 55.8	- 46.6
Public utilities (including transportation)	+289.7	+174.8	+ 38.3	+ 76.6
Construction	(+ 19.8	+ 52.2)	+ .3	+ 8.4
All other types of business			- 20.4	- 20.7
Net change of classified loans <sup>1/</sup>	+555.4	+186.2	-185.3	+554.5
To balance with net change in weekly reporting series	-255.4	-168.2	- 76.7	- 10.5
Net change in commercial, industrial, and agricultural loans	+300.0	+ 18.0	-262.0	+544.0
<u>Purpose Classification<sup>2/</sup></u>				
Defense contracts	+400.2	+246.2	+ 73.6	+ 80.4
Defense-supporting activities:				
Plant and equipment	+317.4	+ 98.8	+ 66.4	+152.2
All other	+ 70.0	+ 53.9	- 5.9	+ 22.0
Non-defense activities:				
Inventory and working capital	-176.9	-131.8	-303.5	+258.4
Plant and equipment	+166.4	+134.0	--	+ 32.4
Retirement of non-bank debt and preferred stock	+ 10.4	- 10.6	+ 11.2	+ 9.8
All other (for loans classified)	- 71.4	- 47.4	- 23.4	- .6
Net change of classified loans <sup>1/ 2/</sup>	+716.1	+343.1	-181.6	+554.6

<sup>1/</sup> See footnote on preceding table regarding current coverage. During April and most of May the coverage was somewhat smaller.

<sup>2/</sup> During April and early May, many of the banks were classifying only the new loans, and not repayments, as to purpose. The purpose classification, "Defense-supporting activities", was not generally used prior to the week of May 16.