

something for those old people. I would like to have the Senate vote on the question affirmatively. We will have a chance to do that if the amendment is not modified.

Mr. GORE. Mr. President, I support the substitute amendment. The one side effect of this discussion with which I am perfectly delighted is the provocation of some debate and understanding of what percentage depletion is.

The junior Senator from Louisiana said that mollusk shells and clam shells are depletable. I suppose so, in the same way as are the fishes of the sea. But what does the word "depletable" mean, and what does it imply? I should not think that the junior Senator from Louisiana would continue to leave such an implication, but one who has not studied the whole technical field might race to the conclusion that percentage depletion is based upon the depletable of a resource and is in some way related to it. It is not.

What does this amendment provide? Here is what it provides. Here is how it works out. The taxpayer who is selling clam and oyster and mollusk shells for, say, the manufacture of cement, would get a deduction from his taxable income of 15 percent of the cost of the product, in this case just before it goes into the kiln. Mind you, Mr. President, this cost is far different from the cost of gathering shells. The taxpayer gets this formula for reducing his taxable income. Under present law, he already is entitled to a percentage depletion, to which, in my opinion, he is not equitably entitled, of 5 percent of the cost of the calcium carbonate before it goes into the kiln. The bill would increase the depletion allowance by 200 percent. Why? All we have heard is that it is a depletable item and that it is used for the manufacture of cement.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. GORE. In just a moment, I will.

Mr. LONG of Louisiana. The Senator has just made a statement—

Mr. GORE. The Senator from Louisiana is a little impetuous. If he will wait, I will yield to him.

Of course, the big percentage depletion is for oil and gas—27½ percent.

Yes, I am delighted that this item has provoked some debate about percentage depletion. Some of these days, when the circumstances are ripe, the Senate will go to the mat on this issue. We can never have true tax reform unless we begin with the oil percentage depletion allowance, which is the granddaddy of tax favoritism.

But here, on a bill to encourage foreign investors to invest in the United States, is an amendment to give a 200 percent increase in the tax-reduction formula for the gatherers of mollusk shells. It is a big business. We are not thinking of or dealing with one man who

goes out with a shovel and a bucket to gather up a few shells. We are dealing here with a large business. We are giving taxpayers a tax break to which they are not entitled, in my opinion. So I rise to support the amendment.

I undertook in the committee, and I am undertaking now, to support the administration in this bill, which I think is a worthy bill. Our balance-of-payments problem is a severe and acute one. This measure is designed to help bring capital to the United States. Our outflow is severe. Our imbalance is dangerous. This bill is worthy in its purpose. I think it would have a good effect.

But why do we have to load it? And unless we dislodge this load from its back, I think before the night is over it will be much more heavily loaded. I hope the Senate will take this step, which to me is a realistic one.

I now yield to the Senator from Louisiana.

Mr. LONG of Louisiana. Mr. President, I have been meditating over the matter, and if it be the will of the Senate, in the interest of expediting the consideration of the bill, I ask that the Senator from Delaware be granted unanimous consent to modify his original amendment as suggested.

The PRESIDING OFFICER. Does the Senator from Delaware renew his request to modify the amendment?

Mr. WILLIAMS of Delaware. Yes. I think it would be easier. It would save two votes. We could do with one vote what would otherwise require two. My amendment, as modified, would strike out titles II, III and IV, with the exception of sections 202 and 403.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered. The amendment will be so modified.

Mr. LONG of Louisiana. The yeas have been ordered, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Delaware, as

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modified. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. LONG of Louisiana. I announce that the Senator from Idaho [Mr. CHURCH], the Senator from Massachusetts [Mr. KENNEDY], and the Senator from Maryland [Mr. TYDINGS], are absent on official business.

I also announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Tennessee [Mr. BASS], the Senator from Illinois [Mr. DOUGLAS], the Senator from Mississippi [Mr. EASTLAND], the Senator from Arizona [Mr. HAYDEN], the Senator from New York [Mr. KENNEDY], the Senator from Montana [Mr. METCALF], the Senator from