as a substitute for limestone. The clam and oyster shells referred to in this act are those which have lain at the bottom of the sea for many hundreds or thousands of years. The ownership in these shells is in either the Federal or a State Government. The Government leases to private parties the right to remove these shells from certain specified areas. This gives them a right to property which is exhaustible and which is, therefore, eligible for percentage depletion. This is exactly the same concept which applies generally with respect to percentage depletion.

Clam and oyster shells of the type I have referred to already receive percentage depletion at the rate of 5 percent. However, clam and oyster shells in many cases are ground up and used for their calcium carbonate content in making cement.

Limestone—which also is essentially calcium carbonate—in other areas of the country is used for almost the identical purposes for which clam and oyster shells are used, yet limestone, except when used for road material or similar purposes, receives a 15-percent depletion rate. When it is used as gravel for making roads, the depletion rate is limited to 5 percent. All this amendment does is to give precisely the same treatment to clam and oyster shells which is already available in the other areas of the country where limestone is used for the same purposes. In other words, where clam and oyster shells are used as a substitute for gravel in making roads, the 5-percent depletion rate as at present will continue, but when clam and oyster shells are used for making cement, as in the case of limestone, the 15-percent rate will be available. Realistically, this does no more than give the same treatment to deposits of calcium carbonate found under water as is already aecorded deposits of calcium carbonate found on land. This merely removes a competitive discrimination.

The final two percentage depletion rate changes represent very small changes indeed. The Senate action would have added sintering or burning to the processes classified as mining processes in the case of clay, shale, and slate used or sold as lightweight aggregates. These frequently are used for this purpose in concrete or in making cinder blocks. The Senate action, as a result of a floor amendment, would also have increased from 5 to 15 percent the percentage depletion rate applicable for clay and shale used in making sewer pipe and brick. In these cases the primary consideration was that other products used for similar purposes received a higher percentage depletion rate, or received more favorable treatment in the processes classified as mining processes.

In the case of clay used for sewer pipe, for example, this pipe is in competition with concrete sewer pipe and the materials used in making the cement which goes into the latter is eligible for 15-percent depletion rate. It was on this basis that the increase in the rate from 5 to 15 percent was justified on the Senate floor. In the conference committee consideration of this, however, it was noted that contrary to a clay sewer pipe, only 15 to 20 percent of a concrete sewer pipe consists of cement. The remaining aggregates are sand and gravel which receive a 5-percent depletion rate. Because of this additional information available to the conferees, which was not available at the time this matter was considered on the floor of the Senate, the Senate conferees agreed that the depletion rate should be adjusted upward by merely 2½ percent, rather than by the 10 percent which would have been provided by the Senate amendment. As I have suggested, this was agreed to because of the realization that in the case of the clay pipe, the area of competitive discrimination is limited to 15 to 20 percent of the total value of the pipe. This represents a modest change in the depletion rates and one which is justified on the basis of the present competitive situation.

The Senate amendment relating to lightweight aggregates dealt with the treatment processes which were to be considered part of the cost of mining in working out the percentage depletion allowance. The House conferees, as I have indicated, were not willing to make any change in the treatment process provisions but they could see the merit of a larger deduction for these products when used as lightweight aggregates. The conferees decided to take the direct approach of giving a slightly larger depletion allowance rather than the indirect approach of increasing the base on which the present depletion allowance would be based.

THE LONG PRESIDENTIAL ELECTION CAMPAIGN FUND ACT

It seems that the charges of special interest legislation which have been so freely flung at this bill evaporate into thin air once the facts are examined. Let me turn now to the area of political campaign contributions.

First, let me make it clear that this is an area on which the Senate Finance Committee has held hearings. An earlier version of the amendment adopted by the committee was presented in these hearings for consideration by the committee. This is also true of various other plans, including the tax deduction plan favored by the Senator from Delaware [Mr. WILLIAMS]. I might also add that the problem of political campaign contributions has been discussed on the

Senate floor not merely in connection with this bill but also in connection with