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FEDERAL RESERVE BANK OF ST. LOUIS

ST. LOUIS 2, MISSOURI

March 22, 1955

To all Banks in the  
Eighth Federal Reserve District:

For your information, the following two paragraphs are quoted from a letter, dated March 15, 1955, received from the Treasurer of the Commodity Credit Corporation:

"Inquiries have been received from the Federal Reserve Bank of Chicago and various commercial banks as to how Certificates of Interest (see Commodity Credit Corporation Form 316, Rev. 11-23-53, issued in connection with Announcement CHF 1-55, dated October 22, 1954) issued by the Commodity Credit Corporation are to be considered in determining reserve for bad debts in accordance with the Treasury Department Internal Revenue Com. Mimeograph Coll. 6209, dated December 8, 1947.

"By letter dated February 25, 1955, from the United States Treasury Department, the Internal Revenue Service has ruled that Certificates of Interest issued by the Commodity Credit Corporation are 100 percent guaranteed or insured under the provisions of paragraph 4 of Mimeograph 6209 since full repayment is guaranteed by the Commodity Credit Corporation."

DELOS C. JOHNS  
President