

EMBARGOED UNTIL 2:30 P.M.  
July 2, 1997

CONTACT: Office of Financing  
202/219-3350

TREASURY TO AUCTION \$8,000 MILLION OF  
5-YEAR INFLATION-INDEXED NOTES

The Treasury will auction \$8,000 million of 5-year inflation-indexed notes to raise cash.

Amounts bid by Federal Reserve Banks for their own accounts, and as agents for foreign and international monetary authorities will be added to the offering.

The auction will be conducted in the single-price auction format. All competitive and noncompetitive awards will be at the highest yield of accepted competitive tenders.

The notes being offered today are eligible for the STRIPS program.

Tenders will be received at Federal Reserve Banks and Branches and at the Bureau of the Public Debt, Washington, D. C. This offering of Treasury securities is governed by the terms and conditions set forth in the Uniform Offering Circular (31 CFR Part 356, as amended) for the sale and issue by the Treasury to the public of marketable Treasury bills, notes, and bonds.

Details about the security are given in the attached offering highlights.

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Attachment

**HIGHLIGHTS OF TREASURY OFFERING TO THE PUBLIC OF  
5-YEAR INFLATION-INDEXED NOTES TO BE ISSUED JULY 15, 1997**

July 2, 1997

Offering Amount . . . . . \$8,000 million

STRIPS Information:

Description of Offering:

Term and type of security . 5-year inflation-indexed notes

Series . . . . . J-2002

CUSIP number . . . . . 912827 3A 8

Auction date . . . . . July 9, 1997

Issue date . . . . . July 15, 1997

Dated date . . . . . July 15, 1997

Maturity date . . . . . July 15, 2002

Interest Rate . . . . . Determined based on the highest accepted bid

Real yield . . . . . Determined at auction

Interest payment dates . . January 15 and July 15

Minimum bid amount . . . . \$1,000

Multiples . . . . . \$1,000

Accrued interest . . . . . None

Due dates and CUSIP numbers for TINs:

	<u>912833</u>
January 15, 1998	SW 1
July 15, 1998	SX 9
January 15, 1999	SY 7
July 15, 1999	SZ 4
January 15, 2000	TA 8
July 15, 2000	TB 6
January 15, 2001	TC 4
July 15, 2001	TD 2
January 15, 2002	TE 0
July 15, 2002	TF 7

Premium or discount . . . . . Determined at auction

STRIPS Information:

Minimum amount required . . Determined at auction

Corpus CUSIP number . . . . . 912820 BZ 9

Submission of Bids:

Noncompetitive bids: Will be accepted in full up to \$5,000,000 at the highest accepted yield.

Competitive bids:

- (1) Must be expressed as a real yield with three decimals, e.g., 3.123%.
- (2) Net long position for each bidder must be reported when the sum of the total bid amount, at all yields, and the net long position is \$2 billion or greater.
- (3) Net long position must be determined as of one half-hour prior to the closing time for receipt of competitive tenders.

Maximum Recognized Bid at a Single Yield . . . . . 35% of public offering

Maximum Award . . . . . 35% of public offering

Receipt of Tenders:

Noncompetitive tenders: Prior to 12:00 noon Eastern Daylight Saving time on auction day.

Competitive tenders: Prior to 1:00 p.m. Eastern Daylight Saving time on auction day.

Payment Terms: Full payment with tender or by charge to a funds account at a Federal Reserve Bank on issue date.

Indexing Information:

CPI Base Reference Period . . . . . 1982-1984

Ref CPI 07/15/1997 . . . . . 160.15484

Index Ratio 07/15/1997 . . . . . 1.00000