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This Week In Congress Radio Address: Proposed Tax Relief for All Wage Earners,  1955 February 23  
Speaker: Senator J. Allen Frear  
Transcribed by: David Cardillo


Mr. Kelly:  From Washington, DC, transcribed, United States Senator J. Allen Frear reports again to the people of Delaware on current congressional affairs. Ladies and gentlemen, Senator Frear.

Senator Frear:  Thank you, Mr. Kelly. Over the past weekend, leaders of the majority party in the House of Representatives provoked a considerable amount of discussion with the announcement of a proposed reduction in taxation for the nation’s wage earners. The recommended tax relief would be brought about by permitting each tax payer to sub – to subtract from his annual income tax bill the sum of twenty dollars for himself and twenty dollars for each dependent, effective next January first. Since all revenue measures must first be acted upon in the House of Representatives, it will be necessary to await the decision of that body before the legislation can be considered by the members of the Senate. Reductions in taxation of any kind are always pleasant to contemplate, especially as we approach the time for filing our annual Federal returns. Last year, you may recall, several of us in the Senate proposed a reduction in Federal taxes which would have been brought about by allowing increased exemptions for tax payers and their dependents. This proposal failed in both the House and the Senate by only a very few votes. It is, therefore, not unexpected to see another effort made to bring about tax relief, especially for wage earners in the lower and middle income brackets. This newest effort to achieve a tax saving has come about so suddenly that I have personally not yet had the opportunity to study its proposals. One factor to be determined promptly is the estimated loss in Federal revenue that would accrue from such a tax cut. The actual loss would probably not be too great since many of the tax dollars would be recovered by the Treasury in some other forms, such as excise taxes, gasoline taxes, and similar levies. It is only natural as we move toward another presidential election next year that the question of politics would be brought into any discussion of tax relief. It is to be expected, therefore, that sharp differences of opinion will arise between leaders of the two major parties over the wisdom of approving a tax cut this year. In my judgment, this proposed twenty dollar reduction for each taxpayer and his dependents deserves careful and sympathetic
attention by the Congress. It shall certainly receive my detailed study and analysis in the days ahead. In fairness to the necessities of our defense program and the Federal budget in general, I feel we must weigh carefully the practical aspects of our total appropriations for the new fiscal year in conjunction with our review of possible tax relief. The uncertainties of the international situation demand a close scrutiny of defense expenditures. Then too we want to avoid any increase in the Federal debt at the present time. Nevertheless, as one who believes that purchasing power is of significant importance in the maintenance and expansion of a healthy economy, I am hopeful that conditions will permit the Congress to approve this tax measure. And in addition, if it is passed, that the President will find it possible to give the measure his support. You will recall that last year, although Congress did not approve the proposal to increase personal exemptions, it did enact a comprehensive revision of our tax code with the result that some benefits were gained by taxpayers. While this legislation was criticized in some quarters as being beneficial to individuals and groups in the higher income brackets, yet in supporting it, I felt that the overall result of the bill would be desirable to our economy in general. [05:12] By the same token then, it seems logical, barring unforeseen contingencies, to favor reasonable concessions to American men and women of more modest circumstances. I am fully confident that the Senate Finance Committee, of which I am a member, will base its consideration and judgement on every aspect of our domestic and foreign situation as we find it at the time the new legislation is brought before us.

Mr. Kelly: Thank you, Senator Frear. From the nation’s capital, you have heard United States Senator J. Allen Frear in his regular report to the people of Delaware on current congressional affairs. Senator Frear will be heard again next week at this same time, speaking from the Senate Office Building in Washington.

[End 06:08]