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Announcer: The Week in Congress, recorded on June 29th, 1959.

Mr. Kelly: From Washington, DC, 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. Members of Congress returning to their offices after the weekend found an interesting report by a special cabinet committee appointed by the President to study the general question of stabilizing prices for the purpose of promoting economic growth. The committee's report and its recommendations are interesting for many reasons. For one thing, they express concern over the effects of inflation. Certainly everyone will agree that inflationary forces will impede economic growth and development. To control inflation, the cabinet committee specifically recommends a balanced budget and a reduction in the national debt. These are laudable objectives. Goals that have been encouraged by many of us in Congress time after time. But to balance the budget, the Federal government must limit its expenditures, an unpopular idea among many people both in and out of Washington. You will recall that Congress, by request of the President, has just increased the national debt limit for the sixth time in the last five years. Requests for Federal expenditures are soaring not only for national defense, but for many other government programs affecting our domestic economy. The cabinet committee expresses the view that holding the line on government expenditures together with improved tax revenues from prosperous business conditions would make possible some reduction in the debt. Personally, while I hardly favor greater prudence in the field of government spending, I believe that a concurrent effort should be undertaken by both the administration and Congress toward reducing some excessive tax burdens. In this connection, incidentally, Senator Kerr and I last week successfully sponsored an amendment to set a termination date on the excise tax of ten percent on general telephone service. The reduction is scheduled to apply after June 30th of next year, and I hope will be of some benefit to the nation’s thirty-nine million telephone users. At the same time that this amendment was being approved, another proposal to reduce the excise tax on transportation from ten percent to five percent was also the subject of affirmative action. It too will become effective at the start of the fiscal year in 1961. These amendments were agreed upon at a joint meeting
of Senate and House conferees in connection with legislation to extend existing corporate and excise tax rates for the next twelve months. Sometime this week, formal approval of this bill will probably be given by the Congress. Actually, these small tax concessions approved by the committee, while helpful, do not really meet the extensive need for tax relief. Not only in the field of personal income levies, but for the sake of small business, which so badly requires assistance, a realistic review of our tax structure is long overdue. There is too much of a tendency in government at all levels to see sources of new revenue through added taxes rather than to hold down the level of local, state, and national expenditures. Incidentally, hearings on S. 200 will be taking place in the House of Representatives beginning July 20th, and I trust that strong public interest in support of the measure will continue.

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.