

interested study and research is not only necessary for the life of the mind but essential for the spiritual health of the nation leads us to speak out against restrictions which could seriously compromise the freedom of intellectual inquiry in colleges and universities, for those who learn as well as those who teach. Most essentially, the proposed impediments to individual movement are in strong conflict with basic human rights of free action and communication."

STATEMENT OF ASSOCIATION INTERNATIONALE DES ETUDIANTS EN SCIENCES
ECONOMIQUES ET COMMERCIALES

COMMENTS ON THE DETRIMENTAL EFFECT OF THE ADMINISTRATION'S BALANCE
OF PAYMENTS PROPOSALS (ON TRAVEL TAXES)

AIESEC-US is one of forty-one member countries of AIESEC (Association Internationale des Etudiants en Sciences Economiques et Commerciales—International Association of Students in Business and Economics) with eighty-five local committees at universities in the United States. AIESEC is the only independent organization that sponsors university-level training in business and economics internationally. The gap between American education and practical experience is recognized by the educational and business communities from which AIESEC receives its support. The AIESEC program is recognized for its educational value in helping to train students in this field; trainees have an educational tax status and AIESEC is special exchange visitor program with visa-granting authority for the foreign students coming to the U.S. AIESEC is on Consultative B Status with UNESCO.

AIESEC is a reciprocal exchange program, entirely student-run, non-political, and non-profit. In 1967, we enabled almost 700 American students to go abroad for educational traineeship experience during their summer vacations and correspondingly were able to place 700 foreign students in traineeship positions with American companies.

The AIESEC trainee internationally pays his own transportation cost and earns a living stipend during his traineeship period which lasts a minimum of eight weeks and often from ten to twelve weeks. Because our students pay their own travel costs and forfeit American wages to receive international training experience in their fields of study, the National Committee of AIESEC-US strongly opposes two aspects of the Administration's travel tax proposals:

One: The 120 day period for a student to be eligible for non-taxable trip classification. AIESEC students are normally on traineeships abroad for 60 to 90 days, because of their American university schedules.

Two: The inclusion of foreign "earnings" in the amount subject to a foreign expenditure tax. American AIESEC trainees are paid a stipend by foreign companies which covers their room and board and miscellaneous expenses abroad. Since their traineeships take place in one geographical location, they have little time or funds for tourist-type travel. American students who take AIESEC traineeships are seriously preparing themselves for careers in international service; many would be hindered from the traineeship experience if subjected to additional costs such as the foreign expenditure tax, because they expect their foreign "stipend" to cover their costs of living abroad.

Amendment and clarification of points One and Two respectively by the House Ways and Means Committee seem necessary if AIESEC is to maintain the present level of its program for international traineeship experience in business and economics. If American students are discouraged from foreign travel, their foreign student counterparts will be hindered from traineeship experiences in the United States, because of the reciprocity of AIESEC operations.

STATEMENT OF ARTHUR HOWE, JR., PRESIDENT, AMERICAN FIELD SERVICE INTERNATIONAL SCHOLARSHIPS

The American Field Service International Scholarship Programs wish to record strong opposition to the Administration's travel tax and expenditure tax proposals as they apply to AFS. Implementation of these two taxes without exemption for AFS would represent a drastic reversal of longstanding governmental policy to aid and encourage the AFS in the development of its programs