ate. The thrust of my amendment was to treat contributions for self-employed persons' retirement essentially like contributions are treated under the social security and railroad retirement system. In both of these instances—and in those instances where private pension plans are provided on a contributory basis—the employer's share of the total contribution is deductible for tax purposes but the employee's share is not deductible. Since we were dealing with self-employed persons in a dual capacity, I felt, and the Congress agreed with me in 1962, that giving a deduction for half the contribution would place self-employed persons on a par with employees. However, this year H.R. 10, repealing my amendment, was passed by the House by a vote of 291 to 0. The provision as an amendment to the Foreign Investors Tax Act was also separately acted upon, on a favorable basis, by the Senate. I think it is clear—although I personally disagree—that the majority of both the House and the Senate favor this amendment. I am not one to believe, even when I am in the minority, that minority rule in this respect should govern.

In all fairness to the advocates of this amendment I must admit that there are many cases under the prior law where self-employed individuals are much more severely limited in the amounts they may set aside for their own retirement than is true of many of the well-paid employees and managers of many of our largest companies. Many of their plans are not contributory and, therefore, if one were to equate the self-employed individual with these persons, then the 50 percent deduction should not be required. Actu-

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ally, in my judgment, the whole area of the tax treatment of private pension plans needed reconsideration before this amendment was acted upon, and will still need reconsideration after the adoption of this amendment. In some cases self-employed individuals will have advantages over employees and in other cases they will be at a disadvantage. In my view, we probably will eventually want to see whether it is possible to more nearly equalize the treatment. In the meanwhile, however, I see no reason why we should insist upon a minority view prevailing over the majority view.

PERCENTAGE DEPLETION

The fourth area of complaint is concerned with the provisions relating to percentage depletion. Of course, there are people who fundamentally disapprove of percentage depletion, as such. To them any amendment in the area of percentage depletion is automatically wrong if it gives one cent more of deduction to anyone, simply because they do not agree with the underlying principle involved in percentage depletion.

It seems to me that as long as we have percentage depletion in our tax system—and parenthetically I might add from my point of view this is something I hope is here for a long time to come—it is entirely appropriate that the percentage depletion rates be adjusted in a manner which allows for the competitive nature of the products. In other words, where two or more products are used for essentially the same purpose, good tax treatment—namely, the considerations of equity and fair competition—demands that they receive approximately the same percentage depletion deduction. This is no new, radical doctrine I am proposing here. This is, instead, the fundamental basis on which most of our percentage depletion rates are based at the present time.

Let us look now at the specific areas where the percentage depletion rates were changed, and I should point out that as a result of the conference committee action it is only a change in rates which occurred. No additional processes were classified as mining processes for any mineral. This is the area that the Senator from Tennessee [Mr. GORE] was so concerned with a number of years ago. We have not in the slightest modified the concepts of the mining processes, on which percentage depletion is based, from the concepts in present law which remains as he provided by legislation in 1960.

The first area in which a percentage depletion rate was made was in the case of domestic deposits of clay, laterite, and nephelite syenite, but only to the extent that they are used for the extraction of alumina or aluminum compounds. The percentage depletion rate for these minerals was raised from 15 to 23 percent. This only seems fair since this is the percentage depletion rate which presently applies to domestic deposits of bauxite, the principal source of alumina and aluminum. It also is the rate which applies to another site to the extent that alumina and aluminum compounds are extracted from it. The Finance Committee believed that a good case could be made not only for these percentage depletion rate increases but also for more liberal treatment with respect to mining processes. However, the House conferees would not agree to any changes in mining processes. Nevertheless, it is hard for me to see how anyone could object to treating these different sources for alumina and aluminum the same as we already treat the principal source for alumina and aluminum.

The second percentage depletion rate change applies in the case of clam and oyster shells. Now I am aware of the fact that percentage depletion for clam and oyster shells is a source of amusement for many who are unacquainted with the extent to which clam and oyster shells in the entire gulf area are used