

## SUMMARY OF "ECONOMIC EXPANSION ACT OF 1949"

### Purpose of the Bill

Promotion of cooperation between industry, agriculture, labor, and government in enabling our economy to reach President Truman's goal of a \$300,000,000,000 level over the next four or five years is the aim of the measure. It is the first major bill to implement the national policy of promoting maximum employment, production and purchasing power, established in the Employment Act of 1946.

### Economic Expansion Through Private Investment, Production and Employment (Title I)

By various forms of incentives and assistance to private enterprise, including accelerated amortization, guaranteed loans, measures to combat monopoly, and measures to provide for a large-scale expansion in foreign investment, the bill seeks to encourage private enterprise to expand its operations. No provisions for Government plant construction are included.

### Economic Expansion Through Increased Purchasing Power (Title II)

The bill provides for price, wage and profit studies under conditions of maximum employment and production as guides for voluntary adjustments of prices, wages and profits. It also buttresses purchasing power by extending unemployed veterans benefits under the G. I. Bill of Rights and by requiring the States to meet certain minimum standards for unemployment compensation.

### Economic Expansion Through Sound Budgetary Policies (Title III)

The bill gives the Government the objective of balancing the Federal budget and making an orderly reduction in the national debt under conditions of maximum employment, production and purchasing power. It provides for flexibility in the rate of Federal expenditures and loan operations and for the separation of investment and operating expenditures in the Federal budget. It establishes a bipartisan commission to investigate Federal, State and local tax policies.

### Economic Expansion Through Resources Development and Public Works (Title IV)

The bill provides for the determination of objectives for needed resources development and public works activities in an expanding economy and for large-scale advance planning of State, local and Federal projects. It also liberalizes R.F.C. operations in assisting State and local governments in undertaking such projects.

### Concentration Upon Areas of Serious Unemployment (Title V)

The bill provides for dealing directly with serious areas of unemployment, either geographic or industrial. Government contracts or loans would be channeled to such areas. Funds would be available from an Unemployment Emergency Reserve Fund to provide for useful State, local or Federal projects in the field of resources development public works and public services. (All work on such projects would be at prevailing, rather than subsistence, wages.) The bill also provides for the retraining of workers, assistance in moving from one area to another and improved employment statistics.

### Administration (Title VI)

Primary responsibility for the administration of the bill is placed in the President who is authorized to appoint a special assistant to help in agency coordination. To facilitate improved cooperation between business, labor, agriculture, consumers, the professions and the Government, the Council of Economic Advisers is to establish a representative Economic Cooperation Committee.

### Cost of the Bill

The bill authorizes financial operations up to \$15,000,000,000, no more than \$4,000,000,000 of which would be appropriations and no more than \$11,000,000,000 of which would consist of public debt transactions. For each year of operation under the bill, the President is required to establish, in the light of current economic conditions, an annual ceiling upon the rate of financial operations.