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This Week In Congress Radio Address: Domestic Economy and Unemployment,
1958 February 14
Speaker: Senator J. Allen Frear
Transcribed by: David Cardillo

[00:00]

Announcer: The Week in Congress, recorded on February 14th, 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. Despite the urgencies of national defense, most members of Congress continue to devote a major portion of their time and attention to the problems of our domestic economy. Against the background of nearly five million unemployed Americans, the President this week moved to accelerate economic activity by proposing a major construction and renovation program for the nation's post offices. The proposed expenditures for this project would be secured in part from an increase in first class postal rates, provided Congress approved the action. However, even with this undertaking, many members of both the Senate and House believe that additional steps will be necessary to restore a substantial part of the country's idle working force. As I mentioned last week, the significant increase in defense spending will soon be felt, and this factor, plus the normal seasonal upturn in the spring, will certainly provide a basis for improved economic conditions. This is due, of course, to the fact that construction projects are generally at a lower ebb in the winter months. Despite all of the forecasts by various government spokesmen, there are a good many members of Congress who support the theory that only a reduction in taxes will bring about the kind of economic stimulation that the present situation requires. Obviously, in the face of our much higher defense budget, the President is most reluctant to recommend a tax cut. I recognize, as do we all, that the nation may have to again resort to deficit financing unless taxes are maintained at a level which will ensure a reasonably balanced budget. But these considerations, important as they are, will not be allowed to override the fundamental problem of growing unemployment, because when a significant percentage of people are out of work, as is the case now, the resultant effects on our whole free enterprise system are quickly and unfavorably reflected. One barometer of the present economic climate may be found in the stock market, which has been a great deal less than vigorous in its operations during recent months. Since the market often reflects the attitudes of business and industry, as well as the viewpoint of thousands of individual investors, it can readily be discerned that the nation is worried

about its economic welfare. I am certainly not one of those who believes that we can talk ourselves into a serious recession. But it is clearly evident from most of the people with whom I have had conversations during the past week that our economic slowdown is rapidly becoming the major cause of public concern. Of course, this subject will be debated often and fiercely during the coming election campaign. But despite party affiliations, all of us together as Americans are anxiously hoping that our economy will return promptly to a robust and vigorous state of health. Anticipated this week is Senate action on legislation to increase the pay of the nation's postal workers and other Federal employees. This increased cost of the government may in part be compensated for by an increase in certain postal rates. The net result of raising the take-home pay of government employees could help to stimulate additional purchasing power, and in that sense, should benefit areas where government employment is high. Also, the effects of this additional money in circulation should be encouraging to the economy in general. But this is only one of the possible steps that may have to be taken in the weeks ahead. I am fully confident, however, that despite our present economic setback, the nation will recover and go forward to new and greater heights, and that this in turn will benefit all of our citizens.

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 05:03]