

FEDERAL RESERVE BANK
OF NEW YORK
Fiscal Agent of the United States

Circular No. 9149
September 23, 1981

**TREASURY TO AUCTION 20-YEAR 1-MONTH BONDS AND 7-YEAR NOTES
TOTALING \$4,750 MILLION**

To All Banking Institutions, and Others Concerned,
in the Second Federal Reserve District:

The following statement was issued yesterday by the Treasury Department:

The Department of the Treasury will auction \$1,750 million of 20-year 1-month bonds and \$3,000 million of 7-year notes to raise new cash. Additional amounts of the bonds and notes may be issued to Federal Reserve Banks as agents for foreign and international monetary authorities at the average prices of accepted competitive tenders.

The Treasury will postpone one or both of these auctions unless it has assurance of Congressional action on legislation to raise the temporary debt ceiling before the scheduled auction dates of September 30 and October 7.

Printed on the reverse side is a table summarizing the highlights of the offerings. Copies of the official offering circulars will be furnished upon request directed to our Government Bond Division (Tel. No. 212-791-6619). In addition, enclosed are copies of the forms to be used in submitting tenders.

This Bank will receive tenders at the Securities Department of its Head Office and at its Buffalo Branch up to 1:30 p.m., Eastern Daylight Saving time, on the dates specified on the reverse side of this circular as the deadlines for receipt of tenders. *All competitive tenders*, whether transmitted by mail or by other means, must reach this Bank or its Branch by that time on the specified dates. However, for investors who wish to submit noncompetitive tenders and who find it more convenient to mail their tenders than to present them in person, the official offering circular for each offering provides that *noncompetitive* tenders will be considered timely received if they are mailed to this Bank or its Branch under a postmark no later than the date preceding the date specified for receipt of tenders.

Bidders submitting noncompetitive tenders should realize that it is possible that the average price may be above par, in which case they would have to pay more than the face value for the securities.

Payment with a tender may be in the form of a personal check, which need not be certified, an official bank check, or a Federal funds check (a check drawn by a depository institution on its Federal Reserve account). All checks must be drawn payable to the Federal Reserve Bank of New York; *checks endorsed to this Bank will not be accepted*. Payment may also be made in cash or in Treasury securities maturing on or before the issue date of the securities being purchased.

Recorded messages provide information about Treasury offerings and about auction results: at the Head Office — Tel. No. 212-791-7773 (offerings) and Tel. No. 212-791-5823 (results); at the Buffalo Branch — Tel. No. 716-849-5046. Additional inquiries regarding these offerings may be made by calling, at the Head Office, Tel. No. 212-791-6619, or, at the Buffalo Branch, Tel. No. 716-849-5016.

ANTHONY M. SOLOMON,
President.

(Over)

**HIGHLIGHTS OF TREASURY
OFFERINGS TO THE PUBLIC
OF 20-YEAR 1-MONTH BONDS AND 7-YEAR NOTES**

	<u>20-Year 1-Month Bonds</u>	<u>7-Year Notes</u>
Amount Offered:		
To the public	\$1,750 million	\$3,000 million
Description of Security:		
Term and type of security	20-year 1-month bonds	7-year notes
Series and CUSIP designation	Bonds of 2001 (CUSIP No. 912810 CX4)	Series F-1988 (CUSIP No. 912827 MK5)
Issue date	October 7, 1981	October 14, 1981
Maturity date	November 15, 2001	October 15, 1988
Call date	No provision	No provision
Interest coupon rate	To be determined, based on the average of accepted bids	To be determined, based on the average of accepted bids
Investment yield	To be determined at auction	To be determined at auction
Premium or discount	To be determined after auction	To be determined after auction
Interest payment dates	May 15 and November 15 (first payment on May 15, 1982)	April 15 and October 15 (first payment on April 15, 1982)
Minimum denomination available	\$1,000	\$1,000
Terms of Sale:		
Method of sale	Yield auction	Yield auction
Accrued interest payable by investor	None	None
Preferred allotment	Noncompetitive bid for \$1,000,000 or less	Noncompetitive bid for \$1,000,000 or less
Payment by non- institutional investors	Full payment to be submitted with tender	Full payment to be submitted with tender
Deposit guarantee by designated institutions	Acceptable	Acceptable
Key Dates:		
Deadline for receipt of tenders	Wednesday, September 30, 1981, by 1:30 p.m., EDST	Wednesday, October 7, 1981, by 1:30 p.m., EDST
Settlement date (final payment due from institutions)		
a) cash or Federal funds	Wednesday, October 7, 1981	Wednesday, October 14, 1981
b) readily collectible check	Monday, October 5, 1981	Friday, October 9, 1981
Delivery date for coupon securities	Wednesday, October 21, 1981	Wednesday, October 28, 1981

**IMPORTANT — Closing time for receipt of this tender is 1:30 p.m., Wednesday, September 30, 1981
TENDER FOR 20-YEAR 1-MONTH TREASURY BONDS OF 2001**

FEDERAL RESERVE BANK OF NEW YORK
Fiscal Agent of the United States
New York, N.Y. 10045

Dated at
....., 19 ..

The undersigned hereby offers to purchase the above-described securities in the amount indicated below, and agrees to make payment therefor at your Bank in accordance with the provisions of the official offering circular.

COMPETITIVE TENDER

Do not fill in both Competitive and Noncompetitive tenders on one form

NONCOMPETITIVE TENDER

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

\$ (maturity value)
(Not to exceed \$1,000,000 for one bidder through all sources)

Yield:
(Yield must be expressed with not more than two decimal places, for example, 10.06)

at the average price of accepted competitive bids.

Subject to allotment, please issue, deliver, and accept payment for the bearer securities indicated below and/or the registered securities indicated on the reverse side *(if only registered securities are desired, please only complete schedule on the reverse side):*

SCHEDULE FOR ISSUE OF BEARER SECURITIES

Pieces	Denomination	Maturity value		
	\$ 1,000		<input type="checkbox"/> Deliver over the counter to the undersigned (1)	Payment will be made as follows: <input type="checkbox"/> By charge to our reserve account (D) <input type="checkbox"/> By cash or check in <i>immediately available funds</i> (F) <input type="checkbox"/> By surrender of maturing securities (E) <input type="checkbox"/> By charge to my correspondent bank (D) (Name of bank) <input type="checkbox"/> Special instructions (3)
	\$ 5,000		<input type="checkbox"/> Ship to the undersigned (2)	
	\$ 10,000		<input type="checkbox"/> Hold in safekeeping (for member bank only) in —	
	\$ 100,000		<input type="checkbox"/> Investment Account (4)	
	\$ 1,000,000		<input type="checkbox"/> General Account (5)	
			<input type="checkbox"/> Trust Account (6)	
	Totals		<input type="checkbox"/> Hold as collateral for Treasury Tax and Loan Account* (7)	
			<input type="checkbox"/> Wire to (8) (Exact Receiving Bank Wire Address/Account)	

* The undersigned certifies that the allotted securities will be owned solely by the undersigned.

(If a commercial bank or dealer is subscribing for its own account or for account of customers, the following certifications are made a part of this tender.)

WE HEREBY CERTIFY that we have received tenders from customers in the amounts set forth opposite their names on the list which is made a part of this tender and that we have received and are holding for the Treasury, or that we guarantee payment to the Treasury, of the payments required by the official offering circular.

WE FURTHER CERTIFY that tenders received by us, if any, from other commercial banks or primary dealers for their own account, and for the account of their customers, have been entered with us under the same conditions, agreements, and certifications set forth in this form.

Insert this tender in special envelope marked "Tender for Treasury Notes or Bonds"

NAME OF SUBSCRIBER (PLEASE PRINT OR TYPE)		
ADDRESS		
CITY	STATE	ZIP
PHONE (INCLUDE AREA CODE)	SIGNATURE OF SUBSCRIBER OR AUTHORIZED SIGNATURE	
TITLE OF AUTHORIZED SIGNER		

(Institutions submitting tenders for customer account must list customers' names on lines below or on an attached rider.)

.....
(Name of customer)

.....
(Name of customer)

INSTRUCTIONS:

- No tender for less than \$1,000 will be considered; and each tender must be for a multiple of \$1,000 (maturity value).
- Only banking institutions, and dealers who make primary markets in Government securities and report daily to this Bank their positions with respect to Government securities and borrowings thereon, may submit tenders for customer account; in doing so, they may consolidate competitive tenders *at the same yield* and may consolidate noncompetitive tenders, provided a list is attached showing the name of each bidder and the amount bid for his account. Others will not be permitted to submit tenders except for their own account.
- Tenders will be received without deposit from commercial and other banks for their own account, federally insured savings and loan associations, States, political subdivisions or instrumentalities thereof, public pension and retirement and other public funds, international organizations in which the United States holds membership, foreign central banks and foreign states, dealers who make primary markets in Government securities and report daily to the Federal Reserve Bank of New York their positions with respect to Government securities and borrowings thereon, and Government accounts. Tenders from others must be accompanied by full payment of the face amount of the securities applied for.
- Payment with a tender may be in the form of a personal check, which need not be certified, an official bank check, or a Federal funds check (a check drawn by a commercial bank on its Federal Reserve account). All checks must be drawn payable to the Federal Reserve Bank of New York; *checks endorsed to this Bank will not be accepted.* Payment may also be made in cash or Treasury securities maturing on or before the issue date of the securities being purchased.
- For information on currently available Treasury offerings, call our 24-hour recorded message at (212) 791-7773 at the Head Office or (716) 849-5046 at the Buffalo Branch. For results of recent Treasury auctions, call (212) 791-5823 at the Head Office or (716) 849-5046 at the Buffalo Branch. For other information about Treasury securities, call (212) 791-6619 at the Head Office or (716) 849-5016 at the Buffalo Branch during normal business hours.
- If the language of this tender is changed in any respect that, in the opinion of the Secretary of the Treasury, is material, the tender may be disregarded.

(OVER)

PRIVACY ACT STATEMENT — The individually identifiable information required on this form is necessary to permit the subscription to be processed and the securities to be issued. If registered securities are requested, the regulations governing United States securities (Department Circular No. 300) and the offering circular require submission of social security numbers; the numbers and other information are used in inscribing the securities and establishing and servicing the ownership and interest records. The transaction will not be completed unless all required data is furnished.

SCHEDULE FOR ISSUE OF REGISTERED TREASURY SECURITIES

SUBSCRIPTION NO.

SUBSCRIBER'S NAME _____
 ADDRESS _____
 CITY _____ STATE _____ ZIP _____
 SIGNATURE _____

DELIVERY INSTRUCTIONS

- DELIVER OVER THE COUNTER
- SHIP TO SUBSCRIBER
- OTHER INSTRUCTIONS:

PAYMENT INSTRUCTIONS

- BY CHARGE TO OUR RESERVE ACCOUNT
- BY CASH OR CHECK IN IMMEDIATELY AVAILABLE FUNDS
- BY SURRENDER OF MATURING SECURITIES
- BY CHARGE TO MY CORRESPONDENT BANK

FOR FRB USE ONLY	
TRANS. ACCOUNTING DATE	
ISSUE AGENT 12	LOAN CODE
	110-01

REGISTRATION INSTRUCTIONS	NO. OF PIECES	DENOM.	AMOUNT	SERIAL NOS. (LEAVE BLANK)	FOR FRB USE ONLY
NAME(S)	30	1,000			
	32	5,000			
	34	10,000			
	38	100,000			
ID OR S.S. NO.	42	1,000,000			
ADDRESS	99	TOTAL			
CITY STATE ZIP					TR. CASE NO.
NAME(S)	30	1,000			
	32	5,000			
	34	10,000			
	38	100,000			
ID OR S.S. NO.	42	1,000,000			
ADDRESS	99	TOTAL			
CITY STATE ZIP					TR. CASE NO.
NAME(S)	30	1,000			
	32	5,000			
	34	10,000			
	38	100,000			
ID OR S.S. NO.	42	1,000,000			
ADDRESS	99	TOTAL			
CITY STATE ZIP					TR. CASE NO.

**IMPORTANT — Closing time for receipt of this tender is 1:30 p.m., Wednesday, October 7, 1981
TENDER FOR 7-YEAR TREASURY NOTES OF SERIES F-1988**

FEDERAL RESERVE BANK OF NEW YORK
Fiscal Agent of the United States
New York, N.Y. 10045

Dated at, 19

The undersigned hereby offers to purchase the above-described securities in the amount indicated below, and agrees to make payment therefor at your Bank in accordance with the provisions of the official offering circular.

COMPETITIVE TENDER

Do not fill in both Competitive and Noncompetitive tenders on one form

NONCOMPETITIVE TENDER

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

\$ (maturity value)
(Not to exceed \$1,000,000 for one bidder through all sources)

Yield:
(Yield must be expressed with not more than two decimal places, for example, 10.06)

at the average price of accepted competitive bids.

Subject to allotment, please issue, deliver, and accept payment for the bearer securities indicated below and/or the registered securities indicated on the reverse side *(if only registered securities are desired, please only complete schedule on the reverse side):*

SCHEDULE FOR ISSUE OF BEARER SECURITIES

Pieces	Denomination	Maturity value	
	\$ 1,000		<input type="checkbox"/> Deliver over the counter to the undersigned (1) <input type="checkbox"/> Ship to the undersigned (2) <input type="checkbox"/> Hold in safekeeping (for member bank only) in — <input type="checkbox"/> Investment Account (4) <input type="checkbox"/> General Account (5) <input type="checkbox"/> Trust Account (6) <input type="checkbox"/> Hold as collateral for Treasury Tax and Loan Account* (7) <input type="checkbox"/> Wire to (8) (Exact Receiving Bank Wire Address/Account)
	\$ 5,000		
	\$ 10,000		
	\$ 100,000		
	\$ 1,000,000		
	Totals		

Payment will be made as follows:
 By charge to our reserve account (D)
 By cash or check in *immediately available funds* (F)
 By surrender of maturing securities (E)
 By charge to my correspondent bank (D)
 (Name of bank)

* The undersigned certifies that the allotted securities will be owned solely by the undersigned.

(If a commercial bank or dealer is subscribing for its own account or for account of customers, the following certifications are made a part of this tender.)

WE HEREBY CERTIFY that we have received tenders from customers in the amounts set forth opposite their names on the list which is made a part of this tender and that we have received and are holding for the Treasury, or that we guarantee payment to the Treasury, of the payments required by the official offering circular.

WE FURTHER CERTIFY that tenders received by us, if any, from other commercial banks or primary dealers for their own account, and for the account of their customers, have been entered with us under the same conditions, agreements, and certifications set forth in this form.

Insert this tender in special envelope marked "Tender for Treasury Notes or Bonds"

NAME OF SUBSCRIBER (PLEASE PRINT OR TYPE)		
ADDRESS		
CITY	STATE	ZIP
PHONE (INCLUDE AREA CODE)	SIGNATURE OF SUBSCRIBER OR AUTHORIZED SIGNATURE	
TITLE OF AUTHORIZED SIGNER		

(Institutions submitting tenders for customer account must list customers' names on lines below or on an attached rider.)

.....
(Name of customer)

.....
(Name of customer)

INSTRUCTIONS:

- No tender for less than \$1,000 will be considered; and each tender must be for a multiple of \$1,000 (maturity value).
- Only banking institutions, and dealers who make primary markets in Government securities and report daily to this Bank their positions with respect to Government securities and borrowings thereon, may submit tenders for customer account; in doing so, they may consolidate competitive tenders *at the same yield* and may consolidate noncompetitive tenders, provided a list is attached showing the name of each bidder and the amount bid for his account. Others will not be permitted to submit tenders except for their own account.
- Tenders will be received without deposit from commercial and other banks for their own account, federally insured savings and loan associations, States, political subdivisions or instrumentalities thereof, public pension and retirement and other public funds, international organizations in which the United States holds membership, foreign central banks and foreign states, dealers who make primary markets in Government securities and report daily to the Federal Reserve Bank of New York their positions with respect to Government securities and borrowings thereon, and Government accounts. Tenders from others must be accompanied by full payment of the face amount of the securities applied for.
- Payment with a tender may be in the form of a personal check, which need not be certified, an official bank check, or a Federal funds check (a check drawn by a commercial bank on its Federal Reserve account). All checks must be drawn payable to the Federal Reserve Bank of New York; *checks endorsed to this Bank will not be accepted.* Payment may also be made in cash or Treasury securities maturing on or before the issue date of the securities being purchased.
- For information on currently available Treasury offerings, call our 24-hour recorded message at (212) 791-7773 at the Head Office or (716) 849-5046 at the Buffalo Branch. For results of recent Treasury auctions, call (212) 791-5823 at the Head Office or (716) 849-5046 at the Buffalo Branch. For other information about Treasury securities, call (212) 791-6619 at the Head Office or (716) 849-5016 at the Buffalo Branch during normal business hours.
- If the language of this tender is changed in any respect that, in the opinion of the Secretary of the Treasury, is material, the tender may be disregarded.

(OVER)

PRIVACY ACT STATEMENT — The individually identifiable information required on this form is necessary to permit the subscription to be processed and the securities to be issued. If registered securities are requested, the regulations governing United States securities (Department Circular No. 300) and the offering circular require submission of social security numbers; the numbers and other information are used in inscribing the securities and establishing and servicing the ownership and interest records. The transaction will not be completed unless all required data is furnished.

SCHEDULE FOR ISSUE OF REGISTERED TREASURY SECURITIES

SUBSCRIPTION NO.

SUBSCRIBER'S NAME _____
 ADDRESS _____
 CITY _____ STATE _____ ZIP _____
 SIGNATURE _____

DELIVERY INSTRUCTIONS

- DELIVER OVER THE COUNTER
- SHIP TO SUBSCRIBER
- OTHER INSTRUCTIONS:

PAYMENT INSTRUCTIONS

- BY CHARGE TO OUR RESERVE ACCOUNT
- BY CASH OR CHECK IN IMMEDIATELY AVAILABLE FUNDS
- BY SURRENDER OF MATURING SECURITIES
- BY CHARGE TO MY CORRESPONDENT BANK

FOR FRB USE ONLY	
TRANS. ACCOUNTING DATE	
ISSUE AGENT 12	LOAN CODE
	110-01

REGISTRATION INSTRUCTIONS	NO. OF PIECES	DENOM.	AMOUNT	SERIAL NOS. (LEAVE BLANK)	FOR FRB USE ONLY
NAME(S)	30	1,000			
	32	5,000			
	34	10,000			
	38	100,000			
ID OR S.S. NO.	42	1,000,000			
ADDRESS	99	TOTAL			
CITY STATE ZIP					TR. CASE NO.
NAME(S)	30	1,000			
	32	5,000			
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	38	100,000			
ID OR S.S. NO.	42	1,000,000			
ADDRESS	99	TOTAL			
CITY STATE ZIP					TR. CASE NO.
NAME(S)	30	1,000			
	32	5,000			
	34	10,000			
	38	100,000			
ID OR S.S. NO.	42	1,000,000			
ADDRESS	99	TOTAL			
CITY STATE ZIP					TR. CASE NO.

Cu. 9149

Joyce [unclear]

PRELIMINARY CIRCULAR

UNITED STATES OF AMERICA
TREASURY BONDS OF 2001

DEPARTMENT CIRCULAR
Public Debt Series - No. 30-81

DEPARTMENT OF THE TREASURY,
OFFICE OF THE SECRETARY,
Washington, September 23, 1981.

1. INVITATION FOR TENDERS

1. 1. The Secretary of the Treasury, under the authority of the Second Liberty Bond Act, as amended, invites tenders for approximately \$1,750,000,000 of United States securities, designated Treasury Bonds of 2001 (CUSIP No. 912810 CX 4). The securities will be sold at auction, with bidding on the basis of yield. Payment will be required at the price equivalent of the bid yield of each accepted tender. The interest rate on the securities and the price equivalent of each accepted bid will be determined in the manner described below. Additional amounts of these securities may be issued at the average price to Federal Reserve Banks, as agents for foreign and international monetary authorities.

2. DESCRIPTION OF SECURITIES

2. 1. The securities will be dated October 7, 1981, and will bear interest from that date, payable on a semiannual basis on May 15, 1982, and each subsequent 6 months on November 15 and May 15 until the principal becomes payable. They will mature November 15, 2001, and will not be subject to call for redemption prior to maturity. In the event an interest payment date or the maturity date is a Saturday, Sunday, or other nonbusiness day, the interest or principal is payable on the next-succeeding business day.

2. 2. The income derived from the securities is subject to all taxes imposed under the Internal Revenue Code of 1954. The securities are subject to estate, inheritance, gift, or other excise taxes, whether Federal or State, but are exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, any possession of the United States, or any local taxing authority.

2. 3. The securities will be acceptable to secure deposits of public monies. They will not be acceptable in payment of taxes.

2. 4. Bearer securities with interest coupons attached, and securities registered as to principal and interest, will be issued in denominations of \$1,000, \$5,000, \$10,000, \$100,000, and \$1,000,000. Book-entry securities will be available to eligible bidders in multiples of those amounts. Interchanges of securities of different denominations and of coupon, registered, and book-entry securities, and the transfer of registered securities will be permitted.

2. 5. The Department of the Treasury's general regulations governing United States securities apply to the securities offered in this circular. These general regulations include those currently in effect, as well as those that may be issued at a later date.

3. SALE PROCEDURES

3. 1. Tenders will be received at Federal Reserve Banks and Branches and at the Bureau of the Public Debt, Washington, D. C. 20226, up to 1:30 p.m., Eastern Daylight Saving time, Wednesday, September 30, 1981. Noncompetitive tenders as defined below will be considered timely if postmarked no later than Tuesday, September 29, 1981.

3. 2. Each tender must state the face amount of securities bid for. The minimum bid is \$1,000, and larger bids must be in multiples of that amount. Competitive tenders must also show the yield desired, expressed in terms of an annual yield with two decimals, e.g., 7.11%. Common fractions may not be used. Noncompetitive tenders must show the term "noncompetitive" on the tender form in lieu of a specified yield. No bidder may submit more than one noncompetitive tender, and the amount may not exceed \$1,000,000.

3. 3. Commercial banks, which for this purpose are defined as banks accepting demand deposits, and primary dealers, which for this purpose are defined as dealers who make primary markets in Government securities and report daily to the Federal Reserve Bank of New York their positions in and borrowings on such securities, may submit

tenders for account of customers if the names of the customers and the amount for each customer are furnished. Others are only permitted to submit tenders for their own account.

3. 4. Tenders will be received without deposit for their own account from commercial banks and other banking institutions; primary dealers, as defined above; Federally-insured savings and loan associations; States, and their political subdivisions or instrumentalities; public pension and retirement and other public funds; international organizations in which the United States holds membership; foreign central banks and foreign states; Federal Reserve Banks; and Government accounts. Tenders from others must be accompanied by full payment for the amount of securities applied for (in the form of cash, maturing Treasury securities, or readily collectible checks), or by a payment guarantee of 5 percent of the face amount applied for, from a commercial bank or a primary dealer.

3. 5. Immediately after the closing hour, tenders will be opened, followed by a public announcement of the amount and yield range of accepted bids. Subject to the reservations expressed in Section 4, noncompetitive tenders will be accepted in full, and then competitive tenders will be accepted, starting with those at the lowest yields, through successively higher yields to the extent required to attain the amount offered. Tenders at the highest accepted yield will be prorated if necessary. After the determination is made as to which tenders are accepted, a coupon rate will be established, on the basis of a 1/8 of one percent increment, which results in an equivalent average accepted price close to 100.000 and a lowest accepted price above the original issue discount limit of 95.000. That rate of interest will be paid on all of the securities. Based on such interest rate, the price on each competitive tender allotted will be determined and each successful competitive bidder will be required to pay the price equivalent to the yield bid. Those submitting noncompetitive tenders will pay the price equivalent to the weighted average yield of accepted competitive tenders. Price calculations will be carried to three decimal places on the basis of price per hundred,

e.g., 99.923, and the determinations of the Secretary of the Treasury shall be final. If the amount of noncompetitive tenders received would absorb all or most of the offering, competitive tenders will be accepted in an amount sufficient to provide a fair determination of the yield. Tenders received from Government accounts and Federal Reserve Banks will be accepted at the price equivalent to the weighted average yield of accepted competitive tenders.

3. 6. Competitive bidders will be advised of the acceptance or rejection of their tenders. Those submitting noncompetitive tenders will only be notified if the tender is not accepted in full, or when the price is over par.

4. RESERVATIONS

4. 1. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders in whole or in part, to allot more or less than the amount of securities specified in Section 1, and to make different percentage allotments to various classes of applicants when the Secretary considers it in the public interest. The Secretary's action under this Section is final.

5. PAYMENT AND DELIVERY

5. 1. Settlement for allotted securities must be made at the Federal Reserve Bank or Branch or at the Bureau of the Public Debt, wherever the tender was submitted. Settlement on securities allotted to institutional investors and to others whose tenders are accompanied by a payment guarantee as provided in Section 3.4., must be made or completed on or before Wednesday, October 7, 1981. Payment in full must accompany tenders submitted by all other investors. Payment must be in cash; in other funds immediately available to the Treasury; in Treasury bills, notes, or bonds (with all coupons detached) maturing on or before the settlement

date but which are not overdue as defined in the general regulations governing United States securities; or by check drawn to the order of the institution to which the tender was submitted, which must be received from institutional investors no later than Monday, October 5, 1981. When payment has been submitted with the tender and the purchase price of allotted securities is over par, settlement for the premium must be completed timely, as specified in the preceding sentence. When payment has been submitted with the tender and the purchase price is under par, the discount will be remitted to the bidder. Payment will not be considered complete where registered securities are requested if the appropriate identifying number as required on tax returns and other documents submitted to the Internal Revenue Service (an individual's social security number or an employer identification number) is not furnished. When payment is made in securities, a cash adjustment will be made to or required of the bidder for any difference between the face amount of securities presented and the amount payable on the securities allotted.

5. 2. In every case where full payment has not been completed on time, an amount of up to 5 percent of the face amount of securities allotted, shall, at the discretion of the Secretary of the Treasury, be forfeited to the United States.

5. 3. Registered securities tendered in payment for allotted securities are not required to be assigned if the new securities are to be registered in the same names and forms as appear in the registrations or assignments of the securities surrendered. When the new securities are to be registered in names and forms different from those in the inscriptions or assignments of the securities presented, the assignment should be to "The Secretary of the Treasury for (securities offered by this circular) in the name of (name and taxpayer identifying number)." If new securities in coupon form are desired, the assignment should be to "The Secretary of the Treasury for coupon (securities offered by this circular) to be delivered to (name and address)." Specific instructions for the

issuance and delivery of the new securities, signed by the owner or authorized representative, must accompany the securities presented. Securities tendered in payment should be surrendered to the Federal Reserve Bank or Branch or to the Bureau of the Public Debt, Washington, D. C. 20226. The securities must be delivered at the expense and risk of the holder.

5. 4. If bearer securities are not ready for delivery on the settlement date, purchasers may elect to receive interim certificates. These certificates shall be issued in bearer form and shall be exchangeable for definitive securities of this issue, when such securities are available, at any Federal Reserve Bank or Branch or at the Bureau of the Public Debt, Washington, D. C. 20226. The interim certificates must be returned at the risk and expense of the holder.

5. 5. Delivery of securities in registered form will be made after the requested form of registration has been validated, the registered interest account has been established, and the securities have been inscribed.

6. GENERAL PROVISIONS

6. 1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive tenders, to make allotments as directed by the Secretary of the Treasury, to issue such notices as may be necessary, to receive payment for and make delivery of securities on full-paid allotments, and to issue interim certificates pending delivery of the definitive securities.

6. 2. The Secretary of the Treasury may at any time issue supplemental or amendatory rules and regulations governing the offering. Public announcement of such changes will be promptly provided.

Paul H. Taylor,
Fiscal Assistant Secretary.

UNITED STATES OF AMERICA
TREASURY NOTES OF OCTOBER 15, 1988
SERIES F-1988

DEPARTMENT CIRCULAR
Public Debt Series - No. 31-81

DEPARTMENT OF THE TREASURY,
OFFICE OF THE SECRETARY,
Washington, September 23, 1981.

1. INVITATION FOR TENDERS

1. 1. The Secretary of the Treasury, under the authority of the Second Liberty Bond Act, as amended, invites tenders for approximately \$3,000,000,000 of United States securities, designated Treasury Notes of October 15, 1988, Series F-1988 (CUSIP No. 912827 MK 5). The securities will be sold at auction, with bidding on the basis of yield. Payment will be required at the price equivalent of the bid yield of each accepted tender. The interest rate on the securities and the price equivalent of each accepted bid will be determined in the manner described below. Additional amounts of these securities may be issued at the average price to Federal Reserve Banks, as agents for foreign and international monetary authorities.

2. DESCRIPTION OF SECURITIES

2. 1. The securities will be dated October 14, 1981, and will bear interest from that date, payable on a semiannual basis on April 15, 1982, and each subsequent 6 months on October 15 and April 15 until the principal becomes payable. They will mature October 15, 1988, and will not be subject to call for redemption prior to maturity. In the event an interest payment date or the maturity date is a Saturday, Sunday, or other nonbusiness day, the interest or principal is payable on the next-succeeding business day.

2. 2. The income derived from the securities is subject to all taxes imposed under the Internal Revenue Code of 1954. The securities are subject to estate, inheritance, gift, or other excise taxes, whether Federal or State, but are exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, any possession of the United States, or any local taxing authority.

2. 3. The securities will be acceptable to secure deposits of public monies. They will not be acceptable in payment of taxes.

2. 4. Bearer securities with interest coupons attached, and securities registered as to principal and interest, will be issued in denominations of \$1,000, \$5,000, \$10,000, \$100,000, and \$1,000,000. Book-entry securities will be available to eligible bidders in multiples of those amounts. Interchanges of securities of different denominations and of coupon, registered, and book-entry securities, and the transfer of registered securities will be permitted.

2. 5. The Department of the Treasury's general regulations governing United States securities apply to the securities offered in this circular. These general regulations include those currently in effect, as well as those that may be issued at a later date.

3. SALE PROCEDURES

3. 1. Tenders will be received at Federal Reserve Banks and Branches and at the Bureau of the Public Debt, Washington, D. C. 20226, up to 1:30 p.m., Eastern Daylight Saving time, Wednesday, October 7, 1981. Noncompetitive tenders as defined below will be considered timely if postmarked no later than Tuesday, October 6, 1981.

3. 2. Each tender must state the face amount of securities bid for. The minimum bid is \$1,000, and larger bids must be in multiples of that amount. Competitive tenders must also show the yield desired, expressed in terms of an annual yield with two decimals, e.g., 7.11%. Common fractions may not be used. Noncompetitive tenders must show the term "noncompetitive" on the tender form in lieu of a specified yield. No bidder may submit more than one noncompetitive tender, and the amount may not exceed \$1,000,000.

3. 3. Commercial banks, which for this purpose are defined as banks accepting demand deposits, and primary dealers, which for this purpose are defined as dealers who make primary markets in

Government securities and report daily to the Federal Reserve Bank of New York their positions in and borrowings on such securities, may submit tenders for account of customers if the names of the customers and the amount for each customer are furnished. Others are only permitted to submit for their own account.

3. 4. Tenders will be received without deposit for their own account from commercial banks and other banking institutions; primary dealers, as defined above; Federally-insured savings and loan associations; States, and their political subdivisions or instrumentalities; public pension and retirement and other public funds; international organizations in which the United States holds membership; foreign central banks and foreign states; Federal Reserve Banks; and Government accounts. Tenders from others must be accompanied by full payment for the amount of securities applied for (in the form of cash, maturing Treasury securities, or readily collectible checks), or by a payment guarantee of 5 percent of the face amount applied for, from a commercial bank or a primary dealer.

3. 5. Immediately after the closing hour, tenders will be opened, followed by a public announcement of the amount and yield range of accepted bids. Subject to the reservations expressed in Section 4, noncompetitive tenders will be accepted in full, and then competitive tenders will be accepted, starting with those at the lowest yields, through successively higher yields to the extent required to attain the amount offered. Tenders at the highest accepted yield will be prorated if necessary. After the determination is made as to which tenders are accepted, a coupon rate will be established, on the basis of a 1/8 of one percent increment, which results in an equivalent average accepted price close to 100.000 and a lowest accepted price above the original issue discount limit of 98.250. That rate of interest will be paid on all of the securities. Based on such interest rate, the price on each competitive tender allotted will be determined and each successful competitive bidder will be required to pay the price equivalent to the yield bid. Those submitting noncompetitive

tenders will pay the price equivalent to the weighted average yield of accepted competitive tenders. Price calculations will be carried to three decimal places on the basis of price per hundred, e.g., 99.923, and the determinations of the Secretary of the Treasury shall be final. If the amount of noncompetitive tenders received would absorb all or most of the offering, competitive tenders will be accepted in an amount sufficient to provide a fair determination of the yield. Tenders received from Government accounts and Federal Reserve Banks will be accepted at the price equivalent to the weighted average yield of accepted competitive tenders.

3. 6. Competitive bidders will be advised of the acceptance or rejection of their tenders. Those submitting noncompetitive tenders will only be notified if the tender is not accepted in full, or when the price is over par.

4. RESERVATIONS

4. 1. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders in whole or in part, to allot more or less than the amount of securities specified in Section 1, and to make different percentage allotments to various classes of applicants when the Secretary considers it in the public interest. The Secretary's action under this Section is final.

5. PAYMENT AND DELIVERY

5. 1. Settlement for allotted securities must be made at the Federal Reserve Bank or Branch or at the Bureau of the Public Debt, wherever the tender was submitted. Settlement on securities allotted to institutional investors and to others whose tenders are accompanied by a payment guarantee as provided in Section 3.4., must be made or completed on or before Wednesday, October 14, 1981. Payment in full must accompany tenders submitted by all other investors. Payment must be in cash; in other funds immediately available to the Treasury; in Treasury bills, notes, or bonds (with all coupons detached) maturing on or before the settlement date but which are not overdue as defined in the general regulations governing United States securities; or by check drawn to the order of the

institution to which the tender was submitted, which must be received from institutional investors no later than Friday, October 9, 1981. When payment has been submitted with the tender and the purchase price of allotted securities is over par, settlement for the premium must be completed timely, as specified in the preceding sentence. When payment has been submitted with the tender and the purchase price is under par, the discount will be remitted to the bidder. Payment will not be considered complete where registered securities are requested if the appropriate identifying number as required on tax returns and other documents submitted to the Internal Revenue Service (an individual's social security number or an employer identification number) is not furnished. When payment is made in securities, a cash adjustment will be made to or required of the bidder for any difference between the face amount of securities presented and the amount payable on the securities allotted.

5. 2. In every case where full payment has not been completed on time, an amount of up to 5 percent of the face amount of securities allotted, shall, at the discretion of the Secretary of the Treasury, be forfeited to the United States.

5. 3. Registered securities tendered in payment for allotted securities are not required to be assigned if the new securities are to be registered in the same names and forms as appear in the registrations or assignments of the securities surrendered. When the new securities are to be registered in names and forms different from those in the inscriptions or assignments of the securities presented, the assignment should be to "The Secretary of the Treasury for (securities offered by this circular) in the name of (name and taxpayer identifying number)." If new securities in coupon form are desired, the assignment should be to "The Secretary of the Treasury for coupon (securities offered by this circular) to be delivered to (name and address)." Specific instructions for the issuance and delivery of the new securities, signed by the owner or authorized representative, must accompany the securities presented. Securities tendered in payment should be surrendered to the Federal Reserve Bank or Branch or to the Bureau of the Public Debt, Washington, D. C. 20226. The securities must be delivered at the expense and risk of the holder.

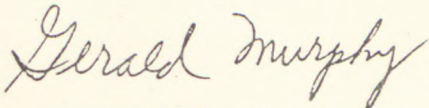
5. 4. If bearer securities are not ready for delivery on the settlement date, purchasers may elect to receive interim certificates. These certificates shall be issued in bearer form and shall be exchangeable for definitive securities of this issue, when such securities are available, at any Federal Reserve Bank or Branch or at the Bureau of the Public Debt, Washington, D. C. 20226. The interim certificates must be returned at the risk and expense of the holder.

5. 5. Delivery of securities in registered form will be made after the requested form of registration has been validated, the registered interest account has been established, and the securities have been inscribed.

6. GENERAL PROVISIONS

6. 1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive tenders, to make allotments as directed by the Secretary of the Treasury, to issue such notices as may be necessary, to receive payment for and make delivery of securities on full-paid allotments, and to issue interim certificates pending delivery of the definitive securities.

6. 2. The Secretary of the Treasury may at any time issue supplemental or amendatory rules and regulations governing the offering. Public announcement of such changes will be promptly provided.


for Paul H. Taylor,
Fiscal Assistant Secretary.