

December 11, 1985

RESCHEDULING OF TREASURY'S WEEKLY BILL AUCTIONS

The following statement was issued today by the Treasury Department:

The Department of the Treasury hereby amends its offering announcement of December 3, 1985, to change the auction date, closing time, and location for receipt of competitive tenders to Thursday, December 12, 1985, prior to 10:00 a.m., EST, only at the Federal Reserve Bank of New York.

This rescheduling of the 91-day and 182-day Treasury bill auctions is contingent upon enactment of pending legislation to raise the public debt limit.

The announcement of December 3 is further amended as follows:

Wire and telephone tenders may be received at the discretion of the Federal Reserve Bank of New York. Each competitive tender for the respective issues must be for a minimum amount of \$10,000,000. Competitive tenders over \$10,000,000 must be in multiples of \$1,000,000. Competitive tenders must show the yield desired, expressed on a bank discount rate basis with two decimals, e.g., 7.15%. Fractions must not be used.

Noncompetitive tenders received in all Federal Reserve Districts and at the Treasury in Washington by close of business local time, December 11, 1985, will be accepted in the two auctions.

The provision for Treasury Tax and Loan Note Option Depositories to make payment by credit to their Treasury Tax and Loan Note Account is rescinded.

All other terms and conditions in the announcement of December 3 remain the same.

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

[Ref. Cir. No. 9964]

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

Circular No. 9968  
December 12, 1985

TREASURY AUCTION OF 2-YEAR AND 4-YEAR NOTES  
TOTALING \$16,500 MILLION

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

The following statement has been issued by the Treasury Department:

The Department of the Treasury will auction \$9,500 million of 2-year notes and \$7,000 million of 4-year notes to refund \$11,760 million of securities maturing December 31, 1985, and to raise \$4,700 million new cash. The \$11,760 million of maturing securities are those held by the public, including \$684 million of maturing securities currently held by Federal Reserve Banks as agents for foreign and international monetary authorities.

The \$16,500 million is being offered to the public, and any amounts tendered by Federal Reserve Banks as agents for foreign and international monetary authorities will be added to that amount. Tenders for such accounts will be accepted at the average prices of accepted competitive tenders.

In addition to the public holdings, Government accounts and Federal Reserve Banks, for their own accounts, hold \$771 million of the maturing securities that may be refunded by issuing additional amounts of the new securities at the average prices of accepted competitive tenders.

The Treasury will postpone these auctions unless it has assurance of Congressional action on legislation to raise the statutory debt limit before the scheduled auction dates of December 17 and December 18, 1985.

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 on the dates and times 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 made in cash, by check, in Treasury securities maturing on or before the issue date of the securities being purchased, by a charge to an institution's reserve account at this Bank, or, in the case of Treasury Tax and Loan Note Option Depositories, by credit to a Treasury Tax and Loan Note Account. Payment by check must be in the form of an official bank check, a Federal funds check (a check drawn by a depository institution on its Federal Reserve account), or a personal check, which need not be certified. All checks must be drawn payable to the Federal Reserve Bank of New York; *checks endorsed to this Bank will not be accepted*.

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. 716-849-5158 (offerings) and Tel. No. 716-849-5046 (results). Additional inquiries regarding this offering may be made by calling, at the Head Office, Tel. No. 212-791-6619, or, at the Buffalo Branch, Tel. No. 716-849-5016.

E. GERALD CORRIGAN,  
President.

(Over)

**HIGHLIGHTS OF TREASURY  
OFFERINGS TO THE PUBLIC  
OF 2-YEAR AND 4-YEAR NOTES  
TO BE ISSUED DECEMBER 31, 1985**

	<u>2-Year Notes</u>	<u>4-Year Notes</u>
<b>Amount Offered:</b>		
To the public .....	\$9,500 million	\$7,000 million
<b>Description of Security:</b>		
Term and type of security .....	2-year notes	4-year notes
Series and CUSIP designation .....	Series AD-1987 (CUSIP No. 912827 TA0)	Series P-1989 (CUSIP No. 912827 TB8)
Maturity date .....	December 31, 1987	December 31, 1989
Call date .....	No provision	No provision
Interest 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 .....	June 30 and December 31	June 30 and December 31
Minimum denomination available ..	\$5,000	\$1,000
<b>Terms of Sale:</b>		
Method of sale .....	Yield auction	Yield auction
Competitive tenders .....	Must be expressed as an annual yield, with two decimals, e.g., 7.10%	Must be expressed as an annual yield, with two decimals, e.g., 7.10%
Noncompetitive tenders .....	Accepted in full at the average price up to \$1,000,000	Accepted in full at the average price up to \$1,000,000
Accrued interest payable by investor ..	None	None
Payment by non-institutional investors .....	Full payment to be submitted with tender	Full payment to be submitted with tender
Payment through Treasury Tax and Loan (TT&L) Note Accounts .....	Acceptable for TT&L Note Option Depositories	Acceptable for TT&L Note Option Depositories
Deposit guarantee by designated institutions .....	Acceptable	Acceptable
<b>Key Dates:</b>		
Receipt of tenders .....	<b>Tuesday, December 17, 1985, prior to 1:00 p.m., EST</b>	<b>Wednesday, December 18, 1985, prior to 1:00 p.m., EST</b>
Settlement (final payment due from institutions)		
a) cash or Federal funds .....	Tuesday, December 31, 1985	Tuesday, December 31, 1985
b) readily collectible check .....	Friday, December 27, 1985	Friday, December 27, 1985

December 12, 1985

SCHEDULING OF TREASURY AUCTIONS OF 7-YEAR AND 20-YEAR SECURITIES

The following statement was issued yesterday by the Treasury Department:

The Department of the Treasury announced that the auctions of 7-year notes and 20-year 1-month bonds will be scheduled for early January 1986. Details of the offerings of these securities will be announced later.

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[Enc. Cir. No. 9968]