

TALKING POINTS
FOR THE
FINANCING PRESS CONFERENCE
January 27, 1982

Before I disclose the specifics of the February refunding package and the projections of cash needs for the next two quarters, I would like to mention several other debt management matters.

First, the Treasury submitted legislation to the Congress yesterday to repeal the 4-1/4 percent interest rate ceiling on Treasury bond issues. Presently, the Treasury may issue up to \$70 billion of bonds, which have over 10 years to maturity, without regard to the 4-1/4 percent ceiling. We have used \$67-1/2 billion of that authority, and the quarterly financing that we are announcing today will use up the remaining \$2-1/2 billion. We are hopeful that the Congress will act promptly on this legislation in order to permit the Treasury to continue to issue bonds, particularly during this current period of heavy financing requirements.

I would also like to note that the Treasury is continuing to study possible changes in its procedures for selling securities. As we announced last week, we are considering more efficient ways of making securities available to smaller investors, possibly through greater use of banks or other private financial institutions, but we have not completed our studies and we have nothing new to announce on that matter today.

Finally, I am happy to announce that Secretary Regan sent to the Congress yesterday legislation to remove the interest rate ceiling on Savings Bonds. This will enable the Treasury to issue the new, market-based variable rate Savings Bonds described by Secretary Regan last month. We are urging prompt action by the Congress.

The new bond will strengthen the Savings Bonds Program by assuring savings bond holders a fair return regardless of movements in market interest rates. A healthy Savings Bonds program will contribute to this Administration's objectives of encouraging individual savings and will also help to reduce the pressure on the market from our heavy borrowing requirements.

On that note, I would now like to turn to the terms of our regular February quarterly refunding. I will also discuss the Treasury's financing requirements for the balance of the current quarter and our estimated cash needs for the April-June quarter.

1. We are offering \$10.0 billion of securities to refund \$4.3 billion of publicly-held coupon securities maturing on February 15 and raise approximately \$5.7 billion of new cash.

The three securities are:

- First, a 3-year note in the amount of \$5.0 billion maturing on February 15, 1985. This note will be auctioned on a yield basis on Tuesday, February 2. The minimum denomination will be \$5,000.
- Second, a 10-year note in the amount of \$2.5 billion maturing on February 15, 1992. This note will be auctioned on a yield basis on Wednesday, February 3. The minimum denomination will be \$1,000.
- Third, a 29-3/4-year bond in the amount of \$2.5 billion, which will be a reopening of the 14 percent bond maturing on November 15, 2011 and callable beginning November 15, 2006. This bond will be auctioned on a price basis on Thursday, February 4. The minimum denomination will be \$1,000.

On each of the three issues, we will accept noncompetitive tenders of up to \$1,000,000.

2. For the current January-March quarter, we estimate a net market borrowing of \$41-1/4 billion, assuming a \$10 billion cash balance at the end of March.
3. Including this refunding, we will have raised \$18.8 billion in marketable borrowing. This was accomplished as follows:
 - \$1.8 billion of new cash from the 20-year, 1-month bond which settled January 6.

--\$3.5 billion of new cash from the 7-year note which settled January 13.

--\$1.6 billion of new cash from the 2-year note settling February 1.

--\$.6 billion of new cash from the 52-week bill settling January 28.

--\$5.7 billion of new cash from weekly bills, including the bills announced yesterday.

--\$5.7 billion of new cash from the February refunding.

The remaining net financing requirement of about \$22-1/2 billion could be accomplished through sales of regular weekly and monthly bills, a note in early March in the 5-year maturity range, additions to upcoming 2- and 4-year note maturities, and cash management bills.

4. Our net market borrowing need in the second quarter of calendar year 1982 is currently estimated in the range of \$10 to \$15 billion, assuming a \$15 billion cash balance at the end of June. We may wish to have a somewhat higher cash balance than \$15 billion on June 30, depending upon the course of the economy and market conditions in the second quarter and our revised estimates of our borrowing needs at that time.

TALKING POINTS
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FINANCING PRESS CONFERENCE
July 28, 1982

Before I disclose the specifics of the August refunding package and the projections of cash needs for the next two quarters, I would like to mention three other debt management matters.

First, the Treasury is pleased to note that the Senate approved in the tax bill last week an increase to \$110 billion in the Treasury's authority to issue long-term bonds. Presently, the Treasury may issue up to \$70 billion of bonds, which have over 10 years to maturity, without regard to the 4-1/4 percent ceiling. We exhausted that authority with the February refunding, so the quarterly financing that we are announcing today will not include a bond issue. We are hopeful that the Congress will act promptly to complete action on this legislation in order to permit the Treasury to resume issuance of long-term bonds, particularly during this period of heavy financing requirements. When this legislation is enacted we expect to return to our regular schedule of a 20-year bond issue in the first month of each quarter and a 30-year bond issue in the mid-quarter refunding. As indicated in the attached chart, we plan to announce the terms of a 20-year bond issue on September 14. This is part of a new consolidated financing schedule designed to increase bidding interest in the quarterly 4-year, 7-year and 20-year auctions and to permit a longer period for distribution of the securities.

Second, the tax bill passed by the Senate last week also included a provision requested earlier by Secretary Regan to remove the interest rate ceiling on savings bonds. This will enable the Treasury to issue the new, market-based variable rate savings bonds described by Secretary Regan last December. The new bond will strengthen the savings bonds program by assuring savings bond holders a fair return regardless of movements in market interest rates. A healthy savings bonds program will contribute to this Administration's objectives of encouraging individual savings and will also help to reduce the pressure on the market from our borrowing requirements.

We are very encouraged by the progress on both of these debt management measures, and we are hopeful that this legislation will move quickly through the Congress.

Finally, we are announcing a change in the procedure for determining the size of a Treasury coupon issue when part of the issue is taken by foreign official accounts through the Federal Reserve. Beginning with the August 31 2-year note, the entire amount of tenders accepted from foreign accounts in a coupon sale will be added to the amount the Treasury announces for sale in the market. If the foreign accounts roll over part or all of their holdings in the auction, or if they are awarded additional amounts, Treasury will add the entire amount of the foreign awards to the announced size of the issue. Thus, foreign awards will not change the announced amount offered to the public. This change is designed to

reduce market uncertainty regarding the size of the auction offered to domestic bidders and thus reduce financing costs to the Treasury.

I would now like to turn to the terms of our regular August quarterly refunding. I will also discuss the Treasury's financing requirements for the balance of the current quarter and our estimated cash needs for the October-December quarter.

1. We are offering \$11.0 billion of securities to refund \$4.3 billion of publicly-held coupon securities maturing on August 15 and raise approximately \$6.7 billion of new cash.

The two securities are:

--First, a 3-year note in the amount of \$6.0 billion maturing on August 15, 1985. This note will be auctioned on a yield basis on Tuesday, August 3. The minimum denomination will be \$5,000.

--Second, a 9-3/4 year note in the amount of \$5.0 billion maturing on May 15, 1992. This will be a reopening of the 13-3/4 percent note issued in May of this year. This note will be auctioned on a price basis on Wednesday, August 4. The minimum denomination will be \$1,000.

On each of the two issues, we will accept noncompetitive tenders of up to \$1,000,000.

2. For the current July-September quarter, we estimate a net market borrowing of \$50-1/2 billion, assuming a \$20 billion cash balance at the end of September.

3. Including this refunding, we will have raised \$25.1 billion in marketable borrowing, excluding the \$4.5 billion of new cash management bills announced Monday which will mature September 16. This was accomplished as follows:

--\$4.6 billion of new cash from the 4-year note which settled July 6.

--\$4.7 billion of new cash from the 7-year note which settled July 8.

--\$1.8 billion of new cash from the 2-year note settling August 2.

--\$2.0 billion of new cash from the 52-week bill which settled July 15.

--\$5.3 billion of new cash from weekly bills, including the bills announced yesterday.

--\$6.7 billion of new cash from the August refunding.

The remaining net financing requirement of about \$25.5 billion could be accomplished through sales of regular weekly and monthly bills, a note in early September in the 5-year maturity range, and additions to upcoming 2- and 4-year note maturities. A cash management bill may be required to bridge the low point in our cash balance in September.

4. Our net market borrowing need in the October-December quarter is currently estimated in the range of \$44 to \$49 billion, assuming a \$15 billion cash balance at the end of December. We may wish to have a somewhat higher cash balance than \$15 billion on December 31, depending upon the course of the economy and market conditions in the October-December period and our revised estimates of our borrowing needs at that time.

Attachment

SCHEDULE OF COUPON ISSUES TO BE ANNOUNCED AND AUCTIONED IN SEPTEMBER 1982^{1/}

Monday	Tuesday	Wednesday	Thursday	Friday
6	7	8 Announce 2 year	9	10
13	14 Announce 4 year 7 year 20 year ^{3/}	15 Auction 2 year ^{2/}	16	17
20	21 Auction 4 Year ^{2/}	22 Auction 7 year ^{4/}	23 Auction 20 year ^{4/}	24

^{1/} Does not include 5 year issue which will probably be announced in late August

^{2/} For settlement September 30

^{3/} Assuming bond authority legislation is enacted

^{4/} For settlement in early October

TALKING POINTS
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FINANCING PRESS CONFERENCE
October 27, 1982

I would now like to turn to the terms of our regular November quarterly refunding. I will also discuss the Treasury's financing requirements for the balance of the current quarter and our estimated cash needs for the January-March quarter.

1. We are offering \$13.0 billion of securities to refund \$4.6 billion of publicly-held coupon securities maturing on November 15 and raise approximately \$8.4 billion of new cash.

The three securities are:

- First, a 3-year note in the amount of \$6.0 billion maturing on November 15, 1985. This note will be auctioned on a yield basis on Wednesday, November 3. The minimum denomination will be \$5,000.
- Second, a 10 year note in the amount of \$4.0 billion maturing on November 15, 1992. This note will be auctioned on a yield basis on Thursday, November 4. The minimum denomination will be \$1,000.
- Third, a 30-year bond in the amount of \$3.0 billion maturing on November 15, 2012, and callable on November 15, 2007. This bond will be auctioned on a yield basis on Tuesday, November 9. The minimum denomination will be \$1,000.

On each of the three issues, we will accept noncompetitive tenders of up to \$1,000,000.

2. For the current October-December quarter, we estimate a net market borrowing of \$46-1/2 billion, assuming a \$15 billion cash balance at the end of December.
3. Including this refunding, we will have raised \$20.2 billion ✓ in marketable borrowing. This was accomplished as follows:
 - \$3.0 billion of new cash from the 2-year note settling November 1.
 - \$3.7 billion of new cash from the 52-week bills.
 - \$5.1 billion of new cash from weekly bills, including the bills announced yesterday.
 - \$8.4 billion of new cash from the November refunding.The remaining net financing requirement of about \$26.3 billion could be accomplished through sales of regular weekly and monthly bills, a note in early December in the 5-year maturity range, and additions to upcoming 2- and 4-year note maturities. A cash management bill may be required to bridge the low point in our cash balance in November.
4. Our net market borrowing need in the January-March quarter is currently estimated in the range of \$47 to \$52 billion, assuming a \$10 billion cash balance at the end of March. We may wish to have a somewhat higher cash balance than \$10 billion on March 31, depending upon the course of the economy and market conditions in the January-March period and ^{any revisions in} our ~~revised~~ estimates of ~~our~~ borrowing needs at that time.

Had 4-7-20