

the final passage of the said bill debate shall be limited to one-half hour, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided*, That the said leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

Mr. LONG of Louisiana. Mr. President, I hope that we might be able to dispose of a few amendments that may be called up, by voice vote.

AMENDMENT NO. 959

Mr. YARBOROUGH. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The legislative clerk read the amendment as follows:

On page 88, beginning with "Effective" in line 24, strike out all through "apply." in line 2, page 89.

On page 89, line 18, beginning with "(other)" strike out all through "business)" in line 21.

On page 90, line 7, beginning with "(other)" strike out all through "business)" in line 10.

On page 174, beginning with "With" in line 17, strike out all through "United States." in line 21.

Mr. YARBOROUGH. Mr. President, I wish to pay tribute to the distinguished chairman of the Finance Committee [Mr. LONG] and to the members of the committee for the fine work which they have done on a very technical and very complex piece of legislation. I support the original intent of the bill as a whole, but there are two provisions which I think the record indicates are ill advised, and my amendment would strike these sections from the bill.

Mr. LONG of Louisiana. Will the Senator from Texas yield at that point?

Mr. YARBOROUGH. I yield.

Mr. LONG of Louisiana. Mr. President, I understand the amendment which the Senator from Texas is offering. I know that there is opposition to the provision in the bill. The judgment of the committee was that the tax on foreigners who invest here both as to the estate tax and to the income tax would go into effect in 1972.

We could, of course, extend that date beyond 1972 or perhaps take it off the books by 1972. Otherwise we could, if we decided we wanted to tax this money, vote to tax it next year.

I understand the Senator's arguments. He contends that many people are taking their money out of the United States, particularly out of Texas banks, insofar as Mexican investors are concerned, because they are being told that their money will be taxed. It would not be taxed until 1972, anyway, but if it is causing a substantial outflow of money

then, perhaps, we should not impose a tax.

[P. 25372]

This is a matter we will vote on tomorrow, in any event, as I understand it, because then the yeas and nays will be requested. That being the case, there will be a rollcall vote. Therefore, if the Senator from Texas will make his position clear at this time, Senators will be able to read it in the Record tomorrow morning.

Mr. YARBOROUGH. I know that is the agreement, that a yea-and-nay vote will be demanded.

Mr. LONG of Louisiana. We will obtain the yeas and nays on it tomorrow, if the Senator will leave his amendment at the desk.

Mr. YARBOROUGH. I understood the majority leader to say that there were two or three amendments which might be passed on by voice vote tonight, that there would be no rollcall votes, so that I thought we might dispose of this amendment on a voice vote.

Mr. LONG of Louisiana. We cannot vote on it tonight, Senator, because some Senators may want to ask for a rollcall vote on it.

Mr. YARBOROUGH. In that event, I will make my position clear in a few minutes.

Mr. LONG of Louisiana. I thank the Senator.

Mr. YARBOROUGH. Mr. President, under present law, interest on deposits with U.S. banks paid to foreigners not doing business within the United States is not subject to U.S. income tax and the deposit is not subject to estate tax. This bill would impose a U.S. income tax on interest paid by U.S. banks to non-resident aliens. It would also subject the deposit to the estate tax. Both provisions would become effective in 1972.

These provisions were added by the House Committee on Ways and Means. They were not included in the original administration proposal. Nor were they a part of the report of the Fowler task force which was the basis for the bill.

They were opposed by the American Bankers Association, and by bankers all across the country.

In an effort to arrive at an estimate of the effect of the income tax provision, I wrote Mr. Stanley S. Surrey, Assistant Secretary of the Treasury, on August 2, 1966, asking for the amount of the deposits which would be affected, the amount of deposits that would be withdrawn if the provision were enacted, and the additional revenue that would be generated by enactment.

Mr. Surrey replied that the total amount of time deposits covered is approximately \$2,250 million.

In reply to my second question Mr. Surrey replied:

We do not feel that we are in a position