

ANNUAL REPORT ON THE FINANCES

TREASURY DEPARTMENT,
Washington, D. C., February 29, 1956.

SIRS: I have the honor to report to you on the finances of the Federal Government for the fiscal year ended June 30, 1955.

In the early months of the fiscal year the American economy was still in a period of readjustment. Timely tax cuts, flexible monetary policies, and legislation helpful to the economy in several areas were of assistance in avoiding more serious dislocations. As the economy started moving forward on most fronts to new heights of personal and national prosperity, the vigor of its resurgence brought new adjustment problems. Treasury debt management policies were coordinated with Federal Reserve monetary and credit policies, first to help avoid deflation and later to help avoid inflation.

The value of the dollar has remained constant. This means that savings are no longer being dissipated through inflation. It also means gains in terms of what our people can actually buy with their increased incomes. Confidence in the value of the dollar has encouraged the steady flow of investment funds needed to finance the power and tools required for rising production with its fruits of more and better jobs, and increasingly higher standards of living for our ever-growing population.

The financial principles we have adopted as our guides are simple but vital ones. They include (1) a Federal budget that is under control, (2) appropriate reductions both in our debts and our tax burden, but only as they are justified, and (3) a continued smooth meshing of the Government's debt management and flexible monetary policies.

A full report on the Treasury's operations during the 1955 fiscal year follows.

G. M. HUMPHREY,
Secretary of the Treasury.

TO THE PRESIDENT OF THE SENATE.

TO THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

ANNUAL REPORT ON THE FINANCES

TREASURY DEPARTMENT,
Washington, D. C., January 31, 1957.

SIRS: I have the honor to report to you on the finances of the Federal Government for the fiscal year ended June 30, 1956.

A balanced Federal budget—a major goal of the Eisenhower Administration—is now a reality. The Government not only lived within its income in fiscal 1956 but there was better than a \$1½ billion budget surplus for debt reduction. Another balanced budget and further surplus are in prospect for the current fiscal year and again for fiscal 1958. Their attainment will mean three surpluses in a row—for the first time in more than 20 years.

This accomplishment was matched by monetary policies designed and executed to help keep credit expansion within sustainable limits.

Americans are enjoying high peacetime prosperity. We have record high employment, high wages, and high production. It represents true prosperity—for there has been little change in the cost of living during the past four years.

The exceptional vigor of our economy, however, points to the need for continuing self discipline and national restraint. With the economy operating at a very high rate and with shortages of materials and manpower in many areas, we cannot do all the things we would like to do as fast as we would like to do them without running the risk of serious price inflation.

On the fiscal front, we must continue to try to reduce Federal spending and keep the budget in balance. Modest surpluses are appropriately used for debt reduction. Important as further tax reduction is, it should wait until the time when we can look ahead and see a sufficient surplus of Government income over spending to pay for a tax cut fairly spread among all our people. In this way we can best maintain the fiscal integrity of our country and help assure the continued soundness of our currency.

A full report on the Treasury's operations during the 1956 fiscal year follows.

G. M. HUMPHREY,
Secretary of the Treasury.

TO THE PRESIDENT OF THE SENATE.

TO THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

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TREASURY DEPARTMENT,
Washington, D. C., January 31, 1958.

SIRS: I have the honor to report to you on the finances of the Federal Government for the fiscal year ended June 30, 1957.

Present conditions of world tension emphasize the importance of wise handling of our finances. Essential military and civilian needs must be met; and at the same time, the total demands on our available resources must be kept within sustainable limits.

On the fiscal front, we must continue to examine every expenditure—military and civil—from the point of view of its contribution to national defense or to the stability and good health of the economy. Priority of national security over lesser needs must be recognized, and Federal participation in programs which might be undertaken by private business or which are the primary responsibility of States and localities must be held to a minimum. This is a sound policy at all times, but it is particularly urgent at present when an increasing share of Federal revenues must be allocated to military research, training, and procurement.

A full report follows on the Treasury's operations during the 1957 fiscal year. During that period my predecessor, George M. Humphrey, was Secretary of the Treasury.

ROBERT B. ANDERSON,
Secretary of the Treasury.

TO THE PRESIDENT OF THE SENATE.

TO THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

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TREASURY DEPARTMENT,
Washington, D. C., January 30, 1959.

Sirs: I have the honor to report to you on the finances of the Federal Government for the fiscal year ended June 30, 1958.

The decline in economic activity which characterized the greater part of the fiscal year had a strong impact on revenues, which were lower than had been anticipated. As a result, the Federal Government had to close the gap between revenues and expenditures by additional new money borrowing, and this has been necessary also during the current year.

With the strong recovery now in process, the Government's fiscal position should show considerable improvement in the period ahead.

ROBERT B. ANDERSON,
Secretary of the Treasury.

TO THE PRESIDENT OF THE SENATE.

TO THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

ANNUAL REPORT ON THE FINANCES

TREASURY DEPARTMENT,
Washington, D.C., January 30, 1960.

SIRS: I have the honor to report to you on the finances of the Federal Government for the fiscal year ended June 30, 1959.

The economy during this period was characterized by strong recovery. Because revenues—and to some extent expenditures—reflect very largely economic conditions in an immediately preceding period, the recession period of 1957–58 had its strongest impact on the Government's fiscal position during the fiscal year 1959. As a result, the Federal Government had to close the gap between revenues and expenditures by additional new money borrowing in larger amounts than had been necessary in 1958.

A marked improvement in the Government's fiscal position has occurred in recent months. With continued prosperity, a balanced budget is in prospect for the fiscal year 1960 and a substantial surplus estimated for 1961.

ROBERT B. ANDERSON,
Secretary of the Treasury.

TO THE PRESIDENT OF THE SENATE.

TO THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.