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This Week In Congress Radio Address: S. 200 Public Hearings on Legislation, 1959 May 25
Speaker: Senator J. Allen Frear
Transcribed by: David Cardillo

[00:00]

Announcer: The Week in Congress, recorded on May 25th, 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. The Senate Finance Committee will open public hearings on Senate Bill 200 tomorrow here in Washington. As most Delawareans know, this is the legislation that I introduced in Congress to prevent harsh and unjust tax penalties from being inflicted on thousands of innocent stockholders who hold shares in the DuPont Company. Nearly two years of work have preceded the start of these hearings, for it was in June 1957 that the Supreme Court handed down its four to two decision against the DuPont Company, a principle defendant in this major anti-trust case. Soon after that decision, I began preliminary studies of legislation that would eliminate sweeping tax consequences to the more than two hundred thousand stockholders. S. 200 was the result of these studies. A bill which I believe to be thoroughly and carefully drawn, and one which will not only correct a serious tax inequity, but will also facilitate the administration of our anti-trust laws by the department of justice. One of the most amazing and encouraging reactions to this legislation is the fact that despite the most widespread dissemination of Senate Bill 200 through the press, radio, and by thousands of letters to persons in every state of the Union, not one single public expression of disapproval has yet reached my office. In this congressional atmosphere where controversy and differences of opinion are so frequent, this is truly a most unusual and welcome exception. In the course of our hearings this week, ample precedence for the enactment of S. 200 will be cited. It will also be pointed out that this bill is carefully drawn to prevent any tax loopholes. Necessary safeguards against possible abuse of the legislation, if it becomes law, has been accurately included. In fact, I have deliberately encouraged a full year of study on this legislation by members of Congress and the Justice and Treasury Departments so that everyone concerned would be completely familiar with its purposes and objectives. No one has yet challenged its equity. In addition to the staggering tax penalties involved, there are additional grave economic consequences that could well result without passage of this measure. In order to raise funds for taxes on their DuPont and General Motors shares received under the forced divestiture proceedings of this case, many stockholders will necessarily have to sell their holdings. The depressive

repercussions on the stock market of this action will affect not only individuals, but colleges and universities, labor unions, pension trusts, banks, and charitable institutions which hold DuPont stock as investments. There are, of course, many other compelling arguments to be made in support of this legislation. Highly competent witnesses will, during the course of the hearings, present their viewpoints to our Finance Committee. It may be anticipated that this committee will look searchingly at S. 200. This is exactly the attitude which I desire, for I am confident that the principle involved in the bill is thoroughly sound and in the public interest. The helpful interest and encouragement of so many persons throughout the United States over the past months on behalf of S. 200 is certainly appreciated. I hope that the collected efforts of all concerned will persuade Congress that justice and equity can best be served by its approval of this meritorious legislation before the end of the present session.

[05:16]

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 05:37]