

mittee regarding increased social security benefits, and, additionally, this is a time when we must hold down on Government expenditures.

As I indicated, the President plans to request legislation early in the next Congress which will provide increased social security benefits. As the chairman of the Committee on Finance, I think I can assure the Senate that we will reconsider this matter next year either in that, or in separate, legislation. I need only remind the Senate that this amendment was approved by almost all of the members of the Finance Committee, and it is my belief that these same votes will remain favorable when we reconsider this measure next year.

The Senate conferees also were most reluctant to come back from conference without the amendment removing the 3-percent and 1-percent limitations on medical expenses for those 65 and over. We fought long and hard for this provision but the House conferees simply would not yield. While I do not agree with them, their view is that the provision of benefits under part B of the medicare bill at Government expense compensated the elderly for this loss of deduction. I doubt very much whether this view will be generally accepted by the public, and I expect the House itself next year to send us legislation removing this limitation.

The Senate conferees accepted modifications to three of the Senate amendments dealing with depletion. The amendments accepted by your committee would delete from these provisions the features granting the depletion allowance with respect to processes not presently classified as mining processes. The two depletion amendments which relate to shale, clay, and slate used as a light-weight aggregate and clay and shale used in the making of sewer pipe and brick were altered by the conference to provide a minimum 7½-percent depletion allowance in these cases. This was in lieu of changing the processes treated as mining processes for these minerals.

Mr. President, in connection with that subject, I wish to point out that the Treasury Department usually disagrees with liberalizing depletion amendments. They recognize the validity of allowing cost depletion, but they have been critical of percentage depletion. As a policy, they consistently tend to say they do not want to expand percentage depletion in any field. But on these amendments as agreed on in conference, they said, as a practical matter, that for the most part justice and equity would indicate that the products involved should receive the treatment accorded by the amendments to equate them with the treatment received by competitive products.

Mr. President, much has been said

about oyster and clam shells. If those shells, which have been building up for perhaps a million years off the coasts of Louisiana, Florida, Georgia, Texas, Alaska and any other State that borders on an ocean or major body of water, are to be used in competition with limestone, it seems only fair that they get the same treatment as limestone. Moreover, these are dredged from the sea under leases from the Government. So they do have economic interests which are depleted.

The Treasury Department objected to any modifications of the principle of the Gore amendment, and won on this point. The Senator from Tennessee labored a number of years ago to see that depletion does not apply to a manufactured or finished product, but relates only to the value of the product before the application of any processes generally considered to be "manufacturing" as distinct from "mining."

The Senate conferees yielded on this matter of deleting any liberalization of the so-called "cutoff point." Unfortunately, not doing anything about the cutoff point for depletion, allowance, [P. 27582]

merely raising the rate will, I understand, be of little help in Georgia in making alumina from clay.

Minor modifications were also accepted by your conferees to the Presidential Election Campaign Fund Act. These amendments raised to 15 million the number of votes a party must receive to be classified as a major party. In addition the conferees raised from 1½ to 5 million the number of votes a minor party must receive to be eligible for a distribution under this fund. They also extended the application of this 5 million "deductible" rule to the major parties as well. In other words, no party, major or minor, is to receive any reimbursement from the fund for its first 5 million votes. With respect to the definition of major and minor parties, the amendments provide that a party must receive 15 million votes to constitute a major party and 5 million votes to constitute a minor party. The effect of these amendments is that a party will not qualify for a proportionate share of the fund unless it receives 15 million votes and it will receive nothing from the fund until its total votes exceed 5 million. Those receiving between 5 and 15 million votes in the last election, however, will continue to be eligible to receive \$1 for every vote they received over 5 million.

Mr. President, I drafted this proposal with the assistance of the Treasury Department, the staff of the Joint Committee on Internal Revenue Taxation, and our own fine staff of the Senate Committee on Finance. Much of the thinking that caused me to come up with this pro-