
Appendix A

**SUMMARY OF RECOMMENDATIONS IN
THE ECONOMIC REPORT OF
THE PRESIDENT**

Summary of Recommendations in the Economic Report of the President

Including Recommendations to the Congress and Suggestions to the States and Local Governments

I. GOVERNMENT FINANCES

- a) Extend the present tax rate on the income of corporations and the present excise rates on automobiles and parts, cigarettes, distilled spirits, wines, and beer for one year beyond July 1, 1958. [Page 57]
- b) Enact legislation temporarily increasing the statutory debt limit. [Page 57]

See also Recommendation IV (a).

II. FEDERAL CREDIT PROGRAMS

- a) Grant wider discretionary authority to heads of Executive agencies and departments to set terms on private loans insured or guaranteed by the Federal Government. [Page 58]
- b) Adjust interest rate limitations on certain FHA loan insurance programs (National Housing Act, Sections 207, 213, and 803) and on the VA Home Loan Guaranty Program. [Pages 58-59]
- c) Repeal the provisions of the Housing Act of 1957 requiring regulation of charges, fees, and discounts on federally insured or guaranteed home loans and the purchase of mortgages at par by the Federal National Mortgage Association under its special assistance programs. [Pages 59-60]
- d) Increase to \$30,000 the maximum size of home mortgage loan that may be insured by the Federal Housing Administration under Sections 203 and 220 of the National Housing Act. [Page 60]
- e) Increase the limit on outstanding insured loans of the Federal Housing Administration. [Page 60]

III. SCIENCE AND EDUCATION

- a) Provide funds on a temporary basis for grants to States to improve instruction and to strengthen State departments of education in the fields of science and mathematics, to identify and encourage able high school students, to provide college scholarships, and to improve State statistics on education; and funds for broader support of graduate education and the improvement and expansion of foreign language teaching in colleges and universities. [Page 62]

- b) Authorize a temporary program of assistance for the expansion and modernization of medical and dental teaching facilities. [Pages 62-63]

IV. SMALL BUSINESS AND THE COMPETITIVE SYSTEM

- a) Amend the tax laws to extend accelerated depreciation formulas to purchases of used property up to \$50,000 in any one year; to permit closely held corporations the option of electing the tax status of partnerships; to grant taxpayers the option of paying estate taxes over periods of up to 10 years where estates largely consist of investments in closely held businesses; and to allow losses on original investments in the stock of small companies to be treated as ordinary loss deductions rather than capital loss deductions. [Page 63]
- b) Permit the Securities and Exchange Commission to apply its simplified notification procedure to security issues in amounts up to \$500,000. [Page 63]
- c) Remove the limitation on the life of the Small Business Administration and suitably increase its authorization for making business and disaster loans. [Page 64]
- d) Require notification to the antitrust agencies of proposed mergers by businesses of significant size engaged in interstate commerce. [Page 64]
- e) Extend Federal regulation to bank mergers accomplished through the acquisition of assets. [Page 64]
- f) Empower the Attorney General in antitrust cases to issue civil investigative demands for the production of necessary documents without the need of grand jury proceedings. [Page 64]
- g) Make Federal Trade Commission cease-and-desist orders issued for violations of the Clayton Act final, unless appealed to the courts. [Page 64]
- h) Authorize the Federal Trade Commission to seek preliminary injunctions in merger cases where a violation may be likely. [Page 64]

V. PERSONAL WELFARE

- a) Amount and duration of unemployment insurance benefits; coverage of firms with one to three persons on their payrolls; coverage of employees in Puerto Rico; coverage of State and local government employees. (State and Federal responsibility) [Page 65]
- b) Bring the unemployment insurance provisions applicable to workers in the District of Columbia up to the standards recommended for the States. [Page 65]
- c) Intensify efforts to develop and enforce adequate occupational safety standards and to encourage safe practices. (State and local responsibility) [Page 65]
- d) Improve workmen's compensation laws with respect to benefits, administration, and provisions for rehabilitation. (State responsibility) [Page 65]

- e) Authorize the Secretary of Labor to prescribe and enforce safety standards for longshoremen. [Pages 65–66]
- f) Provide nonoccupational temporary disability insurance for employees in States and Territorial jurisdictions where programs have not been established. (State and Federal responsibility) [Page 66]
- g) Minimum wage legislation covering certain additional groups of workers; equal pay for equal work without discrimination on account of sex. [Page 66]
- h) Improve the 8-hour laws applicable to Federal and federally assisted construction projects. [Page 66]
- i) Establish an Area Assistance Administration in the Department of Commerce to extend loans, research grants and technical assistance in areas of persistent unemployment. [Page 66]
- j) Require periodic public reports on the status of private employee welfare and pension funds, on financial dealings between employers and employee representatives or their agents, on general union finances, and on union organization and structure. [Pages 66–67]
- k) Modify the law governing secondary boycotts and picketing, and provide that the States have jurisdiction in labor-management disputes in which the National Labor Relations Board declines to exercise authority. [Page 67]

VI. AGRICULTURE

- a) Extend Titles I and II of the Agricultural Trade Development and Assistance Act of 1954 for one year beyond June 30, 1958, and raise the present limit on permissible expenses and losses of the Commodity Credit Corporation under Title I by \$1.5 billion. [Page 68]
- b) Continue the special milk program beyond June 30, 1958. [Page 68]
- c) Eliminate the escalator clauses governing price supports on basic commodities under the Agricultural Act of 1949. [Pages 68–69]
- d) Authorize price supports for wheat, corn, cotton, rice, tobacco, peanuts, and dairy products to be determined administratively, within a range of from 60 to 90 percent of parity, in accordance with guidelines already established by law for almost all other agricultural commodities. [Page 69]
- e) Extend the National Wool Act beyond March 31, 1959. [Page 69]
- f) Eliminate acreage allotments for corn and provide discretionary authority to increase allotments of other crops. [Page 69]
- g) Permit the Acreage Reserve Program to expire at the end of the 1958 crop season; strengthen the Conservation Reserve Program; and consider further consolidation of Federal activities in soil and water conservation. [Page 69]
- h) Enlarge the Commodity Credit Corporation Advisory Board and assign it the role of advising the Secretary of Agriculture in the exercise of the wider discretionary authority requested in VI (d) and VI (f). [Page 69]

- i) Revise the distribution formula under Title I of the Bankhead-Jones Act to permit the allocation of a larger amount of loan funds to areas of acute need, and require States to contribute at least 25 percent of disaster-relief costs in certain emergency programs. [Page 70]

VII. FOREIGN ECONOMIC POLICY

- a) Extend the Trade Agreements Act for 5 years beyond June 30, 1958; permit the reduction of any duty existing on July 1, 1958 by 5 percent per year over a 5-year period, or by an equivalent total amount in not less than three stages with a maximum of 10 percent in any one year; also permit, alternatively, the reduction of any rate of duty by three percentage points *ad valorem* without any yearly reduction exceeding one percentage point, or the reduction of any rate to 50 percent *ad valorem*, if the existing duty is higher than that amount, without any yearly reduction exceeding one-third of that difference; and authorize United States membership in the Organization for Trade Cooperation. [Page 71]
- b) Extend the Export Control Act beyond its expiration on June 30, 1958; amend certain customs administration provisions in the Tariff Act of 1930; and approve amendments to the Antidumping Act of 1921 to improve its administration. [Page 71]
- c) Provide funds for the Development Loan Fund to finance economic development projects in underdeveloped countries, and for technical assistance under the United Nations program. [Page 72]
- d) Increase the lending authority of the Export-Import Bank. [Page 72]

VIII. FEDERAL ECONOMIC STATISTICS

- a) Provide funds for the improvement of Federal economic statistics programs. [Page 73]