The original documents are located in Box C10, folder "Presidential Handwriting, 1/14/1975 (3)" of the Presidential Handwriting File at the Gerald R. Ford Presidential Library.

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THE SECRETARY OF THE TREASURY
WASHINGTON

JAN 14 1975

MEMORANDUM FOR THE PRESIDENT

Subject: Regular quarterly refinancing

For your information, $5.2 billion of Treasury notes will mature on February 15. The public holds $3.5 billion of these notes and Federal Reserve Banks and Government accounts hold $1.7 billion.

Our cash position is not strong, and we will need to borrow some $7 or $8 billion of new cash to carry us until the March taxes come in. Hence we will have to refinance all of the debt maturing on February 15.

It will be necessary to do a considerable part of the total of about $11 billion of financing from the public through the sale of short-term Treasury debt in the form of bills, possibly with additions to the regular weekly Treasury bills totalling about $2 to $2.5 billion and April and June tax anticipation bills of about $3.5 to $4 billion. This would leave about $5 billion to be done in medium- and long-term securities. These could include a small amount, not exceeding $1 billion, of long-term bonds, and $4 billion or more of notes in the 2- to 3-year and 4- to 7-year ranges.

The structure of the February refinancing itself could take several shapes. Some of the additional cash required, possibly as much as $1 billion, could be raised in that operation. While these refinancings are generally carried out through the sale of longer-term securities, in view of our overall needs it is possible that some of the shorter-term bills may be offered as a part of the refinancing. Because we are also faced with debt-limit problems toward the end of February, it is also possible that it may be necessary to do either a part of the refinancing or of the raising of new cash through the sale of securities to the public by the Federal Financing Bank.

We are meeting with our advisory committees on January 21 and 22 to get their views on this financing. I will announce our offerings after the market closes on January 22.

William E. Simon