

**FEDERAL RESERVE BANK
OF NEW YORK**

[Circular No. 4157]
October 22, 1954]

CASH OFFERING

1 $\frac{5}{8}$ Per Cent Commodity Credit Corporation Certificates of Interest

Dated November 12, 1954

Due August 1, 1955

*To All Commercial Banks in the
Second Federal Reserve District:*

The Commodity Credit Corporation (CCC) is inviting commercial banks (defined as banks accepting demand deposits) to participate in the financing of outstanding price support commodity loans totaling \$1,150,000,000. To evidence participation in this financing, the CCC is offering 1 $\frac{5}{8}$ per cent Certificates of Interest, to be dated November 12, 1954 and to mature August 1, 1955. The certificates will be purchased by CCC prior to maturity upon demand, except during the 9-day period preceding the date of maturity. The terms of the offering are set forth in the announcement of the CCC, printed on the following pages. These certificates will be issued in registered form only, but may be transferred (in the manner prescribed in paragraph 4 of Section II of the announcement) to any commercial bank, Federal Reserve Bank, or such other banking institution as may be determined by CCC to be eligible. Assignment forms for effecting transfers will be forwarded to certificate holders with copies of their certificates; additional assignment forms may be obtained from this Bank upon request.

The certificates are eligible as collateral for Treasury Tax and Loan Accounts at face amounts less any repayments thereon, provided they are accompanied at the time of pledge by properly executed assignment forms. The certificates are also eligible as collateral for advances by Federal Reserve Banks to member banks under the provisions of Section 2(a) of Regulation A, as amended.

Applications will be considered only on the basis of the aggregate amount of certificates available. Applications up to and including \$50,000 will be allotted in full, and larger applications will be allotted on an equal percentage basis but not less than \$50,000 on any one application.

Payment for the certificates must be made in immediately available funds on November 12, 1954. A member bank may make payment by authorizing us to charge its reserve account; it is suggested that a nonmember bank make payment by requesting its correspondent member bank to authorize us to charge the latter's reserve account. After having made payment for the certificates in immediately available funds on November 12, a qualified depository may, if it desires, credit to Treasury Tax and Loan Account any amount of such payment for which it shall be qualified in excess of existing deposits; upon receipt of advice of credit to Tax and Loan Account, we will make refund to the depository of the amount of the credit. Original payment for the certificates by credit to Treasury Tax and Loan Accounts will not be permitted.

The subscription books will be open on October 27, 1954 *for one day only*. Applications should be addressed to the Head Office of the Federal Reserve Bank of New York, and those postmarked prior to midnight of that day will be considered timely applications. Subscriptions should be made on the official application forms (Form No. 90-6), a copy of which is enclosed.

Additional copies of this circular will be furnished upon request.

ALLAN SPROUL,
President.

COMMODITY CREDIT CORPORATION

ANNOUNCEMENT CHF 1-55

OCTOBER 22, 1954

Offering Commercial Banks the Opportunity to Finance Price Support Loans Which Were Originally Disbursed by CCC or Purchased by CCC From Lending Agencies

SECTION I—OFFER OF PARTICIPATION

Commodity Credit Corporation (hereinafter called "CCC") has placed in a pool (hereinafter referred to as the "Pool") outstanding price support commodity loans totaling \$1,150,000,000. Additional price support loans which are made or purchased by CCC may be placed in the Pool.

Commercial Banks, which for this purpose are defined as banks accepting demand deposits (hereinafter called "Banks"), may participate in the financing of price support loans placed in the Pool by making funds available to CCC at the Federal Reserve Bank of Chicago, Fiscal Agent for CCC (hereinafter called "Custodian"). Certificates of Interest (hereinafter called "Certificates") in the amount of \$1,150 million or thereabouts bearing interest at the rate of one and five-eighths percent ($1\frac{5}{8}\%$) per annum will be issued pursuant to this Announcement to evidence participation in the Pool. Certificates will mature on August 1, 1955, but will be purchased by CCC upon demand except during the 9-day period preceding the date of maturity. The terms and conditions upon which Banks may participate in the Pool are set forth in Section II of this Announcement.

Banks which desire to participate in the financing of the Pool shall make application to the Federal Reserve Bank or Branch of the district in which they are located. Applications may be made on forms which will be available at any Federal Reserve Bank or Branch or by wire or mail. Applications should be made for Certificates in multiples of \$1,000 and for not less than \$5,000.

Books for the receipt of applications will be opened for one day only, October 27, 1954. Applications addressed to any Federal Reserve Bank or Branch and postmarked prior to midnight October 27, 1954, will be considered in this offering of participation Certificates. CCC reserves the right to reject any application, in whole or in part, or to allot less than the amount of Certificates applied for, and action in these respects shall be final. Applicants will be informed of allotments as soon as possible after closing of the books.

The purchase price of the Certificates will be 100 percent of the face amount thereof.

Payment for the Certificates allotted shall be made through the Federal Reserve Bank or Branch where application was filed in funds available at the Federal Reserve Bank of Chicago on November 12, 1954, and the Custodian will credit such funds to the account of CCC and will issue the Certificates as of that date.

Under arrangements made between CCC and the Treasury Department, the Treasury will deposit on November 12, 1954, with subscribing Banks which have qualified to maintain Treasury tax and loan accounts, amounts equal to the Certificates allotted to such Banks, but not in excess of any amounts for which they may be qualified in excess of existing deposits. Banks desiring to avail themselves of such deposits should remit payment for the full amount of Certificates allotted to them by charges to reserve accounts or by drafts payable in funds immediately available on or before November 12, 1954. They should also credit on November 12, 1954, to the Treasury tax and loan accounts on their books any amount for which they desire such credit up to the amounts of their payments for Certificates allotted. The Treasury has authorized Federal Reserve Banks, as Fiscal Agents of the United States, to pay from other funds in the account of the Treasurer of the United States amounts equivalent to such credits to the respective subscribing Banks for deposit in their Treasury tax and loan accounts. Such payments will be credited to accounts on the books of the Federal Reserve Banks or remitted to or for the accounts of the subscribing Banks, as the latter may direct.

The Certificates of this issue may be pledged as Treasury tax and loan collateral. However, because they are in registered form and the original Certificates will all be held by the Custodian, it will be necessary for depositaries wishing to pledge the Certificates to execute an assignment form which will be furnished by the Federal Reserve Banks; these assignments to be made to the Federal Reserve Banks as Fiscal Agents of the United States.

SECTION II—TERMS AND CONDITIONS

Certificates issued pursuant to this Announcement and evidencing participation in the Pool will be issued upon the following terms and conditions:

1. The Federal Reserve Bank of Chicago, Fiscal Agent for CCC (hereinafter called "Custodian"), will issue Certificates. The Custodian will retain the Certificates and act as Custodian of the Certificates

for the holders thereof. The Custodian will furnish each original Certificate holder with a copy of the Certificate.

2. The aggregate value of all outstanding Certificates will not exceed the amount of the Pool.

3. The Certificate will be issued as of the date on which funds therefor are credited by the Custodian to the account of CCC. The face amount of the Certificate, less principal payments thereon, will constitute the value of the Certificate. Interest at the rate shown on the Certificate will be payable at the time and upon the amount of each principal payment made upon the Certificate and will be computed on a 365-day basis from and including the date of the Certificate to, but not including, the date of such payment.

4. The Certificate may be transferred to any commercial bank, Federal Reserve Bank or such other banking institution as may be determined by CCC to be eligible, by execution of an Assignment of Certificate of Interest (Commodity Credit Corporation Form 316, hereinafter called "Assignment"). Transfers will be recorded as of the date of receipt and acceptance of such Assignment by the Custodian or as of the date of receipt by the Custodian of telegraphic advice of such Assignment if such advice is promptly confirmed by the delivery to the Custodian of a duly executed Assignment. Assignments postmarked subsequent to midnight July 22, 1955 will not be accepted by CCC. In the event of announcement by CCC, as provided in paragraph 6 hereof, that Certificates will be purchased during a designated month, Assignments and telegraphic advices received during the first ten calendar days of that month will not be recorded prior to the expiration of such period.

5. Except during the 9-day period preceding the date of maturity, CCC will, upon demand by the Certificate holder of record to the Custodian, purchase through any Federal Reserve Bank or Branch any outstanding Certificate at any time by paying to the Certificate holder of record the value thereof plus accrued interest. CCC will purchase at maturity all outstanding Certificates.

6. CCC reserves the right to purchase at its option any outstanding Certificate, in whole or in part, and will, in the event the value of the outstanding Certificates on the last day of any month prior to maturity exceeds the unpaid principal amount of the loans comprising the Pool as determined by CCC during that month, purchase outstanding Certificates, in whole or in part, in a total amount sufficient to reduce the outstanding Certificates to the unpaid principal amount of the loans comprising the Pool. CCC will pay for any Certificate purchased, in whole or in part, all or the respective part of the value of the Certificate plus accrued interest on such amount. Any purchase by CCC of outstanding Certificates, in whole or in part, except as provided in paragraph 5, will be made only during the first ten calendar days of a month and CCC will announce by press release on or before the first business day of such month that purchases of Certificates, in whole or in part, will be made. Payments for such purchases will be made during the first ten calendar days of such month to the Certificate holders of record as of the last day of the preceding month.

7. No Member of or Delegate to Congress, or any Resident Commissioner, will be admitted to any share or part of this contract or to any benefit to arise therefrom except that this provision will not be construed to extend to their interest in any incorporated company, if the contract be for the general benefit of such company.

8. The applicant Bank warrants that it has not employed any person to solicit or secure this contract upon any agreement for a commission, percentage, brokerage, or contingent fee and that no such consideration or payment has been or will be made. Breach of this warranty will give CCC the right to annul the contract, or at its discretion, to deduct from the contract consideration the amount of such commission, percentage, brokerage, or contingent fees. This warranty will not apply to commissions payable by the applicant Bank upon contracts secured or made through bona fide employees or bona fide established commercial or selling agencies utilized by the applicant Bank for the purpose of securing business.

SECTION III—PURPOSE AND FINANCIAL ORGANIZATION OF CCC

CCC engages in buying, selling, lending, and other activities with respect to agricultural commodities, their products, foods, feeds, and fibers for the purpose of stabilizing, supporting, and protecting farm income and prices, assisting in the maintenance of balanced and adequate supplies of such commodities, and facilitating their orderly distribution. CCC also makes available materials and facilities required in connection with the production and marketing of such commodities.

CCC is managed by a board of directors, subject to the general supervision and direction of the Secretary of Agriculture, who is, ex officio, a director and the chairman of the board. In addition to the Secretary, the board consists of six members appointed by the President and confirmed by the Senate. There is also a bipartisan advisory board of five members appointed by the President to survey the general policies of the Corporation and advise the Secretary with respect thereto.

CCC has an authorized capital stock of \$100 million, all of which is held by the United States, and authority to borrow up to \$10 billion. On August 31, 1954, outstanding commitments against this authority amounted to \$6.7 billion. CCC will at all times hold in reserve an amount of its borrowing authority sufficient to cover outstanding Certificates.

J. J. SOMERS,

Controller, Commodity Credit Corporation.

APPLICATION FORM AND PAYMENT LETTER
CERTIFICATES OF INTEREST
OF THE COMMODITY CREDIT CORPORATION

Dated November 12, 1954

Due August 1, 1955

Date _____

Application filed through the Federal Reserve Bank or Branch of _____
 (To be filed with Federal Reserve Bank or Branch of the District in which applicant is located.)

To Federal Reserve Bank of Chicago
 Fiscal Agent and Custodian of
 Commodity Credit Corporation

Gentlemen:

Pursuant to the terms and conditions of the official Announcement CHF 1-55, dated October 22, 1954, of the Commodity Credit Corporation the undersigned hereby applies for \$ _____ face amount
 (see ***)
 of the Certificates of Interest described therein. Repayments at or before maturity as provided in the official Announcement are authorized to be made by credit to our reserve account (in case of member banks) or by check (in case of nonmember banks).

*** Applications must be in multiples of \$1,000 except that no certificate will be issued for less than \$5,000.

METHOD OF PAYMENT

(Must be filled in)

NOTE: Payment for certificates allotted must be made IN FULL in the following manner on November 12, 1954.
 (Original payment cannot be made by Treasury Tax and Loan Account Credit—See Below.)

- ☐ By Charge to our reserve account at the Federal Reserve Bank of _____
 (Main Office or Branch where reserve account is carried)
- ☐ By Check in funds immediately available on November 12, 1954.
- ☐ By Charge to reserve account of _____
 (Appropriate instructions to correspondent necessary)

TREASURY TAX AND LOAN ACCOUNT CREDIT ☐

Qualified depository banks desiring to avail themselves of the special Treasury Tax and Loan Account provision (see official announcement) should check-mark space above.

(Where banks elect to receive Tax and Loan deposit, original payment will be refunded in same manner as received.)

PLEDGE OF CERTIFICATES AS TREASURY TAX AND LOAN COLLATERAL ☐

If sufficient other collateral to support this credit is not on deposit with applicant's Federal Reserve Bank, and if these certificates are to be pledged, ownership thereof must be transferred to the Federal Reserve Bank of the applicant's district as Fiscal Agent of the United States while certificates are so pledged. Assignment forms prescribed for this purpose will be forwarded with allotment notices if space above is check-marked.

Certificate to be inscribed and copy thereof mailed to: (Please type or print.)

Name of Bank _____
 Street Address _____
 City or Town _____
 State _____

(A.B.A. No. _____)

Official Signature _____

ORIGINAL — Original and duplicate copies to be filed with Federal Reserve Bank or Branch of the district in which applicant is located.

For use of Federal Reserve Bank of Chicago

Amount Allotted \$ _____ Certificate Typed by _____
 Computed by _____ Checked by _____ Certificate Checked by _____
 Date Payment Received _____ Copy Mailed on _____

APPLICATION FORM AND PAYMENT LETTER
CERTIFICATES OF INTEREST
OF THE COMMODITY CREDIT CORPORATION

Dated November 12, 1954

Due August 1, 1955

Date _____

Application filed through the Federal Reserve Bank or Branch of _____
 (To be filed with Federal Reserve Bank or Branch of the District in which applicant is located.)

To Federal Reserve Bank of Chicago
 Fiscal Agent and Custodian of
 Commodity Credit Corporation

Gentlemen:

Pursuant to the terms and conditions of the official Announcement CHF 1-55, dated October 22, 1954, of the Commodity Credit Corporation the undersigned hereby applies for \$ _____ face amount of the Certificates of Interest described therein. Repayments at or before maturity as provided in the official Announcement are authorized to be made by credit to our reserve account (in case of member banks) or by check (in case of nonmember banks). (see ***)

*** Applications must be in multiples of \$1,000 except that no certificate will be issued for less than \$5,000.

METHOD OF PAYMENT

(Must be filled in)

NOTE: Payment for certificates allotted must be made IN FULL in the following manner on November 12, 1954. (Original payment cannot be made by Treasury Tax and Loan Account Credit—See Below.)

- ☐ By Charge to our reserve account at the Federal Reserve Bank of _____
 (Main Office or Branch where reserve account is carried)
- ☐ By Check in funds immediately available on November 12, 1954.
- ☐ By Charge to reserve account of _____
 (Appropriate instructions to correspondent necessary)

TREASURY TAX AND LOAN ACCOUNT CREDIT ☐

Qualified depository banks desiring to avail themselves of the special Treasury Tax and Loan Account provision (see official announcement) should check-mark space above.

(Where banks elect to receive Tax and Loan deposit, original payment will be refunded in same manner as received.)

PLEDGE OF CERTIFICATES AS TREASURY TAX AND LOAN COLLATERAL ☐

If sufficient other collateral to support this credit is not on deposit with applicant's Federal Reserve Bank, and if these certificates are to be pledged, ownership thereof must be transferred to the Federal Reserve Bank of the applicant's district as Fiscal Agent of the United States while certificates are so pledged. Assignment forms prescribed for this purpose will be forwarded with allotment notices if space above is check-marked.

Certificate to be inscribed and copy thereof mailed to: (Please type or print.)

Name of Bank _____
 Street Address _____
 City or Town _____
 State _____

(A.B.A. No. _____)

Official Signature _____

DUPLICATE—Both ORIGINAL AND DUPLICATE copies to be filed with the Federal Reserve Bank or Branch of the district in which applicant is located.

For use of Federal Reserve Bank

Amount Allotted \$ _____

Computed by _____ Checked by _____

Date Payment Received _____

APPLICATION FORM AND PAYMENT LETTER
CERTIFICATES OF INTEREST
OF THE COMMODITY CREDIT CORPORATION

Dated November 12, 1954

Due August 1, 1955

Date _____

Application filed through the Federal Reserve Bank or Branch of _____
 (To be filed with Federal Reserve Bank or Branch of the District in which applicant is located.)

To Federal Reserve Bank of Chicago
 Fiscal Agent and Custodian of
 Commodity Credit Corporation

Gentlemen:

Pursuant to the terms and conditions of the official Announcement CHF 1-55, dated October 22, 1954, of the Commodity Credit Corporation the undersigned hereby applies for \$_____ face amount
 (see ***) of the Certificates of Interest described therein. Repayments at or before maturity as provided in the official Announcement are authorized to be made by credit to our reserve account (in case of member banks) or by check (in case of nonmember banks).

*** Applications must be in multiples of \$1,000 except that no certificate will be issued for less than \$5,000.

METHOD OF PAYMENT

(Must be filled in)

NOTE: Payment for certificates allotted must be made IN FULL in the following manner on November 12, 1954.
 (Original payment cannot be made by Treasury Tax and Loan Account Credit—See Below.)

- ☐ By Charge to our reserve account at the Federal Reserve Bank of _____
 (Main Office or Branch where reserve account is carried)
- ☐ By Check in funds immediately available on November 12, 1954.
- ☐ By Charge to reserve account of _____
 (Appropriate instructions to correspondent necessary)

TREASURY TAX AND LOAN ACCOUNT CREDIT ☐

Qualified depository banks desiring to avail themselves of the special Treasury Tax and Loan Account provision (see official announcement) should check-mark space above.

(Where banks elect to receive Tax and Loan deposit, original payment will be refunded in same manner as received.)

PLEDGE OF CERTIFICATES AS TREASURY TAX ☐ AND LOAN COLLATERAL

If sufficient other collateral to support this credit is not on deposit with applicant's Federal Reserve Bank, and if these certificates are to be pledged, ownership thereof must be transferred to the Federal Reserve Bank of the applicant's district as Fiscal Agent of the United States while certificates are so pledged. Assignment forms prescribed for this purpose will be forwarded with allotment notices if space above is check-marked.

Certificate to be inscribed and copy thereof mailed to: (Please type or print.)

Name of Bank _____
 Street Address _____
 City or Town _____
 State _____

(A.B.A. No. _____)

Official Signature _____

TRIPLICATE—To be retained by Purchaser.

For Commodity Credit Corporation 1 5/8 Per Cent Certificates of Interest

To Subscriber:

Certificates of Interest, dated November 12, 1954, due August 1, 1955, which you filed with us pursuant to the provisions of Commodity Credit Corporation Announcements CCF 1-55, dated October 22, 1954, the amount of participation allotted to you by the Commodity Credit Corporation is -

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Payment for the total amount of Certificates allotted to you must be made on or before November 12, 1954, in immediately available funds.

If you signified in your application an election to receive a deposit in the Treasury Tax and Loan Account, this Bank, as Fiscal Agent of the United States, hereby authorizes you to credit, as of November 12, 1954, the Treasury Tax and Loan Account on your books with a sum up to the amount of certificates allotted to you, but not in excess of any amount for which you shall be qualified in excess of existing deposits. To enable us to refund your original payment on November 12, 1954, please execute the form below and return it to reach us on or before November 12, 1954.

FEDERAL RESERVE BANK OF NEW YORK

(Detach along the line)

(This advice should be sent to reach Federal Reserve Bank of New York on or before November 12, 1954)

Advice of Credit to Treasury Tax and Loan Account

(Date)

To Federal Reserve Bank of New York,
Fiscal Agent of the United States.

The undersigned hereby certifies that it will deposit on November 12, 1954, to the credit of the Federal Reserve Bank of New York, Fiscal Agent of the United States, in the Treasury Tax and Loan Account, to be held subject to withdrawal on demand, the sum of \$ _____, pursuant to the provisions of CCC Announcement CHF 1-55, October 22, 1954, and in accordance with authorization received from you, as Fiscal Agent of the United States.

We request refund on November 12, 1954, of the amount credited to the Tax and Loan Account, as follows:

☐ By credit to our reserve account☐ By check

☐ By credit to reserve account of

Name of depository.

Address

By _____
(Official signature required)

(Title)

NOTICE OF ALLOTMENT

For Commodity Credit Corporation 1 5/8 Per Cent Certificates of Interest

To Subscriber:

Referring to your application for \$ _____ (face amount) of Commodity Credit Corporation 1 5/8 per cent
Certificates of Interest, dated November 12, 1954, due August 1, 1955, which you filed with us pursuant to the pro-
visions of Commodity Credit Corporation Announcements CHF 1-55, dated October 22, 1954, the amount of participation
allotted to you by the Commodity Credit Corporation is -

\$

DELIVERY. As stated in the official announcement, the original Certificates will be held by the Federal Reserve Bank of Chicago, Fiscal Agent and Custodian of Commodity Credit Corporation; an authenticated copy with assignment form attached will be mailed by the Custodian direct to each purchaser.

Payment for the total amount of Certificates allotted to you must be made on or before November 12, 1954, in immediately available funds.

If you signified in your application an election to receive a deposit in the Treasury Tax and Loan Account, this Bank, as Fiscal Agent of the United States, hereby authorizes you to credit, as of November 12, 1954, the Treasury Tax and Loan Account on your books with a sum up to the amount of certificates allotted to you, but not in excess of any amount for which you shall be qualified in excess of existing deposits. To enable us to refund your original payment on November 12, 1954, please execute the form below and return it to reach us on or before November 12, 1954.

FEDERAL RESERVE BANK OF NEW YORK

(Detach along the line)

(This advice should be sent to reach Federal Reserve Bank of New York on or before November 12, 1954)

Advice of Credit to Treasury Tax and Loan Account

(Date)

To Federal Reserve Bank of New York,
Fiscal Agent of the United States.

The undersigned hereby certifies that it will deposit on November 12, 1954, to the credit of the Federal Reserve Bank of New York, Fiscal Agent of the United States, in the Treasury Tax and Loan Account, to be held subject to withdrawal on demand, the sum of \$ _____, pursuant to the provisions of CCC Announcement CHF 1-55, October 22, 1954, and in accordance with authorization received from you, as Fiscal Agent of the United States.

We request refund on November 12, 1954, of the amount credited to the Tax and Loan Account, as follows:

☐ By credit to our reserve account

☐ By check

☐ By credit to reserve account of _____

Name of depository _____

Address _____

By _____
(Official signature required)

(Title)