

been cooperating in testing the effect possible travel taxes would have on students.

Further, we reaffirm the importance of American students going abroad as important in developing international understanding and good will. Important as the fiscal problems of the United States may be, it is important not to sow the seeds of even more serious problems for the future. Ignorance on the part of American citizens of the problems and viewpoints of other peoples, and false concepts about the United States could prove very costly to this country.

There are five aspects of the proposed legislation which we feel are especially serious, and which *at the minimum* we urge be changed.

1. Treat nonprofit agencies the same as academic institutions

First, we would petition that the programs of nonprofit agencies receive the same consideration as those of academic institutions, so long as they maintain similar standards of performance and excellence. For instance, in 1967 the YWCA sponsored a Seminar in India which was directed by Dr. Huston Smith of the Massachusetts Institute of Technology. In 1968 we will have a project in the United Kingdom with one of the professors from the London School of Economics directing the seminars. Although these are not designed essentially as academic programs, they include serious study and discussion and real encounter with the people and culture of the countries, so merit the same consideration as more formal course oriented projects.

2. Remove the 120 days requirement

A corollary of the above is the unfairness of the 120 day requirement for a program to be tax-exempt. Many students are taking courses in America universities where the sequence requires them to remain in college for four consecutive years, but they are able to supplement this with summer programs overseas. Once they graduate they will be tied-down with responsibilities, so that the only time for them to go abroad and personally experience the impact of other cultures is during the summer breaks while they are in school. They should not be penalized just because they cannot be gone for the magic 120 days. We would urge exempting any program on the basis of its quality, rather than on the basis of duration.

3. All international travel should be taxed as transportation not expenditure

We strongly recommend that the transportation tax of 5% be levied on all international travel purchased prior to departure from the United States, rather than on-going travel taxed as an expenditure. Groups going to Asia and Africa especially, but also those going into Eastern Europe, physically, psychological and educationally need a break rather than continuing directly from the U.S.A., to these more distant places. For instance, our seminar going to India stopped for a couple of days in Athens to rest-up before being thrust into the very extensive program designed for them in India, thus also providing an opportunity for the group to get acquainted with each other, and to establish their own group rapport. For those who had never been out of the United States before, it gave them a slight experience of an in-between culture, so that they would not judge India solely in terms of the U.S.A. Were the tax on on-going travel to be levied on the basis of "expenditure" rather than "travel", this would virtually eliminate such stops. However, it would not mean a dollar savings for the United States, but would radically weaken the program.

4. Tax-free base raised to \$10 per day

We recommend that the tax-free base in figuring expenditure taxes be raised to \$10 per day. Room and board in the so-called poorer nations can be obtained for less than \$10 per day. However, our programs in Japan and Finland could not have been financed on less than \$10 per person per day. The educational value of the program would be threatened were students not able to attend concerts, special events reflecting the culture of the people, etc. Although it is not possible to include much on \$10 per day, with such an allowance by careful budgeting some important events could be included, and the tax burden would not become prohibitive.

5. Overseas administration not taxed

We strongly petition that the cost of programming overseas projects not be taxed on the 30% basis, as implied by the advanced information. For instance, when the YWCA of the U.S.A. arranges a project in a foreign country, we transfer small funds, a few hundred dollars, to the YWCA of the country asking them