

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Tuesday, July 21, 1931, at 11:30 a. m.

PRESENT: Governor Meyer
Mr. Hamlin
Mr. Miller
Mr. James
Mr. Magee
Mr. McClelland, Assistant Secretary

ALSO PRESENT: Mr. Wyatt, General Counsel
Mr. Vest, Assistant Counsel

Mr. Miller called up for further consideration the question before the Board as to whether acceptances secured by warehouse receipts issued by the Lawrence Warehouse Company of San Francisco under a proposed field warehousing arrangement would meet the Board's requirements that bankers' acceptances issued against the storage of readily marketable staples be secured by warehouse receipts issued by a party independent of the borrower.

At the request of the Board, Mr. Wyatt reviewed the facts regarding this matter which were before the Executive Committee at the meeting on June 12th, and stated that replies to the letters approved at that meeting have been received from the Governor of the Federal Reserve Bank of San Francisco and the Chairman of the System Committee on Acceptances. He also stated that it had been necessary to secure additional information on the matter before submitting a report to the Board, and that in the meantime he had conferred with a representative of the Lawrence Warehouse Company who had furnished him with further information, some of which had just recently been received.

A general discussion followed as to the merits of field warehousing and whether or not such an arrangement as proposed by the Lawrence Warehouse Company could properly be construed as meeting the requirements of the Federal Reserve Act and the Regulations of the Board. During the discussion it was suggested that before a decision is reached on the question now before

7/21/31

-2-

the Board, it might be desirable to discuss the matter with Mr. H. S. Yohe, Chief of the Division of Warehousing of the Department of Agriculture, and Mr. Wyatt was instructed to arrange with Mr. Yohe, if possible, to meet with the Board this afternoon.

The meeting adjourned at 12:50 p.m.

E. W. Upchurch
Assistant Secretary.

Approved:

Ernest C. Upchurch
Governor.