$25,000, while benefits to those with lower incomes steadily decrease to the vanishing point. The Associations have consistently recognized the desirability of participation in various types of Federally-aided programs by both nonpublic and public institutions. They view the tax-credit proposal as inequitable from every standpoint and unsound from the standpoints of fiscal policy, educational policy, and national policy in general. The Treasury Department has ably stated the objections from the standpoint of national fiscal policy. Proponents of this legislation have made it clear that its essential purpose is to give tax support to educational institutions proportional, to some extent at least, to the fees charged students. Since the fees would have to be raised to provide the additional income desired, the benefit would flow to the college, not the taxpayer. To the extent that fees are raised, students from low-income families would find their educational costs increased rather than decreased. Institutions with low tuition charges would be placed under pressure to increase them in order to collect Federal aid by this route. Institutions which wish to engage in discriminatory practices and still enjoy Federal support would be encouraged to do so.

These Associations take the position that, to the extent that Congress finds it in the national interest to provide either general specific-purpose support from public funds for institutions of higher education, ways can and should be found for doing this which retain the principles of public accountability for the expenditure of public funds, which are fiscally and educationally sound, and which do not in their operation discriminate against large groups of students and institutions. The tax-credit approach does not meet these standards.

(2) Student Loan Indenture Proposal (Educational Opportunity Bank).

The proposal described by its proponents as an "Educational Opportunity Bank" can in fact be more accurately described as one through which the student is asked to enter into a special Federal income-tax indenture for most of his working life in order to permit colleges and universities to recapture approximately the full cost of educational services provided through sharp increases in required charges. Its most glaring defect from the standpoint of public policy is that it