

relating to Treasury notes issued in foreign currencies. The House conferees accepted these four amendments. The first interest equalization tax amendment provides that subsequent transfers of debt obligations to assure raw material resources are to be exempted from the interest equalization tax where the indebtedness is acquired without an intent (such as a bona fide investment representation) on the part of the purchaser to sell it to other U.S. persons. The second interest equalization tax provides that the present exemption for reserve asset pools of U.S. insurance companies is extended to allow the establishment of reserve asset pools where a U.S. insurance company commences activities in a developed country or where a less developed country is designated by the President as a developed country. The final interest equalization tax amendment grants the President the authority to exempt from the interest equalization tax U.S. dollar loans of more than 1 year made by the foreign branches of U.S. banks. The Senate amendment relating to Treasury notes grants the Secretary of the Treasury authority to issue U.S. notes denominated in foreign currencies.

In addition to the amendments discussed above, the Senate added to the House bill three other amendments. These dealt with: First, the exclusion of rents from personal holding company income where they are attributable to property the company manufactured if it is still currently doing so; second, the extension of essentially the present treatment of patronage dividends of cooperatives to their per-unit retains; and third, the equating of the manufacturer's excise tax rate on hearses with the tax [P. 27091] on ambulances. The House conferees agreed to these amendments.

The last amendment I plan to discuss is the one on which the gentleman from Virginia raised his point of order under rule XX. I misunderstood him. At the time I thought he was raising a point of order under rule XXII.

Title III, which the Senate added to the bill, establishes the presidential election campaign fund. The House receded to the addition of this title with certain amendments. As altered by the conference, this provision provides, in general, that by designations on income tax returns, taxpayers will be allowed to create a fund of approximately \$60 million which will be equally divided between the major political parties for the purpose of defraying the expenses of presidential election campaigns. This is distributed to the parties during the presidential campaign year—that is 1 year in every 4.

Individual taxpayers are to be given an opportunity to designate on their tax

returns that \$1 of their income tax liability—\$2 in the case of a joint return—is to be placed in the presidential election campaign fund. The amounts in this fund are to be used to defray the expenses incurred by the political parties in presenting candidates for President and Vice President. The funds cannot be used for any other purposes or for any other campaigns. The major parties under this provision are treated equally. All parties receiving more than 15 million votes in the last presidential election are to be given the same amount. For example, in the last presidential election, two candidates for President received more than 15 million votes. The total of the votes they received was approximately 70 million. Therefore, in the next presidential election each of the two principal parties would be eligible to receive an amount equal to one-half of the total votes cast multiplied by \$1. In other words, each of them would be eligible to receive \$35 million. However, because there is a de minimus rule according no contribution for the first 5 million votes, these amounts would be reduced to \$30 million apiece. Of course, this distribution would be made only if campaign expenses of this amount were incurred.

Minor parties are also provided for under this amendment. They will be eligible for funds equal to \$1 times the number of votes cast for their candidate in the last presidential election to the extent the votes cast for their candidate exceed 5 million.

The Comptroller General is given supervision of this fund to be sure that the payments to the political parties for presidential campaign expenses are actually incurred, and to see that they are presidential campaign expenses as distinct from personal expenses and as distinct from campaign expenses of other office-seekers. It will also be his responsibility to determine the popular vote which determines the amount which is to be available for distribution. An Advisory Board consisting of two members from each of the principal parties, together with three independent members selected by them, will assist the Comptroller General in the administration of the fund.

The question often is raised as to what happens if the amount designated by individuals on their tax returns is more or less than the amount which can be divided up among the parties based upon the popular vote. To the extent the amounts designated exceed the popular vote in the last election, the moneys involved are not to go into the fund, but rather to remain in the general fund. To the extent the amounts designated are less than the amount which should be distributed based upon the popular vote, the parties, in effect, receive an "account receivable" which is paid to them in fu-