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This Week In Congress Radio Address: Domestic Economy, 1958 March 10

Speaker: Senator J. Allen Frear

Transcribed by: David Cardillo

[00:00]

Announcer: The Week in Congress, recorded on March 10th, 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: Mr. Kelly, before I start my weekly comment, I thank the many people from Delaware who remembered by letter, telephone, and telegram, my birthday anniversary last Friday. I am deeply appreciative of their thoughtfulness.

A mood of deepening concern is reflected throughout Congress this week in the face of the nation's continuing economic slowdown. While some hesitancy exists as to whether the situation should be described as a recession or a mild depression, opinion is now almost unanimous that major steps must be undertaken to stimulate domestic activity along lines that will create added employment. It is unfortunate that the winter this year was so severe, and as a result, outside construction activity has been seriously impeded as have other types of work. This condition served to magnify the unemployment problem by putting men out of work when otherwise they would be gainfully employed. Over the weekend, the President proposed an anti-recession program of his own after consultation with the minority leaders of the Congress. Meanwhile, the majority party through its Senate leader, Lyndon Johnson, has offered other recommendations. Both the administration's proposals and those of the Democratic leadership in Congress are intended to reach the same objective. The respective methods, however, differ somewhat. Increased Federal spending for public works, a major impetus to the nation's highway program, and a proposal to make Federal loans to cities and towns for the construction and modernization of libraries, courthouses, and similar-type community buildings, are among the remedial measures in the offing. This latter idea will perhaps be challenged on the grounds that it would permit undesirable Federal encroachment into state and local governments. However, the recommendation itself is a reflection of the seriousness with which many members of the Senate and House are now viewing the economic turndown. Meanwhile as the Senate meets this week, affirmative consideration of housing legislation to stimulate residential construction is anticipated. This is the bill which reduces down payments for home builders under the FHA program, authorizes additional

funds for government mortgage insurance for both FHA and GI loans, extends the VA loan program, and slightly increases the interest rates on GI loans in order to encourage the lending of money for prospective veterans, their homes, and for the builders. In the Finance Committee, the first of a series of probable efforts to reduce taxes is expected in the near future with the offering of an amendment to increase the exemption now permitted under Federal income tax laws. This intended procedure for accomplishing tax relief will probably fail because revenue bills, and especially those advocating a change in taxation, always originate in the House of Representatives. If reduced taxes are sought as a means of stimulating the national economy, it may be expected that appropriate legislation will be offered in the lower chamber. And, as matters now stand, indications are growing that Congress may approve some sort of a tax cut unless economic conditions take a very sharp upturn promptly. As a result of the country's domestic problems, congressional discussion of international subjects seem to be temporarily suspended. The Senate program immediately ahead is expected to include an addition to consideration of the pending housing bill, a measure authorizing appropriations for highway construction, and amendments to the Federal Aid Highway Act of 1956. This may be followed by consideration of legislation regarding a public works agency and bills dealing with price supports on farm commodities. One long-range aspect of this situation, which has not been widely mentioned so far, is beginning to manifest itself. That is, the possible results of a recession in the United States on our friends abroad. **[05:03]** In some economic circles, it is believed that a business slump here may cause a similar, if not more drastic, effect abroad. This in turn could create economic upheavals that might play into the hands of the left wing or Communist minority groups in pro-Western governments. Thus, the world-wide repercussions of a lagging economy in the US are potentially so serious that we must act quickly and affirmatively get all of our vast production, distribution, and consumer wheels in full operation once again.

Mr. Kelly:

From Washington, DC, you have heard United States Senator J. Allen Frear in his regular report to the people of Delaware on current congressional affairs.

[End 05:59]