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This Week In Congress Radio Address: Senator Treat. of Domestic Tax Reduction Legislation,  
1958 March 17

Speaker: Senator J. Allen Frear

Transcribed by: David Cardillo

**[00:00]**

Announcer: The Week in Congress, recorded on March 17th, 1958.

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 course of last week's busy congressional session, the Senate, on several occasions, turned down amendments designed to bring about a reduction in Federal taxes. One of these amendments would have raised the income tax exemption from six hundred to eight hundred dollars. Another had as its objective the lowering of Federal income tax rates. And still a third would have cut certain Federal excise taxes. Because of the current recession, there was a great deal of congressional sympathy for these tax-cutting proposals. Many members who opposed them really want to reduce taxes. However, historically, and I think, properly, tax reduction legislation originates in the House of Representatives and is passed by that body before coming to the Senate. Under normal circumstances, when a tax reduction is proposed, public hearings are held first by the Tax-Writing Committee of the House so that all aspects of the pending legislation can be properly examined. When this procedure has been completed, the billing question is reported to the full membership of the House for its consideration, and if favorably acted upon, is brought to the Senate, where a similar procedure is followed. If any of the tax amendments offered last week had been approved, it would have meant that the legislation, in order to become law, would have had to be returned to the House of Representatives for further consideration. And in the absence of public hearings, it is likely, or at least quite possible, that the bill would have been defeated. Because the Senate declined to pass favorably on the tax amendments offered so far, it should not be construed that a reduction in taxes is beyond the scope of congressional planning. Actually, a number of bills have been prepared and will be introduced if and when it becomes essential that a reduction in taxes is the best way to stimulate the nation's domestic economy without excessive jeopardy either to our fiscal solvency or national defense. There are so many recommendations before the Congress at present for government spending projects throughout the United States that if they were all enacted, the Federal Treasury would be absolutely bankrupt. However, action can and is being taken to authorize renewed and

extensive activity in the housing field, in the nation's highway program, and in defense construction. These three projects will make their impact felt by way of reducing unemployment as soon as they can be gotten underway. But as we all know, prolonged winter weather has seriously impeded outside construction activity of almost every type. Other phases of remedial legislation, perhaps in the category of public works, may also be considered by the Senate and House. Despite the need and urgency for revitalizing our domestic economy, we much continue to pay the closest heed to problems of national defense. For instance, the civil war in the vast island nation of Indonesia is of serious significance to the United States, not only because of Indonesia's geographical location, but because of the monetary investments and economic interests in which the United States and other nations of the free world have established there. While the Indonesian struggle can be attributed to internal political differences, the fact remains that outside influences are tremendously interested and active in swaying the outcome, if possible. The Indonesian strife is therefore a good example of why our responsibilities of national defense for ourselves and our allies are so constantly demanding.

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 04:56]**