

THE MONTHLY REVIEW

*Of Agricultural, Industrial, Trade and Financial
Conditions in the Tenth Federal Reserve District*

FEDERAL RESERVE BANK OF KANSAS CITY

Vol. 21

KANSAS CITY, MO., MAY 1, 1936

No. 5

GENERAL business activity in the Tenth Federal Reserve District, as measured by the volume of debits to individual accounts in banks, expanded somewhat more than seasonally during March and was about 10 per cent above the level of March last year, with the record for the first quarter of 1936 indicating an improvement of about 12 per cent over the first quarter of 1935. Department store sales and wholesale trade increased more than usual during March and the upturn in building operations when the weather improved was accompanied by substantial increases in retail lumber sales and in the production of cement. Business failures, although showing an increase over the low levels which have prevailed, were relatively minor.

The production of flour declined in March owing to the limited volume of flour sales, and bituminous coal production receded from the high February level when severe weather had resulted in an increased demand for fuels. Crude oil production and shipments of zinc ore increased, but there was a decrease in lead shipments. Packers' purchases of live stock indicated a general increase in meat packing operations during the month. March slaughter totals closely reflected marketings, with the slaughter of cattle and calves above the average March volume during the past ten years and the slaughter of hogs and sheep below the average.

Receipts of grain and live stock at the principal markets in the District increased with the lifting of weather restrictions and there was an increase in the countryward movement of stockers and feeders. Grain prices weakened during March and cattle prices were steady to lower, while prices of hogs and lambs advanced. Western range feed on April 1 was fair to good and live stock was generally in good condition, with good calf crop and late lamb crop prospects.

The generally warm, dry March weather enabled farmers to make rapid progress in spring farm work, but soil moisture conditions were generally unsatisfactory throughout the central part of the District and rains were needed. Winter wheat prospects on April 1 were much better than a year ago, although abandonment was expected to be above the average because of the continued dry weather. Freezing temperatures in the first week of April damaged fruit crops. Pastures were late in starting because of the severe winter and continued dryness and were retarded by late frosts.

Member Bank Operations

Loans and discounts of fifty-two reporting member banks in the Tenth District, following a decline in February, increased slightly during the five weeks ended April 8 and investments increased 6.7 per cent, reflecting principally an increase in holdings of United States Government obligations. Loans and discounts on April 8 were 8.3 per cent and investments were 1.1 per cent greater than on April 10, 1935. Reserves with the Federal Reserve Bank decreased 6.4 per cent

BUSINESS IN THE TENTH FEDERAL RESERVE DISTRICT
Percentages of Increase, or Decrease (—), for March 1936 over February 1936 and March 1935 and for the first three months of 1936 over the like period in 1935.

	March 1936 compared to		3 Mos. 1936 compared to 3 Mos. 1935
	Feb. 1936	Mar. 1935	
Banking			
Payments by check, 29 cities.....	5.4	9.9	12.2
Federal Reserve Bank check collections..	16.1	9.9	9.5
Business failures, number.....	17.5	42.4	23.6
Loans, 52 member banks.....	1.1	8.3	.....
Investments, 52 member banks.....	6.7	1.1	.....
Adjusted dem. depts., 52 member banks..	— 0.2	8.3	.....
Time deposits, 52 member banks.....	0.1	1.9	.....
Savings deposits, 45 selected banks.....	0.3	3.7	.....
Savings accounts, 45 selected banks.....	0.2	1.1	.....
Distribution			
Wholesalers' sales, 5 lines combined.....	25.3	14.9	8.3
Retailers' sales, 32 department stores.....	27.0	10.1	8.2
Lumber sales, 158 retail yards.....	73.1	62.2	53.5
Life insurance, written.....	16.0	— 1.5	—10.0
Construction			
Building contracts awarded, value.....	145.1	43.1	31.7
Residential contracts awarded, value.....	126.2	84.0	96.4
Building permits in 17 cities, value.....	—12.3	125.9	174.9
Production			
Flour.....	— 8.0	—10.9	— 2.9
Crude petroleum.....	8.2	1.8	4.7
Soft coal.....	—43.2	— 6.4	24.7
Zinc ore (shipped) Tri-State district.....	33.1	34.9	17.0
Lead ore (shipped) Tri-State district.....	—20.8	56.6	32.1
Cement.....	52.6	33.9	11.0
Grain receipts, 5 markets			
Wheat.....	77.9	77.9	79.1
Corn.....	102.9	37.1	48.7
Oats.....	86.6	176.9	96.8
Live stock receipts, 6 markets			
Cattle.....	18.3	16.0	1.7
Calves.....	25.6	— 6.4	—15.3
Hogs.....	3.0	33.7	19.2
Sheep.....	19.1	0.2	8.7
Horses and mules.....	72.1	11.8	—12.3
Meat packing, 6 markets			
Cattle.....	3.5	32.7	19.5
Calves.....	5.1	— 2.5	— 8.5
Hogs.....	4.5	31.1	18.6
Sheep.....	11.5	13.0	20.0
Stocker and feeder shipments, 4 markets			
Cattle.....	82.7	5.1	—14.8
Calves.....	383.6	—26.7	—36.3
Hogs.....	13.5	—40.5	—41.5
Sheep.....	—12.9	—58.3	—34.9

during the five weeks, reflecting chiefly a transfer of funds in connection with the receipt of income taxes and incident to the Treasury's March financing.

Adjusted demand deposits decreased fractionally during the five weeks ended April 8 and balances held for domestic banks, which had increased in February, declined 6.8 per cent, while United States Government deposits increased. There was little change in time deposits during the five weeks and a slight

increase over a year ago. Adjusted demand deposits on April 8 were 8.3 per cent and inter-bank deposits of domestic banks were 11.6 per cent greater than on April 10, 1935.

The principal resource and liability items of the consolidated weekly condition statements of the fifty-two reporting banks, for the three dates of comparison:

	April 8, 1936	March 4, 1936	April 10, 1935
Loans and investments—total.....	\$626,137,000	\$598,119,000	\$604,728,000
Loans and discounts—total.....	217,620,000	215,316,000	200,852,000
Secured by stocks and bonds.....	48,283,000	47,862,000	54,822,000
All other loans and discounts.....	169,337,000	167,454,000	146,030,000
Investments—total.....	408,517,000	382,803,000	403,876,000
U. S. securities direct.....	244,629,000	221,202,000	258,588,000
Obligations fully guaranteed by the U. S. Government.....	42,420,000	45,148,000	24,231,000
Other securities.....	121,468,000	116,453,000	121,057,000
Reserve with F. R. Bank.....	103,254,000	110,343,000	105,730,000
Demand deposits—adjusted.....	432,037,000	433,048,000	399,007,000
Time deposits.....	144,815,000	144,723,000	142,158,000
U. S. Government deposits.....	18,442,000	11,956,000	21,900,000
Inter-bank deposits:			
Domestic banks.....	349,290,000	374,727,000	313,057,000
Foreign banks.....	118,000	102,000	102,000

Reserve Bank Operations

The small holdings of bills discounted for member banks increased slightly during the five weeks ended April 8, and holdings of bills purchased remained unchanged. Industrial advances showed a further slight increase from March 4 to April 8 and were somewhat larger than the total of a year ago. Holdings of United States Government obligations increased by \$10,000,000 and on April 8 were 9.4 per cent greater than five weeks or fifty-two weeks earlier.

Federal Reserve note circulation increased further from March 4 to April 8 and on that reporting date was 21.3 per cent greater than on the corresponding date last year. Member banks' reserve deposits declined 8.5 per cent during the five weeks ended April 8 and were 7.5 per cent smaller than on April 10, 1935.

The principal resource and liability items of the weekly condition statements of the Federal Reserve Bank of Kansas City and branches, for the three dates of comparison:

	April 8, 1936	March 4, 1936	April 10, 1935
Total reserves.....	\$221,706,376	\$218,120,576	\$200,249,646
Bills discounted.....	379,526	261,968	79,584
Bills purchased.....	132,904	132,904	143,248
Industrial advances.....	1,164,431	1,131,533	959,207
U. S. securities.....	116,844,200	106,844,200	106,844,250
Total bills and securities.....	118,702,061	108,551,605	108,026,289
Total resources.....	373,210,736	363,083,299	338,974,080
F. R. notes in circulation.....	144,928,375	143,051,325	119,512,825
Member banks' reserve deposits.....	160,272,195	175,103,835	173,216,888

The discount rate of the Federal Reserve Bank of Kansas City, on all classes of paper and all maturities, remains unchanged at 2 per cent.

Savings

Savings deposits at forty-five selected banks in leading cities of the District increased slightly from March 1 to April 1 and on the latter date were 3.7 per cent greater than on April 1, 1935. There was also a slight increase in the number of savings accounts during the month and an increase of 1.1 per cent during the year.

Savings accounts and savings deposits reported by the forty-five banks:

	Savings Accounts	Savings Deposits
April 1, 1936.....	408,653	\$125,327,167
March 1, 1936.....	408,001	124,946,701
April 1, 1935.....	404,045	120,875,949

Reserve Bank Check Collections

The dollar volume of check collections through this bank and branches increased 16.1 per cent during March and was 9.9 per cent greater than in March, 1935. Check collections for

the first three months of this year increased 9.5 per cent in dollar volume and 10.3 per cent in the number of items handled compared to the first three months of last year.

Check collections through the Federal Reserve Bank of Kansas City and branches at Omaha, Denver, and Oklahoma City:

	ITEMS		AMOUNT	
	1936	1935	1936	1935
March.....	6,188,634	5,305,795	\$ 892,690,000	\$ 811,967,000
February.....	5,116,930	4,910,336	768,936,000	723,156,000
Three months..	17,098,179	15,494,545	2,556,038,000	2,334,299,000

Bank Debits

Debits by banks to individual accounts in twenty-nine reporting cities in the District increased 5.4 per cent during the four weeks ended April 1 and were 9.9 per cent greater than during the corresponding four weeks in 1935. Debits for the first thirteen weeks of 1936 exceeded the total for the same period in 1935 by 12.2 per cent.

PAYMENTS BY CHECK

	FOUR WEEKS ENDED		Per cent Change
	April 1, 1936	April 3, 1935	
Albuquerque, N. M.....	\$ 9,586,000	\$ 8,936,000	7.3
Atchison, Kans.....	2,705,000	2,913,000	— 7.1
Bartlesville, Okla.....	20,797,000	18,870,000	10.2
Casper, Wyo.....	4,364,000	3,644,000	19.8
Cheyenne, Wyo.....	6,293,000	6,014,000	4.6
Colorado Springs, Colo.....	13,874,000	10,802,000	28.4
Denver, Colo.....	146,388,000	126,932,000	15.3
*Emporia, Kans.....	2,811,000	—	—
Enid, Okla.....	7,746,000	6,984,000	10.9
Fremont, Nebr.....	2,686,000	2,133,000	25.9
Grand Junction, Colo.....	2,511,000	2,181,000	15.1
Guthrie, Okla.....	1,645,000	1,338,000	22.9
Hutchinson, Kans.....	8,985,000	11,354,000	— 20.9
Independence, Kans.....	2,116,000	1,833,000	15.4
Joplin, Mo.....	8,659,000	7,364,000	17.6
Kansas City, Kans.....	9,908,000	10,166,000	— 2.5
Kansas City, Mo.....	260,474,000	250,885,000	3.8
Lawrence, Kans.....	3,184,000	2,879,000	10.6
Lincoln, Nebr.....	25,087,000	23,389,000	7.3
Muskogee, Okla.....	7,274,000	5,636,000	29.1
Oklahoma City, Okla.....	86,299,000	73,047,000	18.1
Okmulgee, Okla.....	2,809,000	2,400,000	17.0
Omaha, Nebr.....	135,950,000	118,290,000	14.9
Pittsburg, Kans.....	3,677,000	3,392,000	8.4
Pueblo, Colo.....	11,219,000	13,060,000	— 14.1
Salina, Kans.....	6,396,000	6,662,000	— 4.0
St. Joseph, Mo.....	24,591,000	23,597,000	4.2
Topeka, Kans.....	13,437,000	15,058,000	— 10.8
Tulsa, Okla.....	109,647,000	91,622,000	19.7
Wichita, Kans.....	38,305,000	36,912,000	3.8

Total 29 cities, 4 weeks.....	\$ 976,612,000	\$ 888,293,000	9.9
Total 29 cities, 13 weeks.....	3,137,588,000	2,796,450,000	12.2
U. S. 272 cities, 4 weeks.....	36,897,091,000	30,942,848,000	19.2
U. S. 272 cities, 13 weeks.....	113,556,984,000	96,271,523,000	18.0

*Not included in totals.

Business Failures

Commercial failures in the Tenth District were more numerous during March and the first quarter of 1936 than during the comparable periods in 1935, and there was a considerable increase in the amount of liabilities involved. The March total of liabilities was the largest for that month since 1932, although the number of failures, with the exception of last year, was the smallest for March since 1920.

Business failures in the Tenth District and the United States, reported by Dun and Bradstreet, Incorporated:

	TENTH DISTRICT		UNITED STATES	
	Number	Liabilities	Number	Liabilities
March 1936.....	47	\$1,709,000	946	\$16,271,000
February 1936.....	40	173,000	856	14,089,000
March 1935.....	33	292,000	940	15,361,000
Three months 1936.....	136	2,317,000	2,879	48,464,000
Three months 1935.....	110	732,000	3,042	45,181,000

RETAIL TRADE AT 32 DEPARTMENT STORES IN THE TENTH FEDERAL RESERVE DISTRICT

Stores Reporting	SALES		STOCKS (RETAIL)		STOCK TURNOVER				ACCOUNTS RECEIVABLE		AMOUNTS COLLECTED		
	Mar. 1936	Year 1936	March 31, 1936	March 31, 1935	1936	1935	1936	1935	March 31, 1936	March 31, 1935	March 1936	March 1935	
	compared to Mar. 1935	compared to Year 1935	compared to Feb. 29, 1936	compared to Mar. 31, 1935	March	Year	March	Year	compared to Feb. 29, 1936	compared to Mar. 31, 1935	compared to Feb. 1936	compared to Mar. 1935	
Kansas City....	4	9.9	8.1	9.8	— 7.7	.35	.29	.91	.76	4.7	17.8	—11.0	7.4
Denver.....	4	19.8	8.5	4.3	2.9	.32	.28	.85	.84	3.2	3.7	— 6.7	9.6
Oklahoma City	3	1.9	8.2	4.8	4.8	.36	.36	1.05	1.03	— 0.9	12.7	—10.0	1.0
Tulsa.....	3	2.1	9.7	9.4	4.8	.38	.38	1.07	1.03	8.5	12.1	—12.8	6.2
Wichita.....	3	10.4	8.1	5.6	5.4	.30	.30	.81	.81	4.0	9.0	— 2.4	3.8
Other cities.....	15	6.8	7.4	6.1	1.1	.27	.26	.73	.69	5.5	8.4	— 8.6	1.3
Total.....	32	10.1	8.2	6.4	0.2	.32	.29	.87	.81	3.9	9.2	— 8.6	5.6

NOTE: Percentage of collections in March on open accounts February 29, all stores reporting 44.0. Collections same month last year 44.7.

Life Insurance

Sales of new paid-for ordinary life insurance in the seven states in the District increased 16 per cent during March, but there was a slight decrease compared to sales in March, 1935. Sales for the first quarter of 1936 were 10 per cent below sales during the same period last year.

Life insurance sales reported to the Life Insurance Sales Research Bureau by companies representing 90 per cent of the total legal reserve ordinary life insurance outstanding in the United States:

	Mar. 1936	Feb. 1936	Mar. 1935
Colorado.....	\$ 4,695,000	\$ 3,900,000	\$ 4,068,000
Kansas.....	5,033,000	4,375,000	5,299,000
Missouri.....	15,475,000	12,966,000	16,718,000
Nebraska.....	4,299,000	3,300,000	4,451,000
New Mexico.....	735,000	993,000	803,000
Oklahoma.....	6,273,000	6,005,000	5,859,000
Wyoming.....	961,000	758,000	832,000
Seven states.....	\$ 37,471,000	\$ 32,297,000	\$ 38,030,000
United States.....	525,043,000	460,463,000	545,450,000

Trade

RETAIL: The dollar volume of sales at thirty-two reporting department stores in leading cities of the District increased 27 per cent during March compared to an increase of 19.9 per cent during March last year. The greater increase this year reflected in part the earlier arrival of Easter. The March dollar volume increased 10.1 per cent compared to March, 1935, and for the first three months of 1936 there was an increase of 8.2 per cent over sales in the first three months of last year.

Stocks of merchandise increased 6.4 per cent from February 29 to March 31 and were approximately the same as on March 31, 1935. Collections on open accounts during March averaged 44 per cent of amounts receivable at the close of the preceding month, compared to collection percentages of 43.8 per cent in February and 44.7 per cent in March, 1935. Installment collections averaged 16.4 per cent in March, 15.9 per cent in February, and 16.2 per cent a year ago.

WHOLESALE: The combined dollar volume of five representative wholesale lines reporting to this bank increased 25.3 per cent during March and was 14.9 per cent greater than in March of last year. Sales for the first three months of 1936 increased 8.3 per cent compared to sales in the first three months of 1935. By individual lines, there were sales increases of 0.7 per cent for dry goods, 3.3 per cent for groceries, 12.7 per cent

for hardware and furniture, and 12.6 per cent for drugs during the first quarter of this year compared to the first quarter of last year.

Stocks of merchandise of the five lines combined increased 1.3 per cent from February 29 to March 31 and were 1.9 per cent larger than on March 31, 1935. Stocks of dry goods, groceries, furniture, and drugs were larger than one month earlier, while stocks of hardware declined during March. All lines except dry goods and groceries reported an increase in stocks during the year.

Lumber

Retail sales of lumber at 158 reporting retail yards in the Tenth District during March increased substantially in board feet both as compared to February and to March of last year, and there was a similar increase in dollar sales of all materials. The return of more favorable weather conditions for building operations during the month and considerable new building in Oklahoma and southern Kansas as a result of the improvement in the oil situation were contributory factors to these increases. Sales of lumber in board feet were 53.5 per cent greater during the first quarter of 1936 than during the corresponding period in 1935.

Stocks of lumber on March 31 were slightly larger than one month earlier and were 25 per cent larger than a year ago. Outstandings increased 10.4 per cent from February 29 to March 31 and there was a sizable increase compared to March 31, 1935. Collections during March averaged 45 per cent of amounts outstanding at the close of the preceding month compared to a ratio of 37.2 per cent in February and in March, 1935.

March business at the 158 reporting yards:

	February 1936	March 1936 compared to February 1936	March 1935
Sales of lumber, board feet.....	73.1	62.2	62.2
Sales of all materials, dollars.....	43.8	45.4	45.4
Stocks of lumber, board feet.....	1.0	25.0	25.0
Outstandings, end of month.....	10.4	32.1	32.1

According to reports of the National Lumber Manufacturers Association, lumber production in the United States during the first thirteen weeks of 1936 was 33 per cent above production in the same period in 1935. Lumber shipments for the thirteen weeks increased 23 per cent and orders booked increased 21 per cent compared to a year ago.

WHOLESALE TRADE IN THE TENTH FEDERAL RESERVE DISTRICT

Stores Reporting	SALES		OUTSTANDINGS		AMOUNTS COLLECTED		STOCKS		
	Mar. 1936	Mar. 1935	Mar. 31, 1936	Mar. 31, 1935	Mar. 1936	Mar. 1935	Mar. 31, 1936	Mar. 31, 1935	
	compared to Feb. 1936	compared to Mar. 1935	compared to Feb. 29, 1936	compared to Mar. 31, 1935	compared to Feb. 1936	compared to Mar. 1935	compared to Feb. 29, 1936	compared to Mar. 31, 1935	
Dry goods.....	5	20.8	13.2	1.6	— 2.6	7.9	7.9	2.5	— 7.4
Groceries.....	5	13.9	5.3	— 3.6	— 5.7	9.4	10.7	1.1	— 6.0
Hardware.....	8	61.6	22.3	11.2	2.2	33.6	10.8	— 2.0	12.0
Furniture.....	3	66.3	27.5	18.4	31.6	51.1	10.9	1.6	25.6
Drugs.....	7	11.0	16.8	6.6	9.5	2.2	12.5	2.0	14.7

Building

Building operations in the District expanded seasonally during March, when the weather moderated, and were 43.1 per cent greater than in March of last year, although the value of construction contracts awarded, according to statistics of the F. W. Dodge Corporation, represented only about 61 per cent of the average volume for that month during the past ten years. Total awards for the first three months of 1936 increased 31.7 per cent compared to the first quarter of 1935 and residential awards showed an even greater relative improvement.

The value of construction contracts awarded, as reported by the F. W. Dodge Corporation:

	RESIDENTIAL		TOTAL	
	Tenth District	United States	Tenth District	United States
Mar. 1936.....	\$2,581,925	\$ 55,270,600	\$10,520,169	\$199,028,300
Feb. 1936.....	1,141,505	31,175,500	4,292,780	142,050,200
Mar. 1935.....	1,403,135	32,207,400	7,349,615	123,043,500
3 Mos. 1936..	5,383,340	123,885,600	25,528,933	545,871,300
3 Mos. 1935..	2,740,613	71,234,400	19,387,864	297,900,900

The number of permits issued by building departments in seventeen Tenth District cities increased during March and was the largest for the month since 1930. Estimated expenditures were somewhat smaller than in February but were larger than in any other March since 1931. Construction expenditures continued to show substantial improvement over last year.

BUILDING PERMITS IN TENTH DISTRICT CITIES

	PERMITS		ESTIMATED COST	
	1936	1935	1936	1935
Albuquerque, N. M.....	62	59	\$ 75,211	\$ 38,864
Cheyenne, Wyo.....	43	41	73,200	56,495
Colorado Springs, Colo.....	37	27	17,545	96,961
Denver, Colo.....	375	271	646,935	231,139
Joplin, Mo.....	22	18	20,200	17,950
Kansas City, Kans.....	56	44	44,055	19,340
Kansas City, Mo.....	250	205	298,400	225,100
Lincoln, Nebr.....	214	102	113,313	35,758
Oklahoma City, Okla.....	232	124	529,125	156,218
Omaha, Nebr.....	123	88	226,721	141,715
Pueblo, Colo.....	54	57	20,162	20,682
Salina, Kans.....	21	14	40,270	23,416
Shawnee, Okla.....	17	9	9,290	2,025
St. Joseph, Mo.....	23	16	12,880	4,475
Topeka, Kans.....	101	60	407,780	56,680
Tulsa, Okla.....	118	63	278,472	108,870
Wichita, Kans.....	215	148	188,319	93,458
Total 17 cities, March.....	1,963	1,346	\$3,001,878	\$1,329,146
Three months.....	3,578	3,170	9,053,139	3,292,722

Cement

The production of finished Portland cement in the District increased substantially during March and there was also a substantial increase in shipments. Production, although about 20 per cent below the March average during the past ten years, increased by one-third compared to a year ago and by 11 per cent in the first quarter of 1936 compared to the first quarter of 1935. Stocks decreased somewhat during March and were 6.7 per cent below stocks on March 31, 1935.

Cement production, shipments, and stocks reported by the Bureau of Mines, in thousands of barrels:

	TENTH DISTRICT			UNITED STATES		
	Production	Shipments	Stocks	Production	Shipments	Stocks
March 1936.....	560	971	1,981	5,263	7,138	21,096
February 1936..	367	396	2,391	3,454	3,156	22,971
March 1935.....	419	651	2,123	4,299	4,878	21,289
3 Mos. 1936.....	1,287	1,819	.....	12,347	14,183	.....
3 Mos. 1935.....	1,159	1,436	.....	10,554	10,675	.....

Flour Milling

Flour milling operations in the District were reduced from 63.8 per cent of full-time capacity in February to 56.3 per cent in March, and production decreased 8 per cent. Production during March was 12.4 per cent below the average for that

month during the past ten years and was 10.9 per cent below production in March, 1935, when milling operations averaged 63.6 per cent of capacity. Output for the first quarter of 1936 showed a decline of 2.9 per cent compared to the first quarter of last year.

Flour production at the principal milling centers of the District, as estimated from the weekly reports of southwestern mills to the Northwestern Miller:

	Mar. 1936	Feb. 1936	Mar. 1935
	Barrels	Barrels	Barrels
Atchison.....	98,071	121,205	118,221
Kansas City.....	491,900	505,350	554,867
Salina.....	140,074	141,387	148,376
Wichita.....	129,167	146,859	198,069
Outside.....	888,031	983,476	941,114

Total.....	1,747,243	1,898,277	1,960,647
*United States.....	5,356,455	5,444,070	5,210,535

*Represents about 60 per cent of the total output in the United States.

Flour trade was generally slow during March and the gradual tightening of shipping directions was reflected in the reduction in output. Southwestern sales declined from 88 per cent of capacity in the closing week of February to 33 per cent in the third week of March, afterward rising to 41 per cent of capacity in the following week on a brief rally in the wheat market. The volume of flour business was limited chiefly to sales in small lots for nearby shipment. Flour prices at the Kansas City market declined steadily throughout the month, following the lower trend of the wheat market, but millfeed prices advanced in the latter part of March as offerings became restricted owing to the reduced running time of mills.

Grain Marketing

The movement of grain supplies to the five primary markets in the District, which had been restricted by severe weather in February, increased substantially during March with the return of more nearly normal marketing conditions. Marketings also showed a substantial increase compared to March of last year and for the first quarter of 1936 compared to the first quarter of 1935. Receipts of wheat represented 68.9 per cent, corn 84.9 per cent, and kafir 34.4 per cent of the average volume for the month during the past ten years, with receipts of oats, rye, and barley sharply above the average.

Receipts of grain at the five markets:

	Wheat	Corn	Oats	Rye	Barley	Kafir
	Bushels	Bushels	Bushels	Bushels	Bushels	Bushels
Hutchinson.....	731,700	1,250	.....	.....	.....	7,800
Kansas City.....	2,753,600	1,752,000	242,000	9,000	73,600	107,800
Omaha.....	556,329	1,608,968	460,000	92,400	172,800	.....
St. Joseph.....	283,200	715,500	920,000	1,500	24,500	1,500
Wichita.....	349,500	26,000	4,500	1,300	.....	23,400

March 1936.....	4,674,329	4,103,718	1,626,500	104,200	270,900	140,500
February 1936..	2,627,401	2,022,150	871,500	19,600	106,350	97,300
March 1935.....	2,628,137	2,993,921	587,500	16,500	36,800	57,100
3 Mos. 1936.....	12,097,505	9,917,218	3,531,000	166,100	633,200	362,000
3 Mos. 1935.....	6,754,601	6,669,980	1,794,500	29,800	49,300	178,300

Cash grain prices at Kansas City:

	Apr. 15	Mar. 31	Feb. 29	Apr. 15	Mar. 30	Mar. 31
	1936	1936	1936	1935	1935	1934
No. 1 hard, dk. wheat, bu. \$1.00	\$.97½	\$.97½	\$.107¼	\$.105¼	\$.98¼	\$.80
No. 2 mixed corn, bu.....	.64½	.62½	.66½	.91	.85	.43
No. 2 white oats, bu.....	.28	.26	.30	.53½	.53	.32½
No. 2 rye, bu.....	.53	.52½	.53½	.73	.68	.57
No. 2 barley, bu.....	.45	.45	.49	.77	.74	.43
No. 2 white kafir, cwt.....	1.11	1.02	1.10	1.92	1.92	.80

Agriculture

The generally warm, dry March weather enabled farmers in the District to make rapid progress in farm work up until the turn of the month and early in April when unseasonably low temperatures and frosts retarded farm activity and resulted

in some crop damage. Soil moisture conditions at the beginning of April were generally favorable in the extreme eastern and western portions of the District, but there was a moderate to decided need for moisture throughout the central part and an urgent need in the extremely dry southwestern area of the Great Plains. Heavy western mountain snowfall the past winter assured ample water supplies in irrigated areas.

CROPS: Winter wheat prospects on April 1 appeared to be much better than at that time a year ago but the condition was considerably below the average owing to the continued dry weather. Prospects were good in the eastern parts of Kansas and Nebraska where favorable moisture conditions at seeding time last fall continued throughout the winter. Indicated abandonment on April 1, without allowing for possible diversion of winter wheat acreage to other uses under the Soil Conservation program, amounted to 22 per cent in Kansas, 18 per cent in Nebraska, 10.5 per cent in Missouri, and 21 per cent in the United States, with the expectation that it would again be very heavy in that area which includes the Oklahoma Panhandle and adjacent territory. Rye in Nebraska was in good condition in the eastern part and in fairly good condition in the northern part. Pastures were somewhat late in starting owing to the severe winter weather and were retarded by late freezes.

The April 1 condition of winter wheat, rye, and pastures expressed in percentages of normal, as reported by the United States Department of Agriculture:

	WINTER WHEAT			RYE			PASTURES		
	1936	1935	Aver.	1936	1935	Aver.	1936	1935	Aver.
Colorado.....	42	9	77	50	28	80	60	27	84
Kansas.....	66	47	77	78	60	82	55	38	82
Missouri.....	70	89	79	77	85	84	71	73	81
Nebraska.....	68	62	82	70	67	87	70	48	85
New Mexico.....	64	29	75	.....	.....	.....	71	36	79
Oklahoma.....	62	64	80	60	63	81	54	65	74
Wyoming.....	61	41	86	64	35	87	81	40	87
United States	68.5	69.8	78.9	72.4	76.4	82.3	74.6	68.7	80.8

Winter wheat production in the United States, on the basis of the April 1 condition, was estimated at 493,166,000 bushels compared to the 1935 production of 433,447,000 bushels and the 1928 to 1932 average crop of 618,186,000 bushels. Production in the seven states, all or parts of which are in the Tenth District, was estimated at 233,288,000 bushels compared to 157,594,000 bushels harvested last year and the five-year average production of 325,059,000 bushels.

Freezing temperatures in the first week of April damaged the peach crop extensively, and prospects were poor except on the western slope of Colorado. The Oklahoma crop was estimated possibly not to exceed 10 per cent of normal. The damage to apples and pears was not so severe and there was little damage to grapes, which were not so far advanced. Oats and alfalfa were set back by the low temperatures but early potatoes

suffered little damage as most of the acreage was not up at that time.

FARM STOCKS OF GRAIN: Farm stocks of wheat in the District on April 1 were considerably smaller than a year ago, while stocks of corn and oats showed considerable increases. Farm holdings of oats exceeded the five-year, 1928 to 1932, average by 22.4 per cent but holdings of wheat and corn were less than half the average holdings. The indicated disappearance of farm stocks between January 1 and April 1 was heavier than during the first quarter of last year, with the disappearance of oats above the average from 1928 to 1932.

Farm stocks of wheat, corn, and oats on April 1 as reported by the United States Department of Agriculture, in thousands of bushels:

	WHEAT		CORN		OATS	
	1936	1935	1936	1935	1936	1935
Colorado.....	1,071	1,097	3,909	404	1,567	1,003
Kansas.....	5,396	14,346	9,151	1,625	9,845	4,024
Missouri.....	2,055	2,554	14,170	8,086	7,413	4,483
Nebraska.....	5,921	5,543	43,964	20,028	34,951	5,741
New Mexico.....	10	78	1,230	184	163	83
Oklahoma.....	2,316	5,229	8,343	2,219	9,095	3,627
Wyoming.....	620	437	409	67	2,137	1,046
Seven States....	17,389	29,284	81,176	32,613	65,171	20,007
United States	97,053	93,456	776,112	436,337	494,666	206,541

PRICES: The Department of Agriculture reported a decline of 5 points in the index of prices received by farmers for agricultural commodities between February 15 and March 15 and a decline of 1 point in the index of prices paid for commodities bought by farmers. On March 15, the index of prices received was 104 per cent of the pre-war, 1909 to 1914, average and the index of prices paid was 121 per cent, with the ratio of prices received to prices paid at 86 per cent. A year ago the index of prices received was 108 per cent, the index of prices paid was 127 per cent, and the ratio of prices received to prices paid was 85 per cent.

LABOR AND RENTS: The demand for farm labor was larger than a year ago and there was an increase in farm wages, with wages in Kansas at the highest April 1 level since 1932 although materially lower than on April 1, 1929. Cash rents for general farm lands were higher than last year and for pasture lands slightly lower, owing to drought injury in recent years.

Live Stock

MARKETINGS: The movement of live stock to the six principal market centers in the District increased during March, and receipts for March and for the first three months of 1936 were heavier, with the exception of calves, than in the corresponding periods of last year. Marketings of cattle were 1.5 and calves 14.3 per cent above the March ten-year average, while marketings of hogs were 42.9 and sheep 14.4 per cent below the average volume. The six markets received 19,844 horses and mules in March, or 42.9 per cent above the average number,

MARCH MOVEMENT OF LIVE STOCK IN THE TENTH DISTRICT

	RECEIPTS				STOCKERS AND FEEDERS				PURCHASED FOR SLAUGHTER			
	Cattle	Calves	Hogs	Sheep	Cattle	Calves	Hogs	Sheep	Cattle	Calves	Hogs	Sheep
Kansas City.....	102,043	19,712	*137,676	120,666	38,587	4,022	1,797	10,714	47,443	16,566	*119,165	88,177
Omaha.....	117,653	9,112	140,400	151,732	14,063	1,509	717	5,630	74,304	7,603	108,999	115,213
St. Joseph.....	26,341	7,085	54,903	138,294	3,923	450	701	6,144	18,854	6,498	47,478	103,990
Denver.....	30,384	3,883	43,273	206,015	5,133	819	121	4,675	18,837	3,155	25,574	25,477
Oklahoma City.....	37,851	10,943	38,985	7,408	.....	.....	.....	.....	22,513	6,001	35,427	6,665
Wichita.....	26,623	4,868	25,896	19,619	.....	.....	.....	.....	9,333	3,942	24,144	14,025
March 1936.....	340,895	55,603	441,133	643,734	61,706	6,800	3,336	27,163	191,284	43,765	360,787	353,547
February 1936.....	288,078	44,284	428,280	540,366	33,770	1,406	2,940	31,189	184,872	41,660	345,214	317,066
March 1935.....	293,791	59,529	329,969	642,588	58,703	9,278	5,607	65,157	144,180	44,907	275,229	312,818
3 Months 1936.....	1,007,362	163,863	1,442,292	1,697,249	171,198	17,985	11,409	104,251	597,008	138,655	1,185,607	995,861
13 Months 1935.....	990,442	193,359	1,210,177	1,561,995	200,841	28,247	19,500	160,088	499,681	151,468	999,504	829,985

*Includes 81,339 hogs shipped direct to packers' yards. †Receipts include Government purchases of cattle and calves.

11,531 head in February, and 44,884 head during the first quarter of 1936 compared to 17,754 head in March and 51,199 head during the first quarter of 1935.

PRICES: With light to moderate receipts and a broad shipping demand, hog prices at the Kansas City market advanced 30 to 60 cents per hundredweight during March to the highest level for the month since 1930. Butcherweights sold up to a top of \$10.60 on March 23 compared to a top of \$9.70 during March of last year. The good demand for the limited supplies of stock pigs advanced prices for that class \$1.50 to \$1.75 to sell at a top of \$9.75 compared to \$6.50 a year ago. Bolstered by the usual pre-Easter support and by support from wool purchasers, prices of fed western woolled lambs advanced 50 to 60 cents and sold up to \$10.40 compared to \$8.75 a year ago. Spring lambs from Texas, which arrived at the close of the month, brought a top of \$11 compared to \$10 last year. Dressed beef outlets continued narrow and prices of fed steers were steady to 25 cents lower, although there was an improvement in quality and in the condition of offerings. The month's top for beef steers was \$10.40 compared to \$13.75 last year. Demand for stocker and feeder cattle fluctuated only moderately and prices showed little change at a top level slightly below a year ago.

STOCKERS AND FEEDERS: The countryward movement of cattle, calves, and hogs from four markets in the District increased during March with the lifting of weather restrictions, but only cattle shipments were larger than a year ago and there was a decrease in shipments of all classes in the first quarter of 1936 compared to the first quarter of last year. Shipments of cattle were 3.3 per cent above the March ten-year average and calf shipments were in normal volume, but shipments of hogs were 75 and sheep 55.7 per cent below the average.

According to estimates of the Bureau of Agricultural Economics, the number of cattle on feed for market in the eleven Corn Belt states on April 1 showed an increase of about 28 per cent over the small number on feed April 1, 1935, but with this exception the number was the smallest for that date in over ten years. The increase this year was general over the Corn Belt and amounted to 15 per cent in Missouri, 40 per cent in Nebraska, and 30 per cent in Kansas.

The Department of Agriculture estimated that there were 430,000 lambs left in feed lots in the Northern Colorado, Arkansas Valley, and Scottsbluff sections on April 4 compared to 480,000 head last year and 490,000 head two years ago. Since January 1 these sections had shipped out 5,380 cars of lambs compared to 4,465 cars in the same period last year and 4,495 cars two years ago.

March weather in the Corn Belt was generally unfavorable for pasture growth and little green feed was available for early lambs. The condition of lambs early in April was lower than a year earlier and below average for that date. In Missouri, the principal early lambing state, death losses have been heavy and the condition of lambs saved was poor.

RANGES AND PASTURES: The Department of Agriculture reported that feed on western ranges on April 1 was fair to good and that live stock was generally in good condition, although moisture was needed to start new grass in western Nebraska and eastern Wyoming and drought conditions still prevailed in southwestern Kansas, southeastern Colorado, western Oklahoma, and northeastern New Mexico, where wind and dust storms had been severe on live stock. Calf crop and late lamb crop prospects were generally good and hay and other feed supplies were ample except in the dry areas. Pastures in Kansas and Oklahoma were late because of the moisture shortage. Some wool was sold and contracted during March, but activities were somewhat limited.

Pasture leasing in the Osage section of Oklahoma and the Blue Stem section of Kansas has been less than a year ago but heavier than in other recent years. About 72 per cent of the Blue Stem pastures and about 65 per cent of the Osage pastures had been leased by April 1, with indications that the pastures would be well filled, although fewer cattle were carried over than last year and the shipments in from drought areas were not expected to be as heavy as a year ago. Lease prices were slightly higher than in 1935 and were the highest since 1931, with acreage guarantees about the same as last year in the Blue Stem section and higher in the Osage section. Pastures in the Blue Stem section are in fairly good condition but pastures in both sections show the effects of two years of drought and some over-grazing. Cold weather and a lack of moisture this spring have retarded pasture growth.

The Department of Agriculture estimated that the spring movement of cattle from the southwest to Kansas and Oklahoma pastures would be slightly less than the unusually large movement last spring. It was expected that Texas would ship about the same number of cattle as a year ago but that New Mexico and Arizona would ship fewer cattle, with eventual shipments dependent on feed conditions and prices. The supply of fed cattle in these three states was considerably larger than a year ago.

Meat Packing

Meat packing operations, as reflected by packers' purchases at the six principal live stock markets in the District, direct shipments of hogs included, increased during March and were heavier than in March, 1935, with the exception of calf slaughter. Purchases of cattle were 2.1 and calves 15.8 per cent above the March ten-year average, but purchases of hogs were 38.8 and sheep 12.8 per cent below the average volume. During the first three months of 1936, the slaughter of cattle, hogs, and sheep was greater and the slaughter of calves smaller than in the first three months of 1935.

The Department of Agriculture report on Federally inspected commercial live stock slaughter in the United States showed a similar increase in meat packing operations from February to March and an increase over March, 1935, in the slaughter of all classes of meat animals except sheep, the slaughter of which showed little change. The slaughter of cattle was 12.2, calves 10.8, and sheep 11.3 per cent above the ten-year average volume for March, while the slaughter of hogs was 26.4 per cent below the average.

Live stock slaughtered under Federal meat inspection in the United States, reported by the Bureau of Agricultural Economics from compilations of the Bureau of Animal Industry:

	Cattle	Calves	Hogs	Sheep
March 1936.....	763,029	482,774	2,617,126	1,373,784
February 1936.....	741,502	405,279	2,319,097	1,314,036
March 1935.....	685,723	471,000	2,158,457	1,374,101
Three months 1936.....	2,410,630	1,352,619	8,364,022	4,227,952
Three months 1935.....	2,140,751	1,334,507	7,614,817	3,855,691

NOTE: Slaughter for Government relief purposes excluded.

Cold Storage Holdings

United States cold storage stocks of meats, poultry, butter, and cheese decreased by somewhat less than the usual seasonal amount from March 1 to April 1, while stocks of lard and frozen eggs decreased contrary to seasonal tendencies. Holdings of cased eggs at the beginning of the new storage season on March 1 were heavily below the average and the movement into storage during March was slow, partly owing to an increased consumer demand and to the desire of dealers to await lower prices. Holdings of all commodities on April 1 except frozen eggs and cheese were below holdings a year ago. Storage stocks of beef were 34.3, lamb and mutton 8.8, miscellaneous

meats 1.6, and cheese 29.4 per cent above the April 1 five-year average, while stocks of pork were 36.2, poultry 6.1, lard 26.5, cased eggs 43.8, frozen eggs 15.1, and butter 53.6 per cent below the average.

United States cold storage holdings reported by the Bureau of Agricultural Economics:

	*Apr. 1 1936	Mar. 1 1936	Apr. 1 1935	Apr. 1 5-Yr. Av.
Beef, lbs.....	79,381	86,928	98,550	59,127
Pork, lbs.....	450,431	451,418	627,346	706,135
Lamb and mutton, lbs.....	2,469	2,563	3,218	2,269
Poultry, lbs.....	69,482	85,792	83,713	73,968
**Turkeys, lbs.....	17,736	19,100	19,846	12,977
Miscellaneous meats, lbs.....	66,547	69,848	78,482	65,510
Lard, lbs.....	77,102	78,725	104,934	104,853
Eggs, cases.....	802	13	1,508	1,428
Eggs, frozen (case equivalent).....	1,312	1,325	1,129	1,545
Butter, creamery, lbs.....	5,291	8,217	5,341	11,410
Cheese, all varieties, lbs.....	73,905	79,556	62,851	57,108

*Subject to revision. **Included in Poultry. (000 omitted.)

Coal

The production of bituminous coal in the District declined during March with a lessening in the heavy demand which had prevailed during the period of severe weather and was 6.4 per cent below production a year ago. Production for the first three months of 1936 increased 24.7 per cent compared to the first three months of 1935.

Bituminous coal production reported by the Bureau of Mines:

	*Mar. 1936 Tons	Feb. 1936 Tons	Mar. 1935 Tons
Colorado.....	468,000	858,000	470,000
Kansas and Missouri.....	534,000	826,000	631,000
New Mexico.....	106,000	155,000	117,000
Oklahoma.....	93,000	319,000	74,000
Wyoming.....	410,000	679,000	430,000
Six states.....	1,611,000	2,837,000	1,722,000
United States.....	30,692,000	41,375,000	38,701,000

*Estimated from the weekly reports of the United States Bureau of Mines.

Zinc and Lead

The improvement in weather conditions was reflected in an increase in shipments of zinc ore from Tri-State mines and tailing mills during the four weeks ended March 28, although shipments of lead were somewhat smaller than the heavy shipments in the preceding four-week period. The demand for concentrates was brisk and smelters purchased all supplies available. By the third week of March there were 70 mills in operation, the largest number since late in 1930. Shipments of both lead and zinc were larger than during the corresponding four weeks of last year, and for the first quarter of

1936 there was an increase of 17 per cent in zinc shipments and of 32.1 per cent in lead shipments.

The tonnage and value of zinc ore and lead ore shipments from the Tri-State district:

	ZINC ORE		LEAD ORE	
	Tons	Value	Tons	Value
Oklahoma.....	23,525	\$ 752,800	3,594	\$179,750
Kansas.....	11,621	371,872	708	35,400
Missouri.....	3,494	111,808	247	12,350
4 Weeks ended Mar. 28, 1936.....	38,640	\$1,236,480	4,549	\$227,500
4 Weeks ended Feb. 29, 1936.....	29,020	928,640	5,754	276,938
4 Weeks ended Mar. 30, 1935.....	28,640	744,640	2,904	96,758
13 Weeks ended Mar. 28, 1936.....	110,610	3,539,520	14,199	687,550
13 Weeks ended Mar. 30, 1935.....	94,547	2,458,222	10,746	370,002

Zinc and lead prices at the Joplin market were unchanged during the four weeks, with zinc prices stationary for the twenty-fifth consecutive week. Zinc ore sold at \$31 per ton for float grades and \$32 for coarse grades and lead ore prices ranged from \$49 to \$51 per ton, with contract ore slightly higher. Comparable quotations a year ago were \$26 for zinc and \$35 for lead.

Petroleum

The daily average flow of crude oil in the District increased 1.2 per cent during March and gross production increased 8.2 per cent with two more producing days. Production was slightly above the March average during the past ten years and was 1.8 per cent greater than in March, 1935. Production for the first quarter of 1936 increased 4.7 per cent compared to the first quarter of 1935.

Gross production, estimated from the weekly reports of the American Petroleum Institute for March, and officially reported by the Bureau of Mines for February, 1936, and March, 1935:

	Mar. 1936 Barrels	Feb. 1936 Barrels	Mar. 1935 Barrels
Oklahoma.....	16,002,000	14,948,000	15,648,000
Kansas.....	4,605,000	4,020,000	4,821,000
Wyoming.....	1,107,000	959,000	1,023,000
Colorado.....	133,000	112,000	152,000
New Mexico.....	1,877,000	1,887,000	1,661,000
Total five states.....	23,724,000	21,926,000	23,305,000
Total United States.....	87,586,000	82,120,000	81,488,000

Field developments continued active, with drilling operations at a high level. Mid-continent crude oil prices remained unchanged in March at posted schedules ranging from 86 cents per barrel for oil testing below 25 degrees gravity to \$1.18 per barrel for that testing 40 degrees and over.

National Summary of Business Conditions

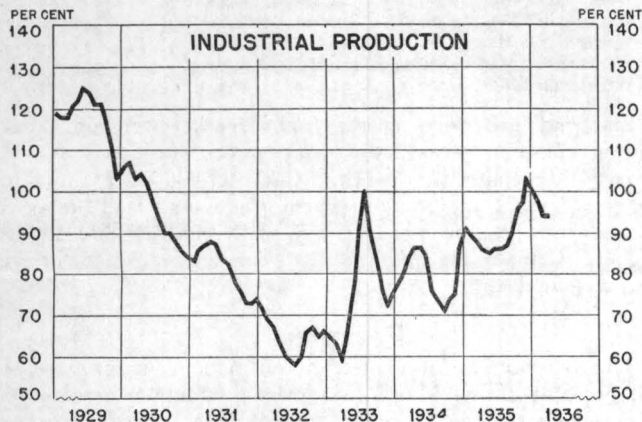
By the Board of Governors of the Federal Reserve System

Production and employment at factories increased from February to March, while output of minerals declined. There was considerable expansion in retail trade.

PRODUCTION AND EMPLOYMENT: The Board's combined index of industrial production, which includes both manufacturing and mining and makes allowance for seasonal changes, remained unchanged in March at the February figure of 94 per cent of the 1923-1925 average. Production of automobiles rose sharply in March to a total of 425,000 passenger cars and trucks and continued to increase during April. There was a seasonal increase in output of steel in March, followed in the first three weeks of April by a rapid rise in activity.

Estimates of the rate of production in that period averaged around 67 per cent of capacity as compared with the rate of 59 per cent reported for March. Production of cement and lumber increased more than seasonally from February to March, and activity at meat packing establishments and at silk mills also increased, although a decline is usual in these industries at this time of the year. There was little change in output at cotton textile mills, while at woolen mills activity decreased by more than the usual amount. Production of anthracite and bituminous coal showed a substantial reduction from the relatively high level of February and this decrease accounted for the decline in total output at mines.

Factory employment increased by more than the usual seasonal amount from the middle of February to the middle of March, and payrolls showed a larger increase. Employment increased in the machinery industries, at saw mills, and at establishments producing wearing apparel. There was a decrease in the number of workers at plants producing rubber tires and tubes, where a strike was in progress in the middle of March. At automobile factories the number employed declined slightly, while payrolls showed a considerable increase.



Index of physical volume of production, adjusted for seasonal variation, 1923-1925 average=100. By months, January 1929 through March 1936.

The value of construction contracts awarded, according to figures of the F. W. Dodge Corporation, showed a seasonal increase from February to March. Awards for residential building increased seasonally and contracts for other private construction advanced to the highest point since 1931. Value of awards for publicly-owned projects continued considerably smaller than in December and January, when the dollar volume of such contracts was relatively high.



Indexes of number employed and payrolls, without adjustment for seasonal variation, 1923-1925 average=100. By months, January 1929 through March 1936. Indexes compiled by the United States Bureau of Labor Statistics.

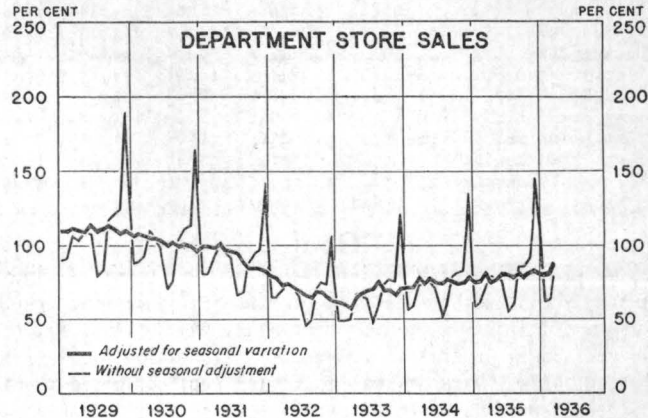
DISTRIBUTION: Retail trade, which had been reduced in January and February by unusually severe weather, increased considerably in March. Sales at department and variety stores and by mail order houses serving rural areas showed a more than seasonal increase. The number of new automobiles sold was also larger than in February.

Freight-car loadings of most classes of commodities increased from February to March by more than the usual seasonal amount. Total loadings declined somewhat from the relatively

high level of the three preceding months, however, reflecting a sharp reduction in shipments of coal.

COMMODITY PRICES: The general level of wholesale commodity prices, which had declined somewhat between the third week of February and the middle of March, showed relatively little change in the following four weeks. Retail prices of foods declined during March.

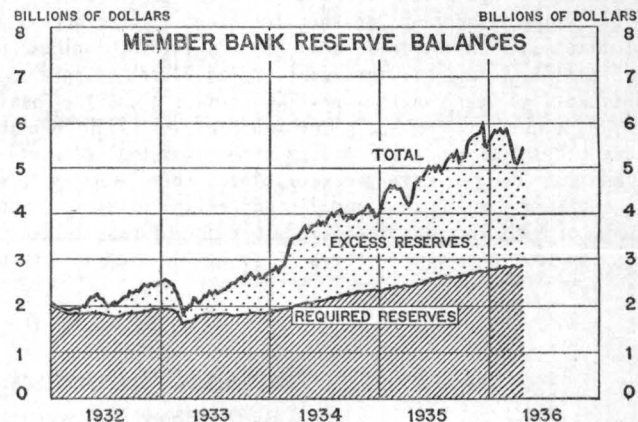
BANK CREDIT: Excess reserves of member banks, after declining sharply in the last half of March, increased by about



Indexes of value of sales, 1923-1925 average=100. By months, January 1929 through March 1936.

\$300,000,000 in the first three weeks of April to a total of \$2,640,000,000. This increase, like the preceding decline, was due chiefly to operations of the Treasury. After the middle of March Treasury balances at the Federal Reserve banks were built up through the collection of taxes and receipts from the sale of new securities, and in April these balances were drawn upon to meet expenditures.

Partly as a result of these expenditures, deposits at reporting



Wednesday figures of total member bank reserve balances at Federal Reserve banks, with estimates of required and excess reserves, January 6, 1932, through April 22, 1936.

member banks in leading cities, which had declined in March, increased in the first half of April, when total loans and investments of these banks also increased. From February 26 to April 15 total loans and investments of reporting member banks showed an increase of about \$800,000,000, reflecting increases of \$380,000,000 in investments, of \$180,000,000 in loans to brokers and dealers in securities, and of \$240,000,000 in so-called "other" loans, which include loans for commercial, industrial, and agricultural purposes.