



**FEDERAL RESERVE BANK  
OF DALLAS**

Circular No. 28  
Series of 1920

Dallas, Texas, August 6, 1920.

**RESPONSIBILITY OF WAREHOUSEMEN TO PROTECT  
GOODS STORED FROM WEATHER DAMAGE**

TO THE MEMBER BANK ADDRESSED:

Enclosed herewith is a copy of an Act passed by the Special Session of the Texas Legislature in July 1919, which re-defines public warehousemen and warehouses. The Act became effective January 2, 1920.

Your attention is called to the provisions of this Act, which makes all persons, companies, firms or corporations who shall receive cotton, wheat, rye, oats, rice, or any kind of produce, wares, merchandise or any description of personal property in store for hire, shall be deemed and taken to be public warehousemen, and that a warehouse, in the meaning of this Act, shall be a house, building or room in which the above mentioned commodities are stored and protected from damage thereto by the action of the elements.

According to an opinion rendered by our Counsel, any person, firm, company or corporation, who shall receive any of the produce, goods or wares of the kind referred to in this Act, for storage for hire, must protect them from weather damage and in failing to do so becomes liable for any loss which may be sustained.

In considering notes secured by cotton, other produce, and merchandise, submitted for rediscount, the Federal Reserve Bank of Dallas will give careful consideration to the manner in which such goods are stored and the responsibility of the warehousemen as defined in this Act.

Due to the approach of the cotton season, when our member banks will be called upon to advance funds on cotton against documentary evidence of its existence, we believe that a study of this Act will be of great interest in its vital effect upon their business and the change which is bound to ensue from this legislation in respect to methods that have been heretofore employed.

Respectfully,

*R. L. Van Zandt*

Governor

AN ACT

To amend Article 7819 of the Revised Civil Statutes of the State of Texas, 1911, as the same was amended by Chapter 37, of the General Laws of the First Called Session of the Thirty-Third Legislature, defining who are public warehousemen and warehouses, and repealing Article 7827 of the Revised Civil Statutes of the State of Texas, 1911, as the same was amended by Chapter 37 of the General Laws of the First Called Session of the Thirty-Third Legislature, relating to private warehouses and the limitations of the operation under the existing law of private warehouses and the issuance of warehouse receipts by private warehouses, and providing further that all warehouse receipts issued by any warehouseman in Texas shall be subject to the provisions and penalties of the Uniform Warehouse Receipts Act passed by the Thirty-Sixth Legislature, the same being Chapter 126 of the General Laws of the Regular Session of the Thirty-Sixth Legislature; and declaring an emergency.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

Section 1. That Article 7819 of the Revised Civil Statutes of the State of Texas, 1911, as the same was amended by Chapter 37 of the General Laws of the First Called Session of the Thirty-Third Legislature, be and the same is hereby amended so as to hereafter read as follows:

Article 7819. All persons, firms, companies or corporations who shall receive cotton, wheat, rye, oats, rice, or any kind of produce, wares, merchandise, or any description of personal property in store for hire, shall be deemed and taken to be public warehousemen.

A warehouse, within the meaning of this Act, shall be a house, building, or room in which the above mentioned commodities are stored and protected from damage thereto by the action of the elements.

Section 2. That Article 7827, R. S., as the same was amended by Chapter 37 of the General Laws of the First Called Session of the Thirty-Third Legislature, be and the same is hereby in all things repealed.

Section 3. All laws and parts of laws in conflict herewith be and the same are hereby repealed.

Section 4. In view of the importance of this Legislature to the State of Texas, and in view of the fact that the existing law regulating warehouses and warehousemen is confusing and is inadequate to meet the requirements of commerce and properly safeguard the handling of cotton and other products stored in warehouses, create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days be, and the same is hereby suspended and that this Act take effect and be in force from and after January 1st, 1920, and it is so enacted.

R. E. THOMASON,  
Speaker of the House.

W. A. JOHNSON,  
President of the Senate.