

Mrs. GRIFFITHS. That is right, but you included the room and so forth.

Mr. SEATH. No, I did not.

Mrs. GRIFFITHS. Well, you said in the room next to him.

Mr. SEATH. Yes.

Mrs. GRIFFITHS. The real truth is that he is not even staying in a room next to that businessman, because he cannot afford it.

Mr. SEATH. I was referring only to personal expenditures. I was not referring to business expenditures of the type which may be put—

Mrs. GRIFFITHS. It may be the only travel expense he has over there, as compared to any other person over there.

Mr. SEATH. I wanted to make it clear I was not referring to business expenditures.

Further, I would like to straighten out one other thing, that even if it is a deductible expense, it is only 50 percent, it is not completely tax free.

Mrs. GRIFFITHS. But the businessmen can charge that off to his company.

Mr. SEATH. The company still has to pay tax.

Mrs. GRIFFITHS. Then they get 50 percent of that off on taxes, so the Federal Government is lighting the way all the way over, so don't talk about the poor Government employee in the same position, that we are sitting here making the rules for, that can hardly get there on what we are allowing him.

Mr. WATTS. Mr. Schneebeli?

Mr. SCHNEEBELI. If I may enter a rebuttal, I agree with you, Mr. Seath. I don't particularly see why the Government employee should have any particular privilege in bringing back a personal gift that he pays out of his own money—why he should be treated any differently than a college student that goes over and comes back.

I don't see why, under this law, a Government employee should get any particular privileges in this area.

Mr. SEATH. This is all I was referring to.

Mr. SCHNEEBELI. You indicated that a Government employee is treated differently?

Mr. SEATH. That is right.

Mr. SCHNEEBELI. I agree with you, that I don't think there should be any distinction or special privilege favoring the Federal employee in this area.

I believe the Congressman, when he travels abroad, is subject to the same duty payment on gifts he brings back, as is everybody else.

Mr. SEATH. That is my understanding.

Mr. SCHNEEBELI. I do not know why it should not apply in this area, as well. I agree with you.

That is all, Mr. Chairman.

Mr. WATTS. Mr. Battin.

Mr. BATTIN. I do not want to get caught in this exchange. I want to make sure it is over before I begin.

I was more interested in the travel restrictions that have been discussed in the last few days on this question of repatriation of earnings, and the effect that this might have on any individual company.