

you are not getting it and that now you need positive legislation from the Congress?

Mr. SEATH. That is my experience, sir; yes, sir. I think we very definitely need, as I stated—we have been promised by the Treasury that they would amend their regulations to give the help we need.

Now, we have seen the proposed regulations and they just absolutely do not do anything. They just substitute complicated rules to say the same thing as the old simple rules say. It is just another way of saying "No." The only way we are going to get what we need is by legislation.

Senator MORTON. It strikes me this is one of the most serious problems that we face today, this question of balance of payments and if, indeed, and I know you are knowledgeable on this subject, if indeed, by regulation we are discouraging the recapture of funds earned abroad, which is bound to help our balance of payments, it seems to me if we could capture them, if we indeed are discouraging them, perhaps this committee should take some action along the lines of your proposal.

Mr. SEATH. Well, that is my position. I think we are discouraging the repatriation of foreign earnings by this present situation. I think if we changed the law to this extent it will definitely encourage the repatriation of foreign earnings.

I have talked with a number of taxpayers around the country, and I think the sentiment is unanimous that such a change would encourage additional repatriation of foreign earnings.

Senator MORTON. I do not like to ask you to speak for others, but is the position which you have taken today supported by other industries and businesses that are in your situation?

Mr. SEATH. Yes, sir; that is very definitely true.

Senator MORTON. I apologize for not being here during your direct testimony. It is understandable that sometimes constituent problems in a State like mine, politically balanced as it is, take a little bit of my time.

Mr. SEATH. I believe that, sir.

Senator MORTON. I have read it, and I commend you for it, and I think you have made a significant point that this committee certainly should consider because here we are worried today about this balance-of-payments thing more than anything else, and you say, and you speak with authority and knowledge on this subject, that the regulations of our own Treasury Department are discouraging the recapture of these earnings.

Mr. SEATH. That is correct, sir.

Senator MORTON. I trust and hope, and I know the committee will take this very seriously, consider it very seriously. I thank you.

Mr. SEATH. Thank you.

Senator CARLSON. Mr. Chairman, I have a suggestion. Mr. Seath has mentioned we should amend section 904. I would appreciate very much if—this is somewhat of a technical amendment that someone will probably work with—if he would come up with a suggested amendment, at least let us look at it.

Mr. SEATH. All right, sir; I will do that.

Senator CARLSON. I, for one, would like to see it.

Mr. SEATH. I will get it up here as quickly as I can.