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This Week In Congress Radio Address: Domestic Economy, 1957 June 28

Speaker: Senator J. Allen Frear

Transcribed by: David Cardillo

[00:00]

Announcer: The Week in Congress, recorded on June 28<sup>th</sup>, 1957.

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. The economic side of national affairs occupied the principal attention of Congress last week as the Senate Finance Committee continued its inquiry into the government's fiscal policies. As our committee members were questioning the Secretary of the Treasury on such critically important subjects such as inflation, several significant incidents occurred. A new cost of living index, the highest on record, was formally announced. One of our major steel companies decided to increase the price of steel by some six dollars a ton. And the question of restoring price and wage controls was brought before the President of the United States. It is by now completely obvious that this spiraling cost of living contributes to a continuation of an economic cycle that could have grave consequences. No one desires another Depression. Millions of Americans recall all too vividly the dismal state of the nation during the great economic panic of the late Twenties and early Thirties. Fortunately, it is doubtful that another Depression of that magnitude could now occur because certain safeguards have been established within the framework of the Federal government to prevent such eventualities. But lack of public confidence in our monetary policies, plus the feeling of frustration on the part of many people with fixed incomes who are confronted with a constantly-rising cost of living, could precipitate a strong recession in economic activity. The reasons for our present economic climate are varied. There are some who believe that government spending is too high and is a major contributor to inflationary tendencies. Others voice the view that credit controls are not sufficiently strict. But on the other hand, it is not difficult to find persons who will insist that more lenient credit is the answer to our problems. The much-quoted expressions of tight money and high interest rates are also referred to as the culprits responsible for contributing to unfavorable economic conditions. The Finance Committee, which I believe is making a sincere and determined effort, to find answers for these complex problems in continuing to review the entire field of government fiscal policies with Secretary Humphrey, and later will question other responsible spokesmen, both in and out of government circles. While some differences of opinion have arisen during

the course of the committee's questioning of Mr. Humphrey, there is not, I believe, any basic disagreement on the compelling necessity to establish a sounder base from which this government can operate its vast financial machinery. Unchecked inflation is one of the most dangerous threats to our way of life. It can literally cause financial ruin to millions of Americans, and it may, if not halted, do irreparable damage to our free enterprise system. Despite our present overtones of prosperity, high employment, and good wage scales, the fact remains that inflation is gnawing away at our whole economic structure. It is my dedicated hope that this process can be halted through the mutual efforts of the Congress and the American people.

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 04:48]**