

FEDERAL RESERVE BANK
OF NEW YORK

Fiscal Agent of the Commodity Credit Corporation

Circular No. 6343
June 3, 1969

COMMODITY CREDIT CORPORATION TO OFFER \$700 MILLION
OF SPECIAL SERIES CERTIFICATES OF INTEREST

*To All Incorporated Banks and Trust Companies, and Others Concerned,
in the Second Federal Reserve District:*

The following statement was made public yesterday by the U.S. Department of Agriculture:

The U.S. Department of Agriculture today announced that the Commodity Credit Corporation will offer to banking institutions, dealers in investment securities, and other interested persons the opportunity to participate in financing approximately \$700 million of price support loans on agricultural commodities, by purchasing a Special Series of Certificates of Interest in a pool of such loans.

Special Series Certificates of Interest, which are non-interest bearing, will be offered for sale at discount on an auction basis — both for competitive and noncompetitive bids as is done for Treasury bills. The Certificates, in bearer form, will be issued June 23, and will mature on August 1, 1969 (39 days).

Bids in writing for Special Series Certificates of Interest must be received at the head office of any Federal Reserve Bank (not branch) before 1:30 p.m., (EDT), on Tuesday, June 17, 1969. The Invitation for Bids covering Special Series Certificates of Interest will be available through Federal Reserve Banks about June 4. Those submitting successful bids will be advised by the Federal Reserve Banks. Bids will be accepted in multiples of \$5,000.

Commodity Credit Corporation, a wholly owned agency and instrumentality of the United States within the Department of Agriculture, has statutory authority (15 U.S.C. 714b(i) and 713a-4) to borrow up to \$14.5 billion, has reserved an amount of its uncommitted borrowing authority sufficient to redeem outstanding Special Series Certificates of Interest, and has arranged to borrow from the Secretary of the Treasury of the United States any portion of such uncommitted amount of its borrowing authority whenever needed to redeem such Certificates. Certificates of Interest contain a contractual obligation by Commodity Credit Corporation to redeem such Certificates and this obligation is also a contractual obligation of the United States.

Certificates are eligible as security for advances at Federal Reserve Banks and as collateral for Treasury Tax and Loan accounts.

Proceeds from the sale of these Certificates will be paid into the United States Treasury to be applied as payments on Commodity Credit Corporation notes held by the Treasury.

On or after maturity on August 1, 1969, the Certificates will be redeemed at any Federal Reserve Bank or branch.

The invitation for bids and tender forms will be mailed to you tomorrow.

Alfred Hayes,
President.