

becomes one of seeking additional funds or limiting the scope of its support.

#### EFFECT OF THE PROPOSED TAX

In essence, then, the effect of the tax would be to jeopardize our international athletic effort. We would be forced into a choice between taking a less competitive position or maintaining our present position at a greater cost. I would add here that this problem is magnified for individual athletes and small groups who lack organized support and who must literally reach into their own pockets and go from door to door in order to compete.

#### CONCLUSION AND RECOMMENDATION FOR EXEMPTION

It is my opinion that the benefit gained from these taxes, in the form of tax dollars or keeping some athletes at home, will be far outweighed by the loss to American athletic prestige and our competitive position. From whatever angle they are viewed, these taxes will be an added burden to our athletes. Moreover, they put our Government in a paradoxical position.

The U.S. Government neither supports nor subsidizes our athletes—a position with which I heartily concur. Yet, with these taxes the Government would be placing itself in the position of creating an obstacle to competition. Therefore, I urge this committee to exempt expenditures by athletes and groups sponsoring athletes from the proposed tax when such expenditures are made for the purpose of international competition.

I would suggest that adequate controls for such an exemption could be expeditiously worked out with the sports governing bodies involved, and that the total effect of the exemption would be to enable our athletes to compete unencumbered by any additional financial burden.

Thank you.

Mr. ULLMAN. Thank you.

Would you like to have the supplemental material included?

Dr. SCHWARTZ. Yes.

Mr. ULLMAN. Without objection, that will be included in the record. (The document referred to follows:)

#### BREAKDOWN OF TAXABLE EXPENDITURES FOR 1967 ROWING CHAMPIONSHIPS, VICHY, FRANCE

|                                                                            | Expenditures | Taxes    |
|----------------------------------------------------------------------------|--------------|----------|
| Total 14-day expenditures for 37-man team (cost per man, \$588.51).....    | \$21,755     |          |
| Airline tickets subject to 5 percent tax.....                              | 12,210       | \$610.50 |
| European expenditures for food, lodging, laundry, transportation, etc..... | 9,565        |          |
| Exemption: \$7 per day per man.....                                        | 3,626        |          |
| Taxable remainder.....                                                     | 5,939        |          |
| \$8 per day per man taxable at rate of 15 percent.....                     | 4,144        | 621.60   |
| Remainder taxable at rate of 30 percent.....                               | 1,795        | 538.50   |
| Total tax bill (or enough to support 3 athletes).....                      |              | 1,770.10 |

Mr. ULLMAN. Are there any questions?

Mr. SCHNEEBELI. Dr. Schwartz, your position is similar to that outlined by a gentleman we had here last week on behalf of the New York Philharmonic Orchestra.

I think it is silly to consider taxing the people who go abroad for international good will where the travel is conducted by an organiza-