



FOR IMMEDIATE RELEASE

April 30, 1997

**REMARKS BY ROGER L. ANDERSON
DEPUTY ASSISTANT SECRETARY FOR FEDERAL FINANCE
MAY 1997 TREASURY QUARTERLY REFUNDING
PRESS CONFERENCE**

Good afternoon. I will begin with today's refunding announcement and the terms of the regular Treasury May quarterly refunding. I will also discuss Treasury financing requirements for the balance of the current calendar quarter and our estimated cash needs for the July-September 1997 quarter. I will then discuss certain other debt management issues.

1. We are offering \$29.0 billion of notes to refund \$27.4 billion of privately held notes maturing on May 15 and to raise approximately \$1.6 billion of cash.

The two securities are:

- First, a 3-year note in the amount of \$17.0 billion, maturing on May 15, 2000. This note is scheduled to be auctioned on a yield basis at 1:00 p.m. Eastern time on Tuesday, May 6.
- Second, a 10-year note in the amount of \$12.0 billion, maturing on May 15, 2007. This note is scheduled to be auctioned on a yield basis at 1:00 p.m. Eastern time on Wednesday, May 7.

2. As announced on Monday, April 29, we estimate a market borrowing paydown of \$65 billion for the April-June quarter. The estimate assumes a \$35 billion cash balance at the end of June. Including the securities in this refunding, we have paid down \$46.7 billion cash from sales of marketable securities. See the attachment for details.

3. The Treasury will need to paydown \$18.3 billion in market borrowing during the rest of the April-June quarter. This financing can be accomplished through regular sales of 13-, 26-, and 52-week bills in May and June and 2- and 5-year notes in May and June.

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Cash management bills may be needed to cover low points in the cash balance in early June. The tentative auction calendars for May, June and July are included in the chart package which was distributed today.

4. We estimate the Treasury market borrowing need to be in the range of \$40 to \$45 billion for the July-September quarter, assuming a \$40 billion cash balance on September 30.

5. At the February press conference, I discussed two proposals that the Borrowing Advisory Committee had recommended: (1) to require three-decimal bidding in half-decimal increments in bill auctions and (2) to reduce the net long position reporting threshold in bill auctions from \$2 billion to \$1 billion. We expect to publish these proposals for public comment in the Federal Register sometime next week.

6. The August quarterly refunding press conference is scheduled to be held on Wednesday, July 30.

ATTACHMENT

CASH RAISED

Including the securities announced in this refunding, we have paid down \$46.7 billion of cash from sales of marketable securities.

This was accomplished as follows:

- raised \$0.3 billion from the 2-year notes issued April 30;
- raised \$3.2 billion from the 5-year notes issued April 30;
- raised \$1.3 billion from the 52-week bills;
- paid down \$7.9 in the 7-year notes maturing April 15;
- raised \$8.4 billion from the sale of the reopening of the 10-year inflation-indexed note issued April 15;
- paid down \$30.5 billion in cash in the regular weekly bills, including those announced yesterday;
- paid down \$23.1 billion in the cash management bills maturing April 17;
- raised \$1.6 billion from the notes announced today.