

when the tax credit began to be talked about, and discovered we would oppose the idea because each of those presidents and business managers said that the moment that tax credit is given they would feel free to raise their tuition rate.

So it is a false benefit in that it gets taken right back, it seems to us.

Mrs. GREEN. There are a few others though, if we require 3 percent on the loan provision, the interest rate on the loan.

Mr. SPALDING. Yes, ma'am.

Mrs. GREEN. That is rather false, too, because then the next thing we do is devote more money to student assistance because the college passes on the cost. There are a few other places, rather than Mr. "X" being able to deduct \$300 if he pays somebody else in the institution in the way of scholarship but not being allowed to deduct for his own child.

My thanks to both of you. We may call on the American Council again as we get closer to the markup period of the bill.

The subcommittee is adjourned until tomorrow morning at 10 o'clock when General Hershey will be here to consider the impact of current draft policy on graduate and undergraduate education.

The meeting is adjourned until that time.

(Whereupon, at 12:35 p.m. the special subcommittee recessed to reconvene at 10 a.m., Friday, March 1, 1968.)

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