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**Appendix A**

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

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## Summary of Recommendations in the Economic Report of the President

The following summary of recommendations in the Economic Report includes recommendations to the Congress and suggestions to the States and municipalities.

### *Taxes, Business Regulation, and the Public Debt*

- 1) Postpone the lowering of the corporate income tax and of excises, scheduled for April 1, 1955. [Page 49.]
- 2) Reduce the tax rate on corporate income from all foreign sources by 14 percentage points. [Page 53.]
- 3) Permit corporations with foreign branches to defer the tax on branch income until it is withdrawn from the country in which it was earned. [Page 54.]
- 4) Allow a regulated investment company, holding the bulk of its assets in the form of tax-exempt securities, to pass through to its shareholders the tax-exempt status of the income from such securities. [Page 64.]
- 5) Strengthen the deterrent to violation of the Sherman Antitrust Act by raising substantially the maximum fine that may be imposed under the Act. [Page 50.]
- 6) Increase the present statutory debt limit to permit greater flexibility in the management of Federal finances. [Pages 49-50.]
- 7) Review State and local tax-rate and debt limiting statutes with a view to removing or relaxing, where advisable, these barriers to local public investment. (State responsibility) [Page 63.]

### *Unemployment, Pensions, and Minimum Wage*

- 8) Amend the unemployment insurance law of the District of Columbia to provide 26 weeks of benefits for all persons who qualify and who remain unemployed that long, and review disqualification provisions. [Page 56.]
- 9) Strengthen the Federal-State Employment Service. [Page 56.]
- 10) Extend the coverage of Federal Old-Age and Survivors Insurance, on a permanent and full contributory basis, to Federal personnel. [Page 57.]

- 11) Consider including under the unemployment insurance system the employees of State and local governments, and employees who work for firms employing fewer than four persons, to the extent that these workers are not now covered. (State responsibility) [Page 55.]
- 12) Consider revising unemployment insurance benefits so that (a) the great majority of covered workers are eligible for payments that at least equal half their regular earnings, and (b) the term of unemployment insurance benefits is 26 weeks for every person who qualifies for any benefit and who remains unemployed that long. (State responsibility) [Pages 55–56.]
- 13) Expand the Area Development Program of the Department of Commerce, which is designed to help depressed communities. [Pages 56–57.]
- 14) Increase the Federal minimum wage to 90 cents an hour; consider extending the coverage of a minimum wage to substantial numbers of workers now excluded. (Congressional and State responsibility) [Pages 58–59.]

#### *Education and Public Improvements*

- 15) Expand Federal programs for fellowships, research, teacher training, and related activities. [Page 51.]
- 16) Take early steps to help relieve the classroom shortage that now exists in our schools. (Congressional and State responsibility) [Page 51.]
- 17) Modernize over a ten-year period the presently-designated National System of Interstate Highways. [Pages 61–62.]
- 18) Appropriate funds to set up an Office of Coordinator of Public Works Planning within the Executive Office of the President. [Page 65.]
- 19) Enlarge the appropriation for planning advances to States and municipalities, and establish a revolving fund for the purpose. [Page 65.]
- 20) Study the problems of metropolitan areas, so that area-wide transit systems, sanitation systems, water supplies, or educational facilities may be provided with maximum returns from public funds expended. (State responsibility) [Page 64.]

#### *Housing and Finance*

- 21) Increase the insurance authorization of the Federal Housing Administration. [Page 60.]
- 22) Give the President greater latitude in the exercise of his power to vary, in the light of economic conditions, the terms on which home mortgages are underwritten by the Federal Government. [Pages 60–61.]
- 23) Allow national banks to make conventional real estate mortgage loans with maturities up to 20 years, and to extend the maximum duration of construction loans. [Page 60.]

- 24) Take steps to expedite urban renewal plans, so as to obtain available Federal assistance. (State responsibility) [Page 60.]
- 25) Consider, where necessary, enacting legislation to permit the writing of "open-end" mortgages. (State responsibility) [Page 60.]
- 26) Authorize the Public Housing Administration to enter into contracts for 35,000 additional units of low-rental public housing in each of the next two fiscal years. [Page 60.]
- 27) Continue the program for helping business concerns of small size to obtain access to adequate financing, to a fair share of Government procurement contracts, and to competent counsel; and extend the program's lending authority. [Page 50.]
- 28) Consider the merits of share-account insurance and other measures for protecting savings in credit unions. [Page 59.]

#### *International Economic Relations*

- 29) Extend the Trade Agreements Act, subject to present escape and peril point provisions, for three years with amendments to empower the President: (a) to reduce present tariff rates on individual commodities by as much as 5 percent per year in each of the three years; (b) to reduce tariff rates in greater degree in the case of products now imported in negligible volume; and (c) to reduce to 50 percent any rate in excess of that level. [Page 52.]
- 30) Establish standards for the valuation of imported goods that are simple, clear, and logical in their application. [Page 52.]
- 31) Increase the duty-free allowance of foreign goods brought home by tourists during any six-month period. [Page 52.]
- 32) Authorize at the proper time a contribution to the capital of the proposed International Finance Corporation. [Page 54.]
- 33) Strengthen the program of technical and other assistance to economically underdeveloped countries. [Page 53.]

