

A meeting of the Executive Committee of the Federal Reserve Board was held in the office of the Federal Reserve Board on Tuesday, July 21, 1931, at 4:00 p. m.

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

ALSO PRESENT: Mr. Wyatt, General Counsel  
Mr. Vest, Assistant Counsel  
Mr. H. S. Yohe, Chief of the Division of Warehousing of the Department of Agriculture  
Mr. C. W. Kitchen, Assistant Chief of the Bureau of Agricultural Economics.

Mr. Yohe outlined to the members present the circumstances in connection with the application by the Lawrence Warehouse Company of San Francisco for a license under the Federal Warehouse Act for field warehouses leased from the Southern Idaho Beangrowers Association. He stated that in the administration of the Federal Warehouse Act, the Division of Warehousing of the Department of Agriculture followed the principle that the warehouseman should be entirely independent of the owner of goods deposited, and he advised the Board of the factors in connection with the Lawrence Warehouse Company's field warehousing arrangements by reason of which the Department of Agriculture refused to grant the license applied for. He stated that he did not feel that warehouse receipts issued by the Lawrence Warehouse Company would be issued by a party independent of the borrower within the meaning of the Board's requirements in connection with acceptances issued against the storage of readily marketable staples and he read a letter from the Manager of the Southern Idaho Beangrowers Association also expressing the opinion that the plan of the Lawrence Warehouse Company does not provide for a disinterested custodianship.

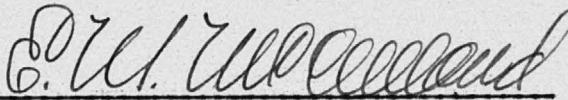
7/22/31

-2-

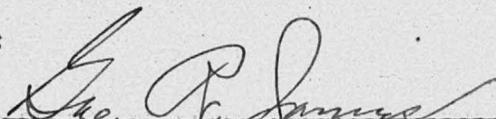
The general question of field warehousing was also discussed with Mr. Yohe, who outlined a plan which has been worked out by the Department of Agriculture and successfully operated at several points.

Toward the end of the meeting, Governor Meyer entered the room and joined in the discussion, at the conclusion of which the Board's Counsel was requested to prepare and submit a report on the question before the Board.

The meeting adjourned at 5:10 p. m.

  
Assistant Secretary.

Approved:

  
Member, Executive Committee.