(The exhibit referred to follows:)

REPORT FROM WASHINGTON, CONGRESSMAN HERBERT TENZER, 5TH CONGRESSIONAL DISTRICT, NEW YORK

[From the Congressional Record of Jan. 26, 1967]

H.R. 3803 SEEKS TO REDUCE THE OIL DEPLETION ALLOWANCE

Mr. TENZER. Mr. Speaker, on January 25, 1967, I introduced H.R. 3803, a bill to reduce the oil depletion allowance from 27½ percent to 20 percent at the rate of 2½ percent annually over a 3-year period.

The bill also requires the Secretary of the Treasury to reduce the tax allowance by an additional 50 percent whenever he finds that a substantial part of the tax savings has been used to finance mergers with or to purchase companies in unrelated fields.

Our Federal budget is increasing and our local village, town, city, county, and State budgets are likewise increasing—often to an even greater degree. Plugging the tax loopholes is our way to equalize the tax burdens among the Nation's taxpayers, corporate as well as individuals.

The special privileges under our present tax laws to the oil companies are inequitable and require all other corporations and individuals to carry a greater share of the tax burden than they should be carrying.

It is shocking that the largest oil companies pay a smaller percentage of their net incomes in taxes than small businessmen, workers, and farmers. The man in the lowest tax bracket pays 14 percent of his net income in taxes while in 1965 the 20 largest oil companies paid an average of 6.3 percent of their net incomes in Federal taxes. These companies had a combined net income of more than $5.7 billion, yet paid only $360 million in taxes.