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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. A real beginning for the legislative program of the Eighty-Fifth Congress got underway during the past week. Although much of the public’s attention remains focused on the pending resolution to grant presidential authority for the use of American troops in the Middle East and to establish a program of economic assistance to that area, domestic issues of great importance are also being brought before the Senate and House of Representatives for needed consideration. For instance, the Senate Banking and Currency Committee, of which I am a member, has approved legislation to increase the loan authority of the small business administration from one hundred and fifty million dollars to two hundred and fifteen million dollars, which is intended to carry that agency’s operation through the remainder of the current fiscal year. Since the Small Business Act of 1953 was established, there have been forty-one applications for loans from Delaware in the amount of two million, three hundred and eighty thousand dollars. Of the total request, fourteen have been approved in the amount of four hundred and forty-seven thousand dollars. Three additional loan applications are still pending. The Small Business Administration is intended to assist small business operators by financing their requirements when it is not possible to secure such help from banking institutions. We all know that the backbone of our free enterprise system is rooted in the thousands of small business establishments of every type that exist throughout this great nation. We need and want to preserve and increase the participation of small business in the economy of our country. Coincident with the Banking Committee’s decision to increase the Small Business Administration’s loan authority was the issuance of the Annual Economic Report by the President. It is natural that the general outlook as seen by the administration would be favorable. But it must be brought in mind that the dangers of further inflationary spirals may easily result from the increased spending program which has been recommended to the Congress for the next fiscal year. This question of significant increases in the Federal budget, coming at a time when credit restrictions are relaxed, and when earning power is very high, poses an uncertainty as to the long-range stability of our present
fiscal policy. It has been suggested, and I think, perhaps, wisely, that the government make more sustained effort to trim the expenditures to apply its excess revenue to reducing the national debt, and then to move realistically toward a reduction in Federal taxes. Since we are facing requests for increased military and economic assistance, and in view of the number of domestic programs, such as school construction, which are on the horizon, the President and Congress should redouble their effort to lessen Federal spending in other areas of responsibility. Those of us in Congress who endeavor to consistently observe the pattern of our domestic economy recognize that in such a vast and complex activity, there are bound to be periodical upward surges and occasional decline. However, we are a dynamic people, capable of great and sustained efforts in every field of activity. There is no reason to suppose, therefore, that we cannot continue and increase our productivity to meet the growing demands of our expanded population and to also comply with our international obligations to the rest of the free world if within reason.

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.