

as gravel, then you would get only 5 percent, just as you would if you were using limestone. But if you were going to powder it and make chicken grit or cement out of it we would give it the same depletion allowance as limestone.

The question might be asked how we got into this situation in the first place. When we passed the law about limestone there was practically no one getting calcium carbonate out of seashells. Then, discoveries were made on the Continental Shelf whereby they could be used commercially. We would like for the people using clamshells to make cement, but they are very much at a competitive disadvantage with limestone because of the difference in depletion rates.

Mr. LAUSCHE. Where are the areas in which most of our clam and oyster shells are developed?

Mr. LONG of Louisiana. I should think there would be clam and oyster shells throughout the entire coastal areas of Florida, Louisiana, and Texas.

Mr. LAUSCHE. Louisiana is an important State in that business, is it not?

Mr. LONG of Louisiana. We are certainly interested in them. I like oysters. Of course, Virginia has oysters. That is a very fine State. I have nothing against their oysters. They are not as good as Louisiana oysters, but they are not bad.

Mr. LAUSCHE. In any event, three of the sections in the bill would expand the depletion allowance that is granted by the Federal Government to reduce the tax burden of persons engaged in refining clay-bearing aluminum, selling clam and oyster shells for various purposes, and cindering and burning of shale, clay, and slate; is that correct?

Mr. LONG of Louisiana. The Senator is correct.

Mr. LAUSCHE. Why the difference on the depletion allowance in raising it to 23 percent on clay-bearing aluminum. Why has coal been ignored?

Mr. LONG of Louisiana. Coal is not competitive with aluminum-bearing ores. The products do not compete. We do not make aluminum out of coal.

Mr. LAUSCHE. Forgetting that for a moment, why do we say 10 percent of coal, and 23 percent of alumina clay and 27.5 percent of oil? Why the difference?

Mr. LONG of Louisiana. The committee did not vote on the coal problem. If the Senator wishes to offer an amendment—

Mr. LAUSCHE. I am not going to offer any amendment because I do not believe in the depletion allowance. I think it is wrong.

Mr. MORTON. Mr. President, will the Senator from Louisiana yield?

Mr. LONG of Louisiana. I yield.

Mr. MORTON. In order to keep the RECORD straight, on this alumina- or bauxite-bearing clay, let us remember this, that today this is not a business. The Anaconda Copper Co. has worked

out a process with which they think they can go into certain of the poorest areas of Georgia and take out this clay and get from it a product which would be similar to bauxite and it would get into the aluminum stream. Alcoa and Reynolds are working on the same operation in Arkansas.

However, this is not in operation today, but is something to encourage an operation in some of the areas in which we find the greatest poverty in this country, and would relieve us from the almost complete responsibility or necessity for relying on overseas sources for this vital raw material.

Mr. LONG of Louisiana. If this operation is successful, it will cause increased tax revenues to the Government. It will put many fine people to work who now live on "tobacco roads" where poverty is the worst, in Georgia, for example. They can take this Georgia clay, or the ores in Arkansas—and process them and make aluminum, and pay taxes. Yes, they will receive a depletion allowance, but so far as it goes, they will also be paying taxes. It will provide jobs, relieve unemployment, and take people off the backs of the Federal Government and enable them to pay tax to Uncle Sam.

Mr. TALMADGE. Mr. President, will the Senator from Louisiana yield?

Mr. LONG of Louisiana. I yield.

Mr. TALMADGE. The Senator is entirely correct. Aluminum is, perhaps, the second most important material in the defense of America, exceeded only by steel.

We import into the United States 85 percent of the ore from which aluminum is made. It costs the United States of America, at the present time, \$150 million a year. Aluminum is increasing at the rate of doubling itself every 10 years. That means that 10 years from now the importation of ore for the manufacture of aluminum will cost \$300 million instead of \$150 million.

At a time when we are concerned about our dollars, our debts, and our gold drain, it never ceases to amaze me why anyone would object to developing an aluminum industry in the United States from materials located in the United States. It would save the loss of many dollars, help prevent the loss of our gold, and at the same time create jobs for our people in the United States of America.

As the able Senator has pointed out, the amendment would not be an expense to the Treasury.

Why?

It would develop a new industry in this country. That new industry, in turn, would be paying taxes to the Government of the United States.

Job opportunities will be created as a result of adoption of the amendment and the military security of this country will be enhanced from the amendment.