

on the basis of the immediate effects and an analysis of the Travel Tax Program provisions.

Immediate effects

1. Since the announcement of the proposed tax we have received 25 cancellations of registration from the first 500 applicants accepted. Most of the students in this 5 percent cancelled because they or their families feared the tax would place the cost of the session plus allowance beyond the financial ability of the family budget for education. We have not analyzed the remaining registrations at the time this is being prepared.

2. Prior to the announcement of the proposed Travel Tax we averaged about 25 applications per day. Since the announcement these have dropped to about 10 per day.

3. Since the announcement, approximately $\frac{1}{3}$ of our correspondence and telephone calls deal with the effects the proposed Travel Tax will have on our program, if it is adopted.

4. Our representatives report a large number of prospective students holding back registrations until a definite decision is made concerning the proposed tax. Presumably a large percentage of this group will not enroll or will not be able to enroll if the tax is applied.

Long-range effects

1. Any increase in the cost of the summer schools will cause a marked decrease in enrollment. We know by experience, that any summer school program exceeding a \$1,000. in cost will attract the absolute minimum in registration. Our records to date indicate the average enrollment in courses costing \$990, such as European Government, is 250 students per course. In the experimental Ancient Civilization course, costing \$1,385, we have received only 5 enrollments from the entire country, even though this is part of a course taught in every high school and required for graduation from most colleges. Therefore, if the tax is borne by the student and increases the cost of the program, we estimate at least a 50% reduction in enrollment.

2. Since our present charges allow only a bare minimum beyond actual cost, any tax which is borne by the program must necessarily produce a corresponding decrease in the quality of transportation, living standards and faculty in order to absorb the tax. This could bring the program into disrepute. Rather than sacrifice standards, some which may be required by various state laws, we would be forced to discontinue the program.

3. Any increase in cost which could not or would not be borne by the students and which would be required to be borne by the program would automatically cause us to deprive a great number of American teachers of the opportunity to improve their skill by study in Europe. Currently our policy has been to provide this opportunity to selected teachers, without cost, on the basis of 1 teacher for every 8 to 10 students enrolled. We could anticipate a 50% reduction in this project during the 1968 session alone.

4. Since it has been our policy to select our overseas faculty from among both European professors and American teachers and professors studying full time abroad, the proposed tax would force us to make a serious reduction in staff. Since all of our courses are given at European universities it would be unlikely that we could eliminate any appreciable segment of the European faculty. Thus, our own colleagues and fellow citizens would have to be eliminated and bear the loss.

III. SPECIFIC INEQUITIES IN THE PROPOSED TRAVEL TAX

The current proposal states: "Students—an individual (and his dependents) would be considered on a non-taxable trip if he spends at least 120 consecutive days:—

1. Enrolled as a student in a full course of study at an educational institution outside the Western Hemisphere; or

2. Engaging on a full time basis in educational activities which are directly related to a course of study leading to a degree he is undertaking in an educational institution in the United States."

We believe this proposal, requiring at least 120 days abroad, to be unfair, un-