

75-percent exemption on income taxes as well as a very favorable duty treatment. This represents the big red ball we see on this Christmas tree. This section has nothing to do with the balance of payments. It has nothing to do with taking care of the elderly people, who were paraded on the floor when the bill was passed, all of whom were forgotten in the conference. It has nothing to do with the average American taxpayer, except that the 90 million taxpayers will make up the \$2 million being given to this one company.

Mr. GORE. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield to the Senator from Tennessee.

Mr. GORE. Since the intended beneficiary of the amendment under discussion has been identified, I would like to remark that it is a fine company. I do not wish my remarks in any way to be considered as critical of that company. The company has a large operation in the State of Tennessee. Many of its officials are my personal friends. Some are my political supporters.

I decline, however, to support the amendment. I consider the amendment special interest legislation—only one interest being the beneficiary.

The fact is that the plant on which this amendment would retroactively give to this corporation the investment credit is already completed, already in operation. It was constructed without the expectation of this benefit, and without relationship to the benefit being in existence within the continental United States. So this is, it seems to me, clearly unjustified tax favoritism to one corporation; and I say that in view of the fact that its officials are friends of mine, and it has operations in the State of Tennessee.

Mr. WILLIAMS of Delaware. I thank the Senator from Tennessee, and I concur. What I am saying is not criticism of the corporation itself; it is criticism of the Congress if it sees fit to make this gift, because there is no logical reason for it that I can see. This plant is already constructed. It is ready for operation. It was constructed by the company with the full knowledge and understanding that under the law they would not receive the investment credit.

Now, since we are approaching the Christmas holidays, in a spirit of great generosity Congress apparently proposes to give that company \$2 million which they never even expected and for which there is no basis whatsoever.

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

Mr. WILLIAMS of Delaware. I yield to the Senator from Louisiana.

Mr. LONG of Louisiana. Mr. President, we made the original investment tax credit provisions in the Revenue Act

of 1962 effective as of January 1, 1962, the beginning of that year—although the measure was not enacted until about 9 months later. To that extent, the original investment credit provisions themselves were retroactive.

I voted for this provision in the committee. But I was voting for it having no idea who might have built a plant in the Virgin Islands, Puerto Rico, American Samoa, or Guam. If the Senator is in a position to assure us that nobody except one company has built anything in the Virgin Islands, Guam, American Samoa, or Puerto Rico that qualifies for this credit provision, if he is in a position to assure us that nobody else has built a plant in any one of those American possessions before October 10 of this year, he is certainly more knowledgeable than I am.

It never occurred to us to look into it. It seemed to us that if Americans are to receive the credit for investing money in underdeveloped countries, in justice and equity, we ought to treat Americans who invest money in our own possessions just as fairly. But I repeat, if the Senator has found out that only one company has built anything subject to the investment credit in the Virgin Islands, Puerto Rico, American Samoa, or Guam, he is more knowledgeable than I on this subject.

Mr. WILLIAMS of Delaware. Mr. President, all I am saying is that I have checked and been advised by the Department that as far as it is aware there is only this one company involved.

At least I will say this: It is tailor designed to fit the pattern of this one company. As to the Senator's argument of why not give the investors in these American possessions the benefits we give under treaties to investors in foreign countries, I should like to point out to the Senator that not one treaty has been ratified wherein we give the 7-percent investment credit to investors in foreign countries. We rejected one, the treaty with Pakistan, in our committee. That argument is not valid.

Mr. LONG of Louisiana. Of course, those treaties are pending before the Foreign Relations Committee, in the subcommittee so ably headed by the Senator from Tennessee [Mr. GORE].

But let me point out to the Senator that he may be in error when he says he is sure—

Mr. WILLIAMS of Delaware. I beg the Senator's pardon. If there is another company for which the amendment would provide a \$2 million gift, I should like to know who it is. The Department has advised me that they know of only one.

Mr. LONG of Louisiana. Perhaps the Treasury knows of only one now; but should other builders come in and apply for the investment credit, the Treasury may become aware of more than one. I know we have had some watch assem-