Depletion Allowance (No. 2)

Mike Mansfield 1903-2001
Senator Mansfield (D., Mont.) stated, in response to a question on the oil depletion allowance, that "Sen. Kennedy has faced this issue forthrightly, first by squarely facing the plight of the oil industry in its current slump and then by suggesting that any inequity among other resources eligible for depletion allowances be corrected. This would mean that in those instances like the Clay-Brick case in Indiana and the Rolled-Steel case inequitable depletion allowances would be corrected. In those cases a double depletion allowance was claimed: one allowance for the raw product and another allowance for the finished product. Sen. Kennedy's position also means that in the case of other minerals such as coal and uranium, a larger depletion than that now allowed may be in order. Vice President Nixon would seem to want to freeze the present structure. Senator Kennedy's statesmanlike approach would open up the opportunity to increase the incentive in other mineral developments. This is of the utmost importance to the Rocky Mountain West. We should bear in mind that the Democratic Party platform plank which refers to inequitable depletion allowances was never aimed at oil. Let us hope the Republican Party platform plank which favors only 'reasonable depletion allowances' is not aimed at oil. I say this, remembering that the only roll call vote in the Senate directly aimed at
the depletion allowance was the result of a motion by a Republican Senator from Delaware (John Williams).

It was the Democrats through the efforts of Joseph C. O'Mahoney who spelled out the terms of the present depletion allowance for oil. It was the Democrats under the leadership of Lyndon B. Johnson of Texas who preserved it during the past 7-1/2 years. In the event Senator Kennedy is victorious, it will be the Democrats who will control legislation on the floor of the Senate. In the Senate there are only two committees where the depletion question would likely come up. These committees are the Interior Committee and the Finance Committee. Senator Clinton Anderson of New Mexico will be the new Chairman of the Interior Committee. Next to the Chairman, ranking Democrats on the Finance Committee will be Senator Robert Kerr of Oklahoma and Senator Clinton Anderson of New Mexico, both of whom are also strongly committed to the depletion allowances.

The record is clear. Under the Democrats the oil depletion allowance has been safe, and in the event of a Democratic victory, will continue to be secure in their hands. I sincerely hope that in the unlikely event of a Republican victory this November that that Party can match the Democratic record."