

# FEDERAL RESERVE BOARD

219

WASHINGTON

X-4564

ADDRESS OFFICIAL CORRESPONDENCE TO  
THE FEDERAL RESERVE BOARD

March 19, 1926.

Dear Sir:

This is to advise you that in the opinion of the Federal Reserve Board flour and bran should not be considered nonperishable readily marketable staple agricultural products which may be made the basis of sight or demand bills of exchange eligible for discount or purchase at a Federal reserve bank under the 3rd paragraph of Section 13 of the Federal Reserve Act. As stated in the case of Getty v. C. R. Barnes Milling Company (Kans.) 19 Pac. 617, "\* \* \* In one sense it may be said that flour is a product of agriculture, but in the common application of the term we think this is not true. A product of agriculture is that which is the direct result of husbandry and the culture of the soil; it embraces the product in its natural unmanufactured condition." As flour is essentially a product of manufacture, it is not believed that it can properly be deemed an agricultural product within the meaning of this provision of Section 13.

Very truly yours,

Edmund Platt  
Vice Governor.

TO GOVERNORS OF ALL FEDERAL RESERVE BANKS.