TALKING POINTS
FOR THE
FINANCING PRESS CONFERENCE

May 1, 1991

Today we are announcing the terms of our regular May quarterly refunding. I will also discuss the Treasury's financing requirements for the balance of the current calendar quarter and our estimated cash needs for the July-September 1991 quarter.

1. We are offering $37.0 billion of notes and bonds to refund $19.0 billion of privately-held notes maturing on May 15 and to raise approximately $18.0 billion of cash. The three securities are:

-- First, a 3-year note in the amount of $13.5 billion, maturing on May 15, 1994. This note is scheduled to be auctioned on a yield basis on Tuesday, May 7. The minimum denomination will be $5,000.

-- Second, a 10-year note in the amount of $11.75 billion, maturing on May 15, 2001. This note is scheduled to be auctioned on a yield basis on Wednesday, May 8. The minimum denomination will be $1,000.

-- Third, a 30-year bond in the amount of $11.75 billion, maturing May 15, 2021. This bond is scheduled to be auctioned on a yield basis on Thursday, May 9. The minimum denomination will be $1,000.

2. We will accept noncompetitive tenders up to $1,000,000 for each of the note and bond auctions.

3. For the current April-June quarter, we estimate a net market borrowing need of $40.0 billion, which includes Treasury borrowing to finance Resolution Trust Corporation operations. The estimate assumes a $35 billion cash balance at the end of June. We may want to have a higher balance, depending upon our assessment of cash needs at the time.

Including this refunding we will have raised $1.7 billion of the $40.0 billion in net market borrowing needed this April-June quarter. This net borrowing was accomplished as follows:

-- $3.4 billion of cash from the 7-year note that settled April 15;

-- $4.5 billion of cash from the 2-year notes which settled April 1 and April 30;

-- $9.9 billion of cash from the 5-year notes which settled April 1 and April 30:

-- $25.0 billion paydown in the regular weekly bills, including the bills announced yesterday;

-- $2.8 billion of cash in 52-week bills;

-- $12 billion paydown in the cash management bills; and

-- $18.0 billion of cash from the refunding issues announced today.

The $38.3 billion to be raised in the rest of the April-June quarter could be accomplished through sales of regular 13-, 26-, and 52-week bills, and 2-year and 5-year notes at the end of May. Since June 30 is a Sunday, the 2-year and 5-year notes to be auctioned at the end of June will settle July 1 and do not affect our borrowing for this quarter. We expect to sell cash management bills to cover low cash balances in the quarter.

4. We estimate Treasury net market borrowing needs to be in the range of $110 to $115 billion for the July-September 1991 quarter, assuming a $30 billion cash balance on September 30. The Treasury's July-September borrowing estimate includes an allowance for Resolution Trust Corporation activities.

5. We believe that the current, regular issue cycles for Treasury bills, notes, and bonds will be sufficient to raise funds in the foreseeable future. Therefore, with the exception of cash management bill financing, the Treasury has no plans to alter the established issue pattern.

6. In April, the Treasury decided not to call, on August 15, 1991, the 7-1/2 percent bonds of August 15, 1988-93. Any future decision on calling the 7-1/2s, and other outstanding callable bonds, will depend upon circumstances prevailing at the time. If Treasury decides to call a bond, a 4-month notice will be provided to the public, as is required in the offering circulars pertaining to each callable bond.

7. We are also announcing that, beginning with the weekly Treasury bills to be announced on May 7, the Treasury will announce all bill, note, and bond offerings at about 2:30 p.m., Eastern time. The next quarterly refunding press conference,

scheduled for July 31, 1991, will begin at 2:00 p.m., Eastern time, to allow time for preparation of news reports for the 2:30 p.m. Eastern release time.