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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- 3) Permit corporations with foreign branches to defer the tax on branch income until it is withdrawn from the country in which it was earned.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.]

When many millions of men and women bring about general economic improvement largely through their own actions, they do more than create prosperity in their day. They also strengthen the moral roots of the industry, the enterprise, and the resourcefulness from which still greater prosperity and well-being will spring in the future. That is the basic reason why a Nation that enjoys a high degree of economic freedom typically generates its own growth, why it keeps creating new technologies, new products, new markets, new enterprises, new jobs, larger incomes, and better living. That is why we are still in the midst of a technological revolution in agriculture, communications, and power, of which there was only a glimmer a generation ago. That is why we may look forward with confidence to the continued growth of our economy.

Foresight has helped our Nation make great strides in recent years toward a balanced and sustained prosperity. We have succeeded in expanding the scope of free enterprise, and yet increased the sense of security that people need in a highly industrialized age. Great opportunities for economic progress lie ahead. The recommendations of this Report will prove helpful to the American people in pursuing them.

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Appendix A

SUMMARY OF RECOMMENDATIONS IN  
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# Summary of Recommendations in the Economic Report of the President

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

## I. PROMOTING AGRICULTURAL READJUSTMENTS

- a) Inaugurate a two-part Soil Bank Program designed to improve farm income, reduce surpluses of farm products, and shift crop acreage to soil-conserving uses:
    - 1) An Acreage Reserve Program under which growers of wheat, cotton, corn, and rice will voluntarily reduce planted acreage below allotments in return for certificates convertible into cash or specified quantities of the commodities from Commodity Credit Corporation stocks; alternatively for corn and rice, end production controls and put price supports for these crops on a discretionary basis. [Pages 59-60.]
    - 2) A Conservation Reserve Program providing financial inducements to farmers to put cropland into soil-conserving uses. [Page 60.]
  - b) Implement the Great Plains Program to promote sounder land use in portions of ten Western States between the Corn Belt and the Rocky Mountains. [Page 60.]
  - c) Take other steps, such as to speed surplus disposal, broaden outlets for farm products, reduce farm production costs, improve farm credit facilities, and expand agricultural research. [Page 59.]
- See also Recommendation III (a).*

## II. HELPING LOCAL COMMUNITIES REDUCE UNEMPLOYMENT

- a) Establish an Area Assistance Program for aiding communities experiencing substantial and persistent unemployment, and make technical assistance more broadly available to aid urban and rural communities in developing balanced and progressive economies. [Pages 62-63.]
- b) Authorize the Housing and Home Finance Agency to give priority to applications for aid, in financing needed public facilities, from communities experiencing substantial and persistent unemployment. [Page 62.]
- c) Make benefits under the Urban Renewal Program available for industrial redevelopment of business sections in such communities. [Page 62.]

### III. LIFTING INCOMES BY RAISING PRODUCTIVITY

- a) Provide the requested Federal support for the Rural Development Program to help low-income farm families improve their earning power. [Pages 60, 66-67.]
- b) Expand State programs of vocational rehabilitation on the basis of available Federal financial assistance. (State responsibility) [Page 67.]
- c) Proceed, as far as is practical, to extend coverage of minimum wage. [Pages 67-68.]

### IV. IMPROVING THE ECONOMIC STATUS OF OLDER PERSONS

- a) Extend the coverage of Federal Old-Age and Survivors Insurance to self-employed groups and other workers not yet covered, including Federal personnel. [Page 69.]
- b) Require Federal registration and reports by private pension and welfare funds. [Page 69.]
- c) Give preference to older persons and their immediate families in admission to public housing projects. (Federal, State, and local responsibility) [Page 69.]
- d) Authorize mortgage insurance on favorable terms for apartments built for occupancy in whole or in part by older persons, and permit third parties to guarantee monthly payments in behalf of older persons buying a home under a Federally insured mortgage. [Pages 69, 81.]

*See also* Recommendation V (c).

### V. COPING WITH PERSONAL HARDSHIPS

- a) Accelerate work on practical flood control projects. [Page 70.]
- b) Provide reinsurance for private carriers offering flood insurance, and authorize a joint Federal-State flood indemnity program. [Page 70.]
- c) Encourage private insurance organizations to extend health plans to cover catastrophic illness and to cover persons not reached by usual group enrollment methods. Permissive legislation for private pooling of risks or Federal reinsurance may be needed. [Pages 69, 70.]
- d) Strengthen workmen's compensation laws. (State responsibility) [Page 71.]
- e) Increase benefits available under the Longshoremen's and Harbor Workers' Compensation Act. [Page 71.]
- f) Provide nonoccupational temporary disability insurance for workers in the District of Columbia. Consider developing similar programs in the States. (Federal and State responsibility) [Page 71.]
- g) Liberalize terms of Federally underwritten mortgages on housing for persons displaced by urban renewal or other public projects. [Page 71.]

## VI. PRESERVING SOUND FEDERAL FINANCES

- a) Postpone scheduled reductions in excise and corporate income tax rates. [Page 76.]
- b) Enact legislation continuing a temporary increase in the statutory debt limit. [Page 76.]

## VII. FOSTERING COMPETITIVE ENTERPRISE

- a) Require advance notice to the antitrust agencies of proposed mergers by all firms of significant size engaging in interstate commerce. [Pages 78, 79.]
- b) Extend Federal regulation to all mergers of banking institutions, and require Federal approval of acquisitions of banks by holding companies. [Page 79.]
- c) Make explicit the application of the Clayton Act to business mergers in which either party is engaged in interstate commerce. [Page 79.]
- d) Make Federal Trade Commission cease-and-desist orders under the Clayton Act final, unless appealed to the Courts. [Page 79.]
- e) Empower the Attorney General to issue a civil investigative demand, compelling the production of documents before filing of complaint, without having to invoke grand jury proceedings. [Page 79.]
- f) Increase appropriation for antitrust law enforcement. [Page 78.]
- g) Re-examine regulations of the transportation industry. [Page 79.]

## VIII. EXTENDING HOME OWNERSHIP AND IMPROVING NEIGHBORHOODS

- a) Make Federal assistance to a community for public housing contingent on its adoption of a workable program of slum prevention and elimination. [Page 81.]
- b) Authorize 35,000 units of public housing in each of the next two years. [Page 81.]
- c) Increase the permissible size of, and extend from three to five years the maximum permissible maturity on, home repair and modernization loans insurable under the Federal Housing Administration. [Pages 81, 94.]
- d) Increase the Federal Housing Administration mortgage insurance authorization and put this on a more permanent basis. [Page 82.]

*See also* Recommendations IV (c)-(d), V (g), and XII (c).

## IX. ENLARGING PUBLIC ASSETS

- a) Authorize Federal matching grants and loans for public school construction over a five-year period. [Page 83.]
- b) Authorize Federal construction grants to medical and dental schools for teaching and research facilities. [Pages 83, 86.]
- c) Continue the Federal loan program for college housing in such manner as to attract the investment of private funds. [Page 83.]

- d) Extend the Hospital and Medical Facilities Survey and Construction Program for an additional two years, and provide Federal insurance of mortgage loans for the construction or improvement of private health facilities. [Page 83.]
- e) Enact a comprehensive and soundly financed program for modernizing the Interstate Highway System. [Pages 83, 84.]
- f) Authorize the construction of the Upper Colorado River project and other needed water resource developments. [Pages 84, 85.]
- g) Extend and strengthen the Water Pollution Control Act. [Page 85.]
- h) Review State and local debt limits that currently restrict borrowing for necessary public works. (State and local responsibility) [Page 85.]
- i) Allow regulated investment companies which hold the bulk of their assets in State and local securities to pass through to their shareholders the tax-exempt status of income received on such securities. [Page 85.]

#### X. IMPROVING SKILLS AND TECHNOLOGY

- a) Take all practicable steps to attract suitably trained persons to the teaching profession. (State and local responsibility) [Page 86.]
- b) Enlarge the appropriation for the experimental program of the National Science Foundation for supplementary training of teachers of science, mathematics, and engineering. [Page 86.]
- c) Strengthen existing Federal programs to encourage higher education. [Page 86.]

*See also* Recommendations III (a)-(b).

#### XI. PROMOTING THE INTERNATIONAL FLOW OF GOODS AND CAPITAL

- a) Authorize membership of the United States in the Organization for Trade Cooperation. [Page 90.]
- b) Enact legislation to simplify the present system of customs valuation. [Page 90.]
- c) Enact legislation to stimulate foreign investment by modifications of the taxation of corporate income from foreign sources. [Pages 90, 91.]
- d) Extend the lending authority of the Export-Import Bank beyond June 30, 1958. [Page 91.]

#### XII. INCREASING THE STABILITY OF OUR EXPANDING ECONOMY

- a) Strengthen provisions for unemployment insurance. (State responsibility) [Page 93.]
- b) Study the problem of restoring the Government's power to regulate the terms of consumer instalment credit. [Pages 93, 94.]
- c) Authorize the Federal National Mortgage Association to vary within wider limits its stock purchase requirement. [Page 94.]
- d) Consider establishment of a Federal program of credit union share-account insurance. [Page 95.]

*See also* Recommendation VIII (c).

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# Summary of Recommendations in the Economic Report of the President

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

## I. MAINTAINING SOUND GOVERNMENT FINANCES

- a) Extend for a year beyond April 1, 1957 the present excise rates on automobiles and parts, cigarettes, distilled spirits, wines, and beer, and the present tax rate on the income of corporations. [Page 48.]
- b) Permit regulated investment companies holding their assets in State and local securities to pass through to their stockholders the tax-exempt status of the income received on these securities. [Page 49.]
- c) Review State and local debt limits and other legal limitations that may unduly restrict borrowing for public improvements. (State and local responsibility) [Page 49.]

*See also* Recommendation IV (c).

## II. IMPROVING PRIVATE FINANCIAL FACILITIES AND PROMOTING THRIFT

- a) Authorize a National Monetary and Financial Commission to study changes in our financial structure and practices, laws and regulations affecting financial facilities, and means for controlling credit. [Page 49.]
- b) Strengthen the authority of the Securities and Exchange Commission to prevent certain remaining types of abuses in the distribution and sale of securities. [Page 50.]

## III. STRENGTHENING COMPETITION

- a) 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 51.]
- b) Make Federal Trade Commission cease-and-desist orders under the Clayton Act final, unless appealed to the courts. [Page 51.]
- c) Require advance notification to the antitrust agencies of proposed mergers that are likely to have a significant effect on competition. [Page 51.]
- d) Extend Federal regulation to cover bank mergers by asset, as well as by stock acquisition. [Page 51.]
- e) Make explicit the application of the Clayton Act to business mergers where either party is engaged in interstate commerce. [Page 51.]

- f) Authorize the Federal Trade Commission to restrain mergers by means of preliminary injunction before a complaint is filed. [Page 51.]
- g) Consider recommendations of the National Committee to Study the Antitrust Laws on the application of antitrust laws to regulated areas, and of the Presidential Advisory Committee on Transport Policy and Organization on ways of increasing competition in transport. [Pages 51-52.]

#### IV. WIDENING THE OPPORTUNITIES FOR SMALL BUSINESS

- a) Extend the Small Business Act beyond June 30, 1957. [Page 52.]
- b) Permit the application of the Securities and Exchange Commission's simplified notification procedure to security issues in amounts up to \$500,000. [Page 52.]
- c) Give early consideration to those recommendations of the Cabinet Committee on Small Business for tax relief that would involve only a minimum loss of revenue. [Page 53.]
- d) Authorize consolidation of wage reporting by employers for income tax withholding and old age and survivors insurance purposes. [Page 53.]

#### V. STRENGTHENING ECONOMIC TIES WITH OTHER COUNTRIES

- a) Authorize United States membership in the Organization for Trade Cooperation. [Page 55.]
- b) Continue economic assistance, including defense support, under the Mutual Security Program. [Page 55.]
- c) Extend beyond June 30, 1958 the authority of the Export-Import Bank to approve credits. [Page 55.]
- d) Authorize full participation by the United States in the International Atomic Energy Agency. [Page 56.]

#### VI. ENLARGING PUBLIC ASSETS AND DEVELOPING NATURAL RESOURCES

- a) Authorize partial Federal insurance against industrial atomic hazards. [Page 58.]
- b) Authorize a four-year program of Federal assistance for public school construction. [Page 58.]
- c) Authorize the Frylingpan-Arkansas project. [Page 58.]
- d) Take steps to resolve difficulties of State and local governments in accomodating metropolitan growth. (State and local responsibility) [Pages 58-59.]

*See also* Recommendations I (b) and (c).

#### VII. IMPROVING SKILLS AND TECHNOLOGY

*See* Recommendations VI (b) and XI (b).

### VIII. PROMOTING AGRICULTURAL ADJUSTMENTS

- a) Extend Title I of the Agricultural Trade Development and Assistance Act for one year beyond June 30, 1957, and raise the present limit on permissible losses under this program by \$1 billion. [Page 61.]

### IX. AIDING LOCAL AREAS OF PERSISTENT UNEMPLOYMENT

- a) Establish an Area Assistance Administration in the Department of Commerce and enlarge the program of Federal aid to include loans and expanded technical assistance. [Pages 63-64.]

### X. IMPROVING HOUSING STANDARDS

- a) Amend the Servicemen's Readjustment Act to make the maximum interest rate on VA-guaranteed home loans conform to the current maximum applicable to FHA-insured home loans. [Page 65.]
- b) Amend the Housing Act of 1950 to relate the interest rate on Federal loans for college housing to market yields on long-term Government securities and provide for more frequent adjustments of the rate. [Page 65.]
- c) Increase the Treasury subscription to the capital stock of the Federal National Mortgage Association by \$100 million, and approve additional authorizations for FNMA purchases under special assistance programs. [Page 65.]
- d) Consider changes in the home mortgage insurance program of the Federal Housing Administration to facilitate market adjustments incident to termination of home loan guarantee benefits for World War II veterans. [Pages 65-66.]
- e) Extend the Voluntary Home Mortgage Credit Program beyond its scheduled expiration date of June 30, 1957. [Page 66.]
- f) Revise outmoded foreclosure laws, remove undue restrictions on mortgage lending by out-of-State institutions, and encourage the placement of pension and welfare funds in mortgage loans. (State responsibility) [Page 66.]

### XI. RAISING HEALTH STANDARDS

- a) Consider proposals for encouraging voluntary health insurance plans. [Page 67.]
- b) Authorize a temporary program of construction grants for medical and dental training facilities. [Page 67.]

### XII. STRENGTHENING PERSONAL SECURITY

- a) Raise maximum weekly unemployment insurance benefits and lengthen their maximum duration, where needed, and extend coverage to employees of the States and political subdivisions. (State responsibility) [Page 67.]
- b) Extend unemployment insurance to employees of firms with one to three persons on their payrolls, to ex-servicemen, and to employees in Puerto Rico. [Page 67.]

- c) Require Federal registration and filing of reports by private pension and welfare funds. [Page 68.]
- d) Extend minimum wage coverage to additional workers. (Federal and State responsibility) [Page 68.]
- e) Enact the principle of equal pay for equal work without discrimination on account of sex. [Page 69.]
- f) Authorize limited financial assistance to the States for promoting occupational safety. [Page 69.]
- g) Provide nonoccupational temporary disability insurance for employees in the District of Columbia. (Federal responsibility) Develop similar programs in the States. (State responsibility) [Page 69.]

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# Summary of Recommendations in the Economic Report of the President

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## 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]

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

### I. GOVERNMENT FINANCIAL POLICIES

- a) Continue for one year beyond June 30, 1959, the present tax rate on corporate income and the excise taxes on automobiles and parts, cigarettes, distilled spirits, and wines and beer. [Page 50]
- b) Increase temporarily the Federal tax on motor fuels, raise the tax on aviation gasoline, and impose a similar tax on jet fuels. [Page 50]
- c) Authorize a revision in postal rates. [Page 50]
- d) Enact a permanent plan for the taxation of life insurance companies and adjust the present laws relating to the taxation of cooperatives. [Page 50]
- e) Specify the treatment processes which shall be considered as mining for the purpose of computing percentage depletion allowances in the case of mineral products. [Page 50]
- f) Grant wider administrative authority in setting interest rates and make certain adjustments in rates for various credit programs, as follows: Veterans Administration programs of guaranteed and direct home loans; Federal Housing Administration programs of rental (including armed services) and cooperative housing (Sections 207, 803, and 213 of the National Housing Act); the college housing program of the Housing and Home Finance Agency; the loan program of the Rural Electrification Administration; and the ship mortgage loan program of the Maritime Administration. [Page 51]
- g) Provide the President with authority to veto or reduce the amounts for specific items in appropriation bills and in other bills authorizing expenditures. [Page 51]
- h) Raise the permanent debt limit by \$2 billion, to \$285 billion, and authorize a further temporary increase for the fiscal year 1960. [Page 52]

### II. MEASURES TO PROMOTE ECONOMIC GROWTH WITH PRICE STABILITY

- a) Amend the Employment Act of 1946 to make price stability an explicit goal of Federal economic policy. [Page 52]
- b) Extend Federal regulation to bank mergers accomplished through the acquisition of assets. [Page 53]
- c) Require notification to the antitrust agencies of proposed mergers by businesses of significant size engaged in interstate commerce. [Page 53]

- d) Empower the Attorney General to issue civil investigative demands in antitrust cases when civil procedures are contemplated. [Page 53]
- e) Make Federal Trade Commission cease-and-desist orders final when issued for violations of the Clayton Act, unless appealed to the courts. [Page 53]
- f) Authorize the Federal Trade Commission to seek preliminary injunctions in merger cases where a violation of law is likely. [Page 53]
- g) Amend the Securities and Exchange Act to extend the privilege of Regulation A filings to a wider range of security issues. [Page 54]
- h) Enact a program that will provide assistance, through development loans and grants for technical studies, to communities that have suffered substantial and persistent unemployment; and technical aid for the diversification of rural low-income areas and of towns heavily dependent on a major industry. [Page 56]
- i) Enact a long-range program to conserve helium gas. [Page 62]

### III. PERSONAL WELFARE

- a) Provide for extending the coverage of the Federal-State unemployment insurance system to employees of firms having fewer than four workers, to employees of Federal instrumentalities, nonprofit organizations and certain other groups, and to workers in Puerto Rico. [Page 55]
- b) Bring the provisions of the District of Columbia unemployment insurance system up to the standards recommended for the States. [Page 55]
- c) Strengthen State systems of workmen's compensation. (State responsibility.) [Page 55]
- d) Extend the coverage of the Fair Labor Standards Act. [Page 55]
- e) Improve the 8-hour laws applicable to Federal and federally assisted construction projects. [Page 55]
- f) Carry out the principle of equal pay for equal work without discrimination based on sex. [Page 55]
- g) Require reporting and disclosure of financial dealings between employers and employee representatives and their agents, and the filing of public reports on the status of union finances, organization, and procedures. [Pages 55-56]
- h) Prescribe standards to promote democratic procedures in union affairs. [Page 56]
- i) Modify the law governing secondary boycotts, organizational and recognition picketing, and representation elections; and provide that States be given jurisdiction in labor-management disputes where the National Labor Relations Board declines to exercise authority. [Page 56]
- j) Correct shortcomings in the Welfare and Pension Plans Disclosure Act. [Page 56]

**IV. FOREIGN ECONOMIC POLICY**

- a) Enlarge the resources of the International Monetary Fund and the International Bank for Reconstruction and Development. [Pages 58–59]
- b) Provide additional authorization for the Development Loan Fund. [Page 59]
- c) Extend the authority for sales of surplus agricultural commodities for foreign currencies and for the donation of such commodities for famine relief and other assistance. [Page 59]