

ment of Puerto Rico. We have our FHIA program there. Most of the bootstrap operation in Puerto Rico which was so ably run by former Governor Marin was successful and most of that success resulted not only from his leadership but from the fact that the United States was very generous in its programs directed toward Puerto Rico.

We did not give to the people who made investments in Puerto Rico the advantage of the 7-percent investment tax credit when we instituted the program in 1962. An amendment in the bill before us would propose that we give the same consideration to those people operating in Puerto Rico.

This provision was discussed in our committee in connection with H.R. 13103 and we took action on it. The House conferees accepted the provision. Nobody charged that one company was going to benefit over another company. Anybody who operates in Puerto Rico or any U.S. possession would get the same consideration.

Mr. LONG of Louisiana. I cannot recall anyone raising the point on when this bill was pending on the floor that this matter would benefit the Harvey Company. So far as I am concerned it does not make any difference who is going to be benefited. It is a matter of tax equity. The Treasury Department and the State Department have negotiated treaties with less developed countries, trying to give the same consideration to Americans who invest money there. I am sorry that we cannot vote on those treaties in this Congress. The Senator from Tennessee kept that inside his subcommittee for quite a while, which he is privileged to do, and I respect his rights to disagree and to study it as long as he desires.

Mr. President, there are one or two other points that should be made. The Virgin Islands has its own tax system and in this it presently allows exemptions to some companies to encourage them to operate there. This provision would not help these companies because they pay no tax to the United States.

This provision would, however, make the investment credit available to U.S. companies owning property used in the possessions and receiving rental income from this property.

The investment credit, in effect, helps only when the income from the property is included in the U.S. tax return. A limitation in the bill denies the investment credit to any U.S. corporation which presently receives the benefit of income tax exemptions under the present law.

It is said that this provision is retroactive. It goes back only to the first of this year. This is customary in revenue legislation. This is also true when we passed the investment tax credit originally, it was retroactive to January 1. It was effective as of the first of

the year, even though we passed the law later in the year.

Mr. President, every provision here is general law. It is not tailored to anybody.

The presidential campaign financing proposal would not make anybody put \$1 in a campaign fund, but it would permit him to do so if he wants to put in a dollar which would be divided 50-50 between the major parties. This would help to assure that a presidential candidate would not be subject to any improper influence of the large money interests who otherwise would contribute to his campaign. If, under this proposal, taxpayers wish to share the burden of the cost of government and make a good government contribution, fine.

As a matter of fact, my thoughts on the subject had received inspiration from the Senator from Tennessee [Mr. GORE], who now seems to be so strongly opposed to this proposal, although he did support it in committee at one time. The proposal is the result of our committee meetings. We studied the matter, conducted hearings, and promised the Senate that we would report such a bill. Senators will recall that when the debt limit bill was before the Senate, the Senator from Delaware [Mr. WILLIAMS] made a strong argument for the President's suggestion of a \$100 tax deduction for persons who contributed to campaigns. That would have cost much more money than the solution that the committee recommended. The estimate was at least \$100 million. The Senator from Delaware chastized some of us, in a quiet, friendly way, saying that we were not supporting the President's recommendation of a \$100 deduction. But some of us felt that that would not do anything but give some of the wealthy who were already financing campaigns an advantage that they did not need. So we rejected that idea; we turned it down. I believe that at one time the Senator from Delaware offered me a compromise: that he would take half of my proposal if I would take half of his.

This provision has been studied by the President and the administration, who I think feel that it would be a good way to proceed. Perhaps it can be improved upon. Anyway, I hope we can make a start. The plan can be studied for imperfections, and refinements can be made if they are desirable and can be included in the law in the future. There are already general criminal prohibitions in the Federal statutes to cover a situation of this sort.

Any little thing that might have been overlooked could be perfected. Not the slightest bit of difference would be made, revenue-wise, until September, 1963. Then if it is thought that a fraud statute should be enacted, especially tailored to presidential election campaign fund ar-