adoption of this amendment would nullify the tax provisions of this bill.

For all practical purposes it defeats the purpose of title I.

Mr. LAUSCHE. Mr. President, will the Senator yield for a question?

Mr. WILLIAMS of Delaware. I yield.

Mr. LAUSCHE. If this amendment is adopted, the basic proposal that came before us is out and all that will be left will be the pork barrel amendments. Is that correct?

Mr. WILLIAMS of Delaware. Not entirely, but one of the main features of title I as it came from the House would be nullified. The purpose of this bill originally was to prevent the United States from becoming a tax haven for citizens of foreign countries who were hiding their money.

Mr. LONG of Louisiana. Mr. President, I yield myself 2 minutes.

The Senator's amendment would continue existing law with respect to nonresident aliens who deposit their money here. I think the Senator from Georgia [Mr. TALMADGE] stated it best before the committee. He said he would like to see the Sheik of Kuwait take his money out of British banks and put it in American banks, because it would help us with our balance of payments. He said he would like to see the Sheik of Kuwait pay the same taxes that the Senator from Georgia pays, but, unfortunately, he had no control over that. However, he would like to see the Sheik of Kuwait deposit his money in this country because it would help us with our gold balance.

The House felt that we ought to tax them the same as American citizens are taxed. The provision would not go into effect until 1972. So if we want to tax the bank deposits of the Sheik of Kuwait, for example, we can enact legislation to tax him in 1967, in 1968, or in 1969. If we decide we want to tax him, we can do it, but it may be that then he would take his money back to Britain. So the Senator's amendment would in effect delete what the House recommended. However, the Treasury does not oppose the amendment. They say the amendment would make it a better balance-of-payments bill. They would also from a tax equity point of view like to be able to tax the money of the Sheik of Kuwait, but they do not have jurisdiction over him. They will take either what the Senator from Delaware or the Senator from Texas suggests.

Frankly, if we can go to conference with the amendment, I would like to see us work something out in conference. I would like to see us be able to say to nonresident aliens with deposits in U.S. banks, "We will give you a choice. You can pay the tax you would pay your own government or you can pay us the tax you would have to pay if you were a citizen of this country. Take your choice."

The ACTING PRESIDENT pro tempore. The time of the Senator has expired.

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Mr. LONG of Louisiana. I yield myself 1 additional minute.

If we agree to the amendment, we can work it out in conference. If we do take the amendment, it will give us leverage.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield me 1 minute?

Mr. LONG of Louisiana. I yield.

Mr. WILLIAMS of Delaware. The Senator from Louisiana has suggested that we could take this amendment to conference. If it is to be taken to conference with the intention of dropping it in conference let us do it here. If the amendment is approved we have defeated the original purpose of title I.

The question here is, Do we want to place our country in a position of being used as a tax haven for hot money from all parts of the world?

Mr. LONG of Louisiana. Mr. President, I have discussed this matter with our staff. Our technicians believe that, if we take the amendment, the whole bank-deposit taxation issue will be in conference and we can work out any compromise we are able to. If the Senate does not think the issue should be brought to conference, the Senate can vote down the amendment.

Mr. YARBOROUGH. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. YARBOROUGH. Do I have 1 minute remaining?

The ACTING PRESIDENT pro tempore. The Senator does.

Mr. YARBOROUGH. I ask unanimous consent that a table from page 63 of U.S. News & World Report for October 17, 1966, entitled "Why There's Worry About U.S. Gold Supply," be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

WHY THERE'S WORRY ABOUT U.S. GOLD SUPPLY

Over the past decade, U.S. reserves of gold have dropped by almost $9 billion, to lowest point in more than a quarter century.

[In billions]

| | |
|---|---|
| Gold in other countries: | |
| 10 years ago | $14.9 |
| Now | 27.6 |
| Up | 12.7 |
| Gold supply in United States: | |
| 10 years ago | $22.0 |
| Now | 13.2 |
| Down | 8.8 |

But foreign claims against U.S. gold keep rising. An even heavier drain on reserves could come if all these claims were presented.