

FEDERAL RESERVE BANK OF NEW YORK

Fiscal Agent of the Commodity Credit Corporation

[Circular No. 6346]
June 4, 1969

Invitation for Bids on \$700,000,000 of 39-Day
Commodity Credit Corporation Certificates of Interest
Special Series

Dated June 23, 1969

Due August 1, 1969

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

Following is the text of an invitation for bids authorized by the Commodity Credit Corporation to be issued today
on its special series of certificates of interest:

Commodity Credit Corporation (hereinafter referred to as
"CCC"), an agency and instrumentality of the United States
within the Department of Agriculture, hereby invites bids for
the purchase of a special series of non-interest bearing negoti-
able Certificates of Interest in an approximate amount of
\$700,000,000. These Certificates evidence participation in the
financing, and an interest in a pool, of outstanding CCC price
support loans on agricultural commodities. The Certificates
will be sold on a discount basis and will be issued in denomina-
tions of \$5,000, \$10,000, \$100,000, and \$1,000,000. Denomina-
tional exchanges may be made only at the Federal Reserve
Bank of New York. The Certificates have a maturity date of
August 1, 1969, and will be redeemed by CCC on or after the
maturity date on presentation at any Federal Reserve Bank or
Branch thereof. The Certificates are eligible as security for
advances at Federal Reserve Banks and as collateral for Treas-
ury Tax and Loan accounts.

(in three decimals) of accepted competitive bids. Those sub-
mitting successful bids will be so advised by the Federal
Reserve Bank to which the bid was submitted, and settlement
therefor must be made at such Bank on June 23, 1969, in U. S.
dollars, either in cash or other immediately available funds.
Payment cannot be made by credit through the Treasury Tax
and Loan account.

CCC has statutory authority to borrow up to \$14.5 billion
and reserves an amount of its uncommitted borrowing authority
sufficient to redeem outstanding special series Certificates of
Interest. CCC has an arrangement to borrow from the Secre-
tary of the Treasury of the United States any portion of the
uncommitted amount of its borrowing authority whenever
needed to redeem such Certificates, which arrangement is con-
firmed in a letter dated May 29, 1969, from David M. Kennedy,
Secretary of the Treasury, to Clarence D. Palmby, President of
Commodity Credit Corporation, the text of which is as follows:

Bids will be received at the head office of any Federal
Reserve Bank up to 1:30 p.m., E.D.T., Tuesday, June 17, 1969.
Bids must be in writing in multiples of \$5,000 and the price
offered must be expressed on the basis of 100, with not more
than three decimals, e.g., 99.925. Fractions may not be used. It
is urged that bids be made on the printed forms, and forwarded
in the special envelopes, to be furnished by Federal Reserve
Banks on application therefor.

Reference is made to the request that an arrangement
be made between Commodity Credit Corporation and the
Secretary of the Treasury to borrow any portion of the
uncommitted amount of Commodity Credit Corporation's
borrowing authority whenever it is needed to redeem out-
standing Special Series Certificates of Interest.

Banking institutions generally may submit bids for accounts
of customers provided the names of the customers are set forth
in such bids. Others may only submit bids for their own
account. Bids will be received without deposit from incorpo-
rated banks and trust companies and from responsible and
recognized dealers in investment securities. Bids from others
must be accompanied by a deposit of 2 percent of the face
amount of the Certificates bid for, unless such bids are accom-
panied by an express guaranty of payment by an incorporated
bank or trust company.

The Commodity Credit Corporation has statutory
authority (15 U.S.C. 714b(i) and 713a-4) to borrow up to
\$14.5 billion, provided the approval of the Secretary of the
Treasury is obtained. I am advised that the unused balance
of Commodity Credit Corporation's authorized borrowing
authority presently exceeds \$9 billion. I understand that
the Commodity Credit Corporation has reserved \$700 mil-
lion of this unused balance to be used only for the redemp-
tion of Special Series Certificates at maturity on August 1,
1969. Accordingly, on the records of the Treasury Depart-
ment, we are reserving \$700 million of your total unused
borrowing authority for the purpose of redeeming outstand-
ing Special Series Certificates of Interest.

Immediately after the closing hour, CCC will open and
evaluate the bids, and will then publicly announce the amount
and price range of accepted bids. CCC expressly reserves the
right to accept or reject any or all bids, in whole or in part, and
any such action shall be final. Subject to this reservation, non-
competitive bids from any one bidder for \$200,000 or less with-
out stated price will be accepted in full at the average price

I understand that in the opinion of the General Counsel
of the Department of Agriculture these Certificates contain
a contractual obligation by the Commodity Credit Corpora-
tion to redeem such Certificates and that this obligation is
also a contractual obligation of the United States.

This Bank will receive bids in accordance with the foregoing invitation up to 1:30 p.m., Eastern Daylight Saving
time, Tuesday, June 17, 1969, at the Securities Department of its Head Office. Please use the form on the reverse
side of this circular to submit bids and return them sealed in the enclosed envelope marked "Tender for CCC Certifi-
cates of Interest." Bids may be submitted by telegraph, subject to written confirmation; they may not be submitted by
telephone. Settlement must be made in immediately available funds at this Bank on Monday, June 23, 1969.

ALFRED HAYES,
President.

(OVER)

No.
TENDER FOR 39-DAY COMMODITY CREDIT CORPORATION
CERTIFICATES OF INTEREST, SPECIAL SERIES

Dated June 23, 1969

Due August 1, 1969

To FEDERAL RESERVE BANK OF NEW YORK,
 Fiscal Agent of the Commodity Credit Corporation.

Dated at, 1969

Pursuant to the invitation for bids issued by the Commodity Credit Corporation on June 4, 1969, and printed on the reverse side of this tender, the undersigned hereby offers to purchase such certificates in the amount indicated below, and agrees to make payment therefor at your Bank on or before the issue date at the price indicated below:

COMPETITIVE TENDER
 (In multiples of \$5,000)

[Do not fill in both competitive and noncompetitive tenders on one form]

NONCOMPETITIVE TENDER
 (In multiples of \$5,000)

\$..... (maturity value),
 or any lesser amount that may be awarded.

\$..... (maturity value).
 (Not to exceed \$200,000 for one bidder through all sources)

Price: per 100.
 (Price must be expressed with not more than three decimal places, for example, 99.925)

At the average price of accepted competitive bids.

Subject to allotment, please issue, deliver, and accept payment for the certificates as indicated below:

Pieces	Denomination	Maturity value		
	\$ 5,000		<input type="checkbox"/>	1. Deliver over the counter to the undersigned
	10,000		<input type="checkbox"/>	2. Ship to the undersigned
	100,000		<input type="checkbox"/>	3. Hold in safekeeping (for account of member bank only)*
	1,000,000		<input type="checkbox"/>	4. Special instructions:
	Total			(No changes in delivery instructions will be accepted)

Payment will be made as follows:
 By charge to our reserve account
 By cash or check in immediately available funds

(Payment cannot be made through Treasury Tax and Loan Account)

* If this item is checked, the undersigned certifies that the allotted certificates will be owned solely by the undersigned.

Insert this tender in special envelope marked "Tender for CCC Certificates of Interest"

Name of subscriber (Please print)

By By (Official signature(s) required)

Title Title

Address

(Banking institutions submitting tenders for customer account must list names below or on an attached rider)

..... (Name of customer) (Name of customer)

- INSTRUCTIONS:**
- No tender for less than \$5,000 will be considered, and each tender must be for an even multiple of \$5,000 (maturity value).
 - Others than banking institutions will not be permitted to submit tenders except for their own account. Banking institutions submitting tenders for customer account may consolidate competitive tenders at the same price and may consolidate noncompetitive tenders, provided a list is attached showing the name of each bidder, the amount bid for his account, and method of payment.
 - If the person making the tender is a corporation, the tender should be signed by an officer of the corporation authorized to make the tender, and the signing of the tender by an officer of the corporation will be construed as a representation by him that he has been so authorized. If the tender is made by a partnership, it should be signed by a member of the firm, who should sign in the form "....., a copartnership, by, a member of the firm."
 - Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 2 percent of the face amount of certificates of interest applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.
 - If the language of this tender is changed in any respect, which, in the opinion of the Commodity Credit Corporation, is material, the tender may be disregarded.