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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. In the closing days of the past week as Congress occupied its attention with important aspects of the domestic economy, tension in the Far East was heightened by somewhat with the reports that the Chinese Reds seemed determined to strike against the Nationalist forces of Chiang Kai-shek in spite of intensive diplomatic efforts to prevent a full-scale conflict. The immediate reaction on the part of the United States to what appeared to be a possible showdown in the struggle for control of Formosa has been one of calmness but also determination. If, as now seems possible, the Communists move directly against the Nationalist stronghold, or perhaps against certain of the surrounding islands, American military strength appears prepared to meet the situation promptly and vigorously and to defend our interests there. The continuing Chinese crisis, which has passed a cloud over chances for a peaceful settlement of turbulent events in that section of the world, is being carefully watched by Congress, which must soon begin consideration of defense appropriations for the next fiscal year, for an outbreak of hostilities, even on a limited scale, might drastically revise our budgetary requirements for national security. As the members of the Senate and the House measure the impact and the probable outcome of these latest international developments, pressing demands in the domestic category were being heard in the various committee rooms and through full dress debate in the chambers of the two congressional bodies. The Senate Banking and Currency Committee was busy on two fronts. My own Production and Stabilization Subcommittee spent the week hearing witnesses and discussing the proposed disposal of a number of the nation’s great synthetic rubber plants, many of which will soon be sold to private enterprises. We are endeavoring to give careful, accurate, and sympathetic attention to the views of all who are properly concerned with this matter so that the interests of both the government and private industry will be duly served. While these meetings were in progress, other
members of our committee continued their study of the stock market. Coincident with these hearings, the Senate Finance Committee carried on with its consideration of a bill to extend the Reciprocal Trade Agreements Act, which was recently approved by the House of Representatives. The tariff question has historically been one of controversy. Many arguments are heard from businessmen and others that foreign-made goods coming into the US are competing unfairly with commodities manufactured by Americans. This opinion, clearly, has its merit. On the other hand, it is stated that the importation of goods from abroad helps the economy of our friendly allies overseas. They only recently have recovered from the ravages and destruction of World War II. Our Finance Committee is hopeful of resolving these varied and often divergent views to an extent that will permit the early reporting of the Trade Agreement Extension Act of 1955 to the full Senate. Meanwhile, on the floor of the Senate itself, debate opened on the year’s first tax bill, a measure which has precipitated widespread and heated discussions both within Congress and without. This legislation extends certain existing corporate and excise tax breaks and, as passed by the House of Representatives, also contains an amendment to provide for a twenty dollar tax credit. The Senate Finance Committee (unintelligible [04:23]) to accept the House amendment, but alternate proposals are being offered which would provide more modest but definite tax relief to the nation’s wage earners. These amendments will, I am sure, be intensely debated before a final vote is taken. In looking back over the past seven days, I believe that they constitute one of the biggest and most intensive weeks that I have spent as a Senator in Washington. The variety and scope of events which have and are continuing to take place are a challenge to the ingenuity and ability not only of the members of Congress but of many other individuals as well. Let us hope that the best interests of the nation are being served in these matters through the collective efforts of all.

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 05:43]