

(d) Section 9(c) of such Act (49 U.S.C. 1108(c)) is amended by striking out "Alaska, Hawaii," and by inserting before the period at the end thereof the following: ", or a special reservation for Government purposes".

(e) Section 10(c) of such Act (49 U.S.C. 1109(c)) is amended by striking out "Alaska and" where it appears in the heading and in the text of such section.

SEC. 9. Section 1109 of the Federal Aviation Act of 1958 (49 U.S.C. 1509) is amended by adding at the end thereof the following new subsection:

"(e) There are authorized to be appropriated such sums as may be necessary to enable the head of any department or agency of the Federal Government charged with any duty of inspection, clearance, collection of taxes or duties, or other similar function, with respect to persons or property moving in air commerce, to acquire such space at public airports (as defined in the Federal Airport Act) as he determines, after consultation with the Administrator of the Federal Aviation Agency, to be necessary for the performance of such duty. In acquiring any such space, the head of such department or agency shall act through the Administrator of General Services in accordance with the procedures established by law which are generally applicable to the acquisition of space to be used by departments and agencies of the Federal Government."

49 U.S.C. 1101
note.

SEC. 10. The amendments made by this Act shall not apply with respect to projects for which amounts have been obligated by the execution of grant agreements before their enactment. With respect to such projects, the Federal Airport Act shall continue to apply as if this Act had not been enacted.

Approved September 20, 1961, 11:55 a.m.

Public Law 87-256

AN ACT

To provide for the improvement and strengthening of the international relations of the United States by promoting better mutual understanding among the peoples of the world through educational and cultural exchanges.

September 21, 1961
[H. R. 8666]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Mutual Educational and Cultural Exchange Act of 1961".

Mutual Educational and Cultural Exchange Act of 1961.

SEC. 101. STATEMENT OF PURPOSE.—The purpose of this Act is to enable the Government of the United States to increase mutual understanding between the people of the United States and the people of other countries by means of educational and cultural exchange; to strengthen the ties which unite us with other nations by demonstrating the educational and cultural interests, developments, and achievements of the people of the United States and other nations, and the contributions being made toward a peaceful and more fruitful life for people throughout the world; to promote international cooperation for educational and cultural advancement; and thus to assist in the development of friendly, sympathetic, and peaceful relations between the United States and the other countries of the world.

SEC. 102. (a) The President is authorized, when he considers that it would strengthen international cooperative relations, to provide, by grant, contract, or otherwise, for—

Presidential authority.

(1) educational exchanges, (i) by financing studies, research, instruction, and other educational activities—

(A) of or for American citizens and nationals in foreign countries, and

(B) of or for citizens and nationals of foreign countries in American schools and institutions of learning located in or outside the United States;

and (ii) by financing visits and interchanges between the United States and other countries of students, trainees, teachers, instructors, and professors;

(2) cultural exchanges, by financing—

(i) visits and interchanges between the United States and other countries of leaders, experts in fields of specialized knowledge or skill, and other influential or distinguished persons;

(ii) tours in countries abroad by creative and performing artists and athletes from the United States, individually and in groups, representing any field of the arts, sports, or any other form of cultural attainment;

(iii) United States representation in international artistic, dramatic, musical, sports, and other cultural festivals, competitions, meetings, and like exhibitions and assemblies;

(iv) participation by groups and individuals from other countries in nonprofit activities in the United States similar to those described in subparagraphs (ii) and (iii) of this paragraph, when the President determines that such participation is in the national interest.

(3) United States participation in international fairs and expositions, including trade and industrial fairs and other public or private demonstrations of United States economic accomplishments and cultural attainments.

(b) In furtherance of the purposes of this Act, the President is further authorized to provide for—

(1) interchanges between the United States and other countries of handicrafts, scientific, technical, and scholarly books, books of literature, periodicals, and Government publications, and the reproduction and translation of such writings, and the preparation, distribution, and interchange of other educational and research materials, including laboratory and technical equipment for education and research;

(2) establishing and operating in the United States and abroad centers for cultural and technical interchanges to promote better relations and understanding between the United States and other nations through cooperative study, training, and research;

(3) assistance in the establishment, expansion, maintenance, and operation of schools and institutions of learning abroad, founded, operated, or sponsored by citizens or nonprofit institutions of the United States, including such schools and institutions serving as demonstration centers for methods and practices employed in the United States;

(4) fostering and supporting American studies in foreign countries through professorships, lectureships, institutes, seminars, and courses in such subjects as American history, government, economics, language and literature, and other subjects related to American civilization and culture, including financing the attendance at such studies by persons from other countries;

(5) promoting and supporting medical, scientific, cultural, and educational research and development;

(6) promoting modern foreign language training and area studies in United States schools, colleges, and universities by supporting visits and study in foreign countries by teachers and prospective teachers in such schools, colleges, and universities for the purpose of improving their skill in languages and their knowledge of the culture of the people of those countries, and by financing visits by teachers from those countries to the United States for the purpose of participating in foreign language training and area studies in United States schools, colleges, and universities;

(7) United States representation at international nongovernmental educational, scientific, and technical meetings;

(8) participation by groups and individuals from other countries in educational, scientific, and technical meetings held under American auspices in or outside the United States;

(9) encouraging independent research into the problems of educational and cultural exchange.

SEC. 103. (a) The President is authorized to enter into agreements with foreign governments and international organizations, in furtherance of the purposes of this Act. In such agreements the President is authorized, when he deems it in the public interest, to seek the agreement of the other governments concerned to cooperate and assist, including making use of funds placed in special accounts pursuant to agreements concluded in accordance with section 115(b)(6) of the Economic Cooperation Act of 1948, or any similar agreements, in providing for the activities authorized in section 102, and particularly those authorized in subsection 102(a)(1), of this Act with respect to the expenses of international transportation of their own citizens and nationals and of activities in furtherance of the purposes of this Act carried on within the borders of such other nations.

(b) Such agreements may also provide for the creation or continuation of binational or multinational educational and cultural foundations and commissions for the purpose of administering programs in furtherance of the purposes of this Act.

(c) In such agreements with international organizations, the President may provide for equitable United States participation in and support for, including a reasonable share of the cost of, educational and cultural programs to be administered by such organizations.

SEC. 104. (a) The President may delegate, to such officers of the Government as he determines to be appropriate, any of the powers conferred upon him by this Act to the extent that he finds such delegation to be in the interest of the purposes expressed in this Act and the efficient administration of the programs undertaken pursuant to this Act: *Provided*, That where the President has delegated any of such powers to any officer, before the President implements any proposal for the delegation of any of such powers to another officer, that proposal shall be submitted to the Speaker of the House of Representatives and to the Committee on Foreign Relations of the Senate, and thereafter a period of not less than sixty days shall have elapsed while Congress is in session. In computing such sixty days, there shall be excluded the days on which either House is not in session because of an adjournment of more than three days.

Agreements.

62 Stat. 151.

U. S. participation.

Delegation of authority.

Transmittal to Congress.

Personnel.

(b) The President is authorized to employ such other personnel as he deems necessary to carry out the provisions and purposes of this Act, and of such personnel not to exceed ten may be compensated without regard to the provisions of the Classification Act of 1949, as amended, and of these not to exceed five may be compensated at a rate in excess of the highest rate provided for grades of the general schedule established by the Classification Act of 1949, as amended, but not in excess of \$1,000 per annum more than such highest rate. Such positions shall be in addition to the number authorized by section 505 of the Classification Act of 1949, as amended.

63 Stat. 954.
5 USC 1071 and
note.

5 USC 1105.

(c) For the purpose of performing functions under this Act outside the United States, including participation in binational or multinational foundations or commissions, the Secretary of State may employ or assign or authorize the employment or assignment for the duration of operations under this Act of persons in or to the Foreign Service Reserve or Foreign Service Staff and alien clerks and employees in accordance with applicable provisions of the Foreign Service Act of 1946, as amended (22 U.S.C. 801).

60 Stat. 999.

(d) For the purpose of performing functions under this Act outside the United States, the President is authorized to provide that any person employed or assigned by a United States Government agency shall be entitled, except to the extent that the President may specify otherwise in cases in which the period of employment or assignment exceeds thirty months, to the same benefits as are provided by section 528 of the Foreign Service Act of 1946, as amended (22 U.S.C. 928), for persons appointed to the Foreign Service Reserve and, except for policymaking officials, the provisions of section 1005 of the Foreign Service Act of 1949, as amended (22 U.S.C. 807), shall apply in the case of such persons.

60 Stat. 1010.

60 Stat. 1030.

Grants.

(e) (1) In providing for the activities and interchanges authorized by section 102 of this Act, grants may be made to or for individuals, either directly or through foundations or educational or other institutions, which foundations or institutions are public or private nonprofit, and may include funds for tuition and other necessary incidental expenses, for travel expenses from their places of residence and return for themselves, and, whenever it would further the purposes of this Act, for the dependent members of their immediate families, for health and accident insurance premiums, emergency medical expenses, costs of preparing and transporting to their former homes the remains of any of such persons who may die while away from their homes as participants or dependents of participants in any program under this Act, and for per diem in lieu of subsistence at rates prescribed by the President, for all such persons, and for such other expenses as are necessary for the successful accomplishment of the purposes of this Act.

Use of funds.

(2) Funds available for programs under this Act may be used (i) to provide for orientation courses, language training, or other appropriate services and materials for persons traveling out of the countries of their residence for educational and cultural purposes which further the purposes of this Act, whether or not they are receiving other financial support from the Government, and (ii) to provide or continue services to increase the effectiveness of such programs following the return of such persons to the countries of their residence.

(3) For the purpose of assisting foreign students in making the best use of their opportunities while attending colleges and universities in the United States, and assisting such students in directing their talents and initiative into channels which will make them more effective leaders upon return to their native lands, the President may make suitable arrangements, by contract or otherwise, for the establishment and maintenance at colleges and universities in the United States attended by foreign students of an adequate counseling service.

Counseling serv-
ice.

(4) The President is authorized to provide for publicity and promotion (including representation) abroad of activities of the type provided for in this Act.

Publicity and
promotion abroad.

(f) All persons employed or assigned to duties under this Act shall be investigated with respect to loyalty and suitability in accordance with standards and procedures established by the President.

Investigation of
employees.

SEC. 105. (a) Appropriations to carry out the purposes of this Act, to remain available until expended, are hereby authorized, and this authorization includes the authority to grant, in any appropriation Act, the authority to enter into contracts, within the amounts so authorized, creating obligations in advance of appropriations.

Appropriations.

(b) Funds appropriated for programs under this Act may, without regard to section 3651 of the Revised Statutes (31 U.S.C. 543), be used for the acquisition from any source of foreign currencies in such amounts as may be necessary for current expenditures and for grants, including grants to foundations and commissions in accordance with international agreements providing for the accomplishment of the purposes of this Act.

Foreign curren-
cies.
Acquisition.

(c) Moneys appropriated to any department or agency of the Government in furtherance of the purposes of this Act for research, technical aid, and educational and cultural programs, may be transferred by the President to any other appropriation available for like purposes, but no appropriation authorized by this Act shall be increased or decreased by more than 10 per centum by reason of transfers pursuant to this paragraph.

Transfers of
funds.

(d) The President is authorized—

Reserve and use
of certain funds.

(1) to reserve in such amounts and for such periods as he shall determine to be necessary to provide for the programs authorized by subsections 102(a)(1) and 102(a)(2)(i), and

(2) notwithstanding the provisions of any other law, to use in such amounts as may from time to time be specified in appropriation Acts, to the extent that such use is not restricted by agreement with the foreign nations concerned, for any programs authorized by this Act,

any currencies of foreign nations received or to be received by the United States or any agency thereof—

(i) under agreements disposing of surplus property or settling lend-lease and other war accounts concluded after World War II;

(ii) as the proceeds of sales or loan repayments, including interest, for transactions heretofore or hereafter effected under the Agricultural Trade Development and Assistance Act of 1954, as amended;

(iii) in repayment of principal or interest on any other credit extended or loan heretofore or hereafter made by the United States or any agency thereof; or

68 Stat. 454.
7 USC 1691 note.

(iv) as deposits to the account of the United States pursuant to section 115(b)(6) or section 115(h) of the Economic Cooperation Act of 1948, as amended, or any similar provision of any other law.

63 Stat. 54; 64
Stat. 201.
22 USC 1513 note.

(e) The President is further authorized to reserve and use for educational and cultural exchange programs and other activities authorized in subsections 102(a) and (b) of this Act, in relation to Finland and the people of Finland, all sums due or paid on and after August 24, 1949, by the Republic of Finland to the United States as interest on or in retirement of the principal of the debt incurred under the Act of February 25, 1919, as refunded by the agreement dated May 1, 1923, pursuant to the authority contained in the Act of February 9, 1922, or of any other indebtedness incurred by that Republic and owing to the United States as a result of World War I.

40 Stat. 1161.

42 Stat. 363.

Foreign partici-
pation.

(f) Foreign governments, international organizations and private individuals, firms, associations, agencies, and other groups shall be encouraged to participate to the maximum extent feasible in carrying out this Act and to make contributions of funds, property, and services which the President is hereby authorized to accept, to be utilized to carry out the purposes of this Act. Funds made available for the purposes of this Act may be used to contribute toward meeting the expenses of activities carried out through normal private channels, by private means, and through foreign governments and international organizations.

Board of Foreign
Scholarships.

Sec. 106. (a)(1) For the purpose of selecting students, scholars, teachers, trainees, and other persons to participate in the programs authorized under section 102(a)(1) of this Act, and of supervising such programs and the programs authorized under section 102(b)(4) and (6), there is hereby continued the authority of the President to appoint a Board of Foreign Scholarships (hereinafter referred to as the "Board") consisting of twelve members. In connection with appointments to such Board, due consideration shall be given to the selection of distinguished representatives of cultural, educational, student advisory, and war veterans groups, and representatives of the United States Office of Education, the United States Veterans' Administration, public and private nonprofit educational institutions.

(2) In the selection of American citizens for participation in programs under this Act, preference shall be given to those who have served in the Armed Forces of the United States, and due consideration shall be given to applicants from all geographical areas of the United States.

U. S. Advisory
Commission on In-
ternational Educa-
tional and Cultural
Affairs.

(b)(1) The United States Advisory Commission on International Educational and Cultural Affairs (hereinafter referred to as the "Commission") is hereby established to replace the United States Advisory Commission on Educational Exchange. The Commission shall formulate and recommend to the President policies for exercising his authority under this Act and shall appraise the effectiveness of programs carried out pursuant to it. The Commission shall make a special study of the effectiveness of past programs with emphasis on the activities of a reasonably representative cross section of past recipients of aid and shall submit a report to the Congress not later than December 31, 1962.

Report to Con-
gress.

(2) The Commission shall consist of nine members, who shall be appointed by the President, by and with the advice and consent of the Senate. Members of the Commission shall be appointed on a nonpartisan basis.

Composition of Commission.

(3) The members of the Commission shall represent the public interest and shall be selected from a cross section of educational, cultural, scientific, technical, and public service backgrounds.

(4) The term of each member shall be three years except that, of the first nine appointments, three shall be for a term of one year and three shall be for a term of two years. Any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor is appointed shall be appointed for the remainder of such term. Upon the expiration of his term of office any member may continue to serve until his successor is appointed and has qualified.

Term.

(5) The President shall designate a Chairman from among members of the Commission.

Chairman.

(6) The Commission is authorized to adopt such rules and regulations as it may deem necessary to carry out the authority conferred upon it by this Act.

Rules and regulations.

(c) (1) There is hereby continued the Advisory Committee on the Arts (hereinafter referred to as the "Committee") created under section 10 of the International Cultural Exchange and Trade Fair Participation Act of 1956, consisting of a Chairman and nine other members of whom at least one shall be a member of the Commission. Appointment of all members and selection of the Chairman of this Committee shall hereafter be made by the Secretary of State. In making such appointments due consideration shall be given to the recommendations for nomination submitted by leading national organizations in the major art fields.

Advisory Committee on the Arts.

70 Stat. 779.
22 USC 1999.

(2) The members of the Committee shall be individuals whose knowledge of or experience in, or whose profound interest in, one or more of the arts will enable them to assist the Commission, the President, and other officers of the Government in performing the functions described in paragraph (3) of this subsection.

(3) The Committee shall, in connection with activities authorized under subsection 102(a) (2) of this Act—

Activities.

(A) advise and assist the Commission in the discharge of its responsibilities in the field of international educational exchange and cultural presentations with special reference to the role of the arts in such fields;

(B) advise other interested officers of the Government in the discharge of their responsibilities in connection with such activities and in connection with other international activities concerned with the arts;

(C) provide such other advice and assistance as may be necessary or appropriate.

(4) The term of office of each of the members of the Committee shall be three years.

(d) The President is authorized to create such interagency and other advisory committees as in his judgment may be of assistance in carrying out the purposes of this Act, and from time to time to convene conferences of persons interested in educational and cultural affairs to consider matters relating to the purposes of this Act.

Creation of other committees.

(e) The provisions of section 214 of the Act of May 3, 1945 (59 Stat. 134; 31 U.S.C. 691), shall be applicable to any interagency com-

mittee created pursuant to the provisions of this Act. Members of the Board, the Commission, the Committee, and other committees provided for in this section shall be entitled (i) to transportation expenses and per diem in lieu of subsistence at the rate prescribed by or established pursuant to section 5 of the Administrative Expense Act of 1946, as amended (5 U.S.C. 73b-2), while away from home in connection with attendance at meetings or in consultation with officials of the Government or otherwise carrying out duties as authorized, and (ii) if not otherwise in the employ of the United States Government, to compensation at rates not in excess of \$50 per diem while performing services for such Board, Commission, Committee, or other committee.

Ante, pp. 339,
340.
60 Stat. 808; 69
Stat. 394.

Committee,
etc., staffs.

Reports to Con-
gress.

(f) The President is authorized to provide for necessary secretarial and staff assistance for the Board, the Commission, the Committee, and such other committees as may be created under this section.

SEC. 107. The Board, the Commission, and the Committee shall submit annual reports to the Congress and such other reports to the Congress as they deem appropriate, and shall make reports to the public in the United States and abroad to develop a better understanding of and support for the programs authorized by this Act.

SEC. 108. (a) Whenever the President determines it to be in furtherance of this Act, the functions authorized in section 102(a) (2) and (3) may be performed without regard to such provisions of law or limitations of authority regulating or relating to the making, performance, amendment, or modification of contracts, the acquisition and disposition of property, and the expenditure of Government funds, as he may specify.

(b) The President shall submit annual reports to the Congress of activities carried on and expenditures made in furtherance of the purposes of this Act. Each such report shall include the texts of agreements made with other nations during the period covered by the report, a full description of the program and the funds expended with respect to each country in which activities have been carried on in furtherance of the purposes of this Act.

(c) In connection with activities authorized by section 102(a) (2) and (3) of this Act, the President is authorized to provide for all necessary expenditures involved in the selection, purchase, rental, construction, or other acquisition of exhibits and materials and equipment therefor, and the actual display thereof, including but not limited to costs of transportation, insurance, installation, safekeeping and storage, maintenance and operation, rental of space, and dismantling.

(d) The President is authorized to utilize the provisions of title VIII of the United States Information and Educational Exchange Act of 1948, as amended, to the extent he deems necessary in carrying out the provisions and purposes of this Act.

22 USC 1471-
1473.

Immigration and
Nationality Act,
amendment.

8 USC 1101 note.

SEC. 109. The Immigration and Nationality Act, as amended, is hereby amended as follows:

(a) In section 101(a) (15) (F) insert "(i)" at the beginning thereof, strike out the semicolon at the end thereof, and add the following: ", and (ii) the alien spouse and minor children of any such alien if accompanying him or following to join him;"

(b) In section 101(a) (15) (I) change the period to a semicolon at the end thereof and add the following:

"(J) an alien having a residence in a foreign country which he has no intention of abandoning who is a bona fide student, scholar, trainee, teacher, professor, research assistant, specialist, or leader in a field of specialized knowledge or skill, or other person of similar description, who is coming temporarily to the United States as a participant in a program designated by the

Secretary of State, for the purpose of teaching, instructing or lecturing, studying, observing, conducting research, consulting, demonstrating special skills, or receiving training, and the alien spouse and minor children of any such alien if accompanying him or following to join him."

(c) In section 212 redesignate subsection "(e)" to read "(f)" and add a new subsection "(e)" to read:

"(e) No person admitted under section 101(a)(15)(J) or acquiring such status after admission shall be eligible to apply for an immigrant visa, or for permanent residence, or for a nonimmigrant visa under section 101(a)(15)(H) until it is established that such person has resided and been physically present in the country of his nationality or his last residence, or in another foreign country for an aggregate of at least two years following departure from the United States: *Provided*, That such residence in another foreign country shall be considered to have satisfied the requirements of this subsection if the Secretary of State determines that it has served the purpose and the intent of the Mutual Educational and Cultural Exchange Act of 1961: *Provided further*, That upon the favorable recommendation of the Secretary of State, pursuant to the request of an interested United States Government agency, or of the Commissioner of Immigration and Naturalization after he has determined that departure from the United States would impose exceptional hardship upon the alien's spouse or child (if such spouse or child is a citizen of the United States or a lawfully resident alien), the Attorney General may waive the requirement of such two-year foreign residence abroad in the case of any alien whose admission to the United States is found by the Attorney General to be in the public interest: *And provided further*, That the provisions of this paragraph shall apply also to those persons who acquired exchange visitor status under the United States Information and Educational Exchange Act of 1948, as amended"; and

(d) In section 248, after the language "paragraph (15)(C)", in both instances, add "or (J)".

SEC. 110. (a) Section 117(b)(2)(A) of the Internal Revenue Code of 1954 (relating to the conditions for exclusion of scholarships and fellowship grants in the case of individuals who are not candidates for degrees) is amended to read as follows:

"(A) CONDITIONS FOR EXCLUSION.—The grantor of the scholarship or fellowship grant is—

"(i) an organization described in section 501(c)(3) which is exempt from tax under section 501(a),

"(ii) a foreign government,

"(iii) an international organization, or a binational or multinational educational and cultural foundation or commission created or continued pursuant to the Mutual Educational and Cultural Exchange Act of 1961, or

"(iv) the United States, or an instrumentality or agency thereof, or a State, a territory, or a possession of the United States, or any political subdivision thereof, or the District of Columbia."

(b) Section 871 of the Internal Revenue Code of 1954 (relating to tax on nonresident alien individuals) is amended by redesignating subsection (d) as subsection (e) and by inserting after subsection (c) the following new subsection:

"(d) PARTICIPANTS IN CERTAIN EXCHANGE OR TRAINING PROGRAMS.—For purposes of this section, a nonresident alien individual who (without regard to this subsection) is not engaged in trade or business within the United States and who is temporarily present in the United States as a nonimmigrant under subparagraph (F) or

8 USC 1182.

Ante, p. 534.

62 Stat. 6.
22 USC 1431
note.
8 USC 1258.

Internal Revenue
Code, amendments.
26 USC 117.

26 USC 501.

26 USC 871.

(J) of section 101(a)(15) of the Immigration and Nationality Act, as amended, shall be treated as a nonresident alien individual engaged in trade or business within the United States."

8 USC 1101.
Ante, p. 534.
26 USC 872.

(c) Section 872(b) of the Internal Revenue Code of 1954 (relating to exclusions from gross income of nonresident alien individuals) is amended by adding at the end thereof the following new paragraph:

"(3) COMPENSATION OF PARTICIPANTS IN CERTAIN EXCHANGE OR TRAINING PROGRAMS.—Compensation paid by a foreign employer to a nonresident alien individual for the period he is temporarily present in the United States as a nonimmigrant under subparagraph (F) or (J) of section 101(a)(15) of the Immigration and Nationality Act, as amended. For purposes of this paragraph, the term 'foreign employer' means—

"(A) a nonresident alien individual, foreign partnership, or foreign corporation, or

"(B) an office or place of business maintained in a foreign country or in a possession of the United States by a domestic corporation."

26 USC 1441.

(d)(1) Section 1441(a) of the Internal Revenue Code of 1954 (relating to withholding of tax on nonresident aliens) is amended by inserting before the period at the end thereof the following: ", except that in the case of any item of income specified in the second sentence of subsection (b), the tax shall be equal to 18 percent of such item".

(2) Section 1441(b) of such Code (relating to income items subject to withholding) is amended by adding at the end thereof the following new sentence: "The items of income referred to in subsection (a) from which tax shall be deducted and withheld at the rate of 18 percent are—

"(1) that portion of any scholarship or fellowship grant which is received by a nonresident alien individual who is temporarily present in the United States as a nonimmigrant under subparagraph (F) or (J) of section 101(a)(15) of the Immigration and Nationality Act, as amended, and which is not excluded from gross income under section 117(a)(1) solely by reason of section 117(b)(2)(B); and

26 USC 117.

"(2) amounts described in subparagraphs (A), (B), (C), and (D) of section 117(a)(2) which are received by any such nonresident alien individual and which are incident to a scholarship or fellowship grant to which section 117(a)(1) applies, but only to the extent such amounts are includible in gross income."

26 USC 1441.

(3) Section 1441(c)(4) of the Internal Revenue Code of 1954 (relating to exceptions to withholding of tax on nonresident aliens) is amended to read as follows:

"(4) COMPENSATION OF CERTAIN ALIENS.—Under regulations prescribed by the Secretary or his delegate, there may be exempted from deduction and withholding under subsection (a) the compensation for personal services of—

"(A) nonresident alien individuals who enter and leave the United States at frequent intervals, and

"(B) a nonresident alien individual for the period he is temporarily present in the United States as a nonimmigrant under subparagraph (F) or (J) of section 101(a)(15) of the Immigration and Nationality Act, as amended."

26 USC 3121.

(e)(1) Section 3121(b) of the Internal Revenue Code of 1954 (relating to the definition of employment for purposes of the Federal Insurance Contributions Act) is amended—

26 USC 3125.

(A) by striking out "or" at the end of paragraph (17);

(B) by striking out the period at the end of paragraph (18) and inserting in lieu thereof "or"; and

(C) by adding at the end thereof the following new paragraph:

“(19) Service which is performed by a nonresident alien individual for the period he is temporarily present in the United States as a nonimmigrant under subparagraph (F) or (J) of section 101(a)(15) of the Immigration and Nationality Act, as amended, and which is performed to carry out the purpose specified in subparagraph (F) or (J), as the case may be.”

8 USC 1101.
Ante, p. 534.

(2) Section 210(a) of the Social Security Act, as amended, is amended—

42 USC 410.

(A) by striking out “or” at the end of paragraph (17);

(B) by striking out the period at the end of paragraph (18) and inserting in lieu thereof “; or”; and

(C) by adding at the end thereof the following new paragraph:

“(19) Service which is performed by a nonresident alien individual for the period he is temporarily present in the United States as a nonimmigrant under subparagraph (F) or (J) of section 101(a)(15) of the Immigration and Nationality Act, as amended, and which is performed to carry out the purpose specified in subparagraph (F) or (J), as the case may be.”

(f) Section 3306(c) of the Internal Revenue Code of 1954 (relating to the definition of employment for purposes of the Federal Unemployment Tax Act) is amended—

26 USC 3306.

(1) by striking out “or” at the end of paragraph (16);

(2) by striking out the period at the end of paragraph (17) and inserting in lieu thereof “; or”; and

(3) by adding at the end thereof the following new paragraph:

“(18) Service which is performed by a nonresident alien individual for the period he is temporarily present in the United States as a nonimmigrant under subparagraph (F) or (J) of section 101(a)(15) of the Immigration and Nationality Act, as amended, and which is performed to carry out the purpose specified in subparagraph (F) or (J), as the case may be.”

(g)(1) Section 3401(a)(6) of the Internal Revenue Code of 1954 (relating to the definition of wages for purposes of withholding of income tax at source) is amended by adding at the end thereof the following new subparagraph:

26 USC 3401.

“(C) an individual who is temporarily present in the United States as a nonimmigrant under subparagraph (F) or (J) of section 101(a)(15) of the Immigration and Nationality Act, as amended, if such remuneration is exempt, under section 1441(c)

(4) (B), from deduction and withholding under section 1441(a), and is not exempt from taxation under section 872(b)(3), or”.

Ante, p. 536,
26 USC 1441.
Ante, p. 536.
26 USC 3402.

(2) Section 3402(f) of such Code (relating to withholding exemptions) is amended by adding at the end thereof the following new paragraph:

“(6) EXEMPTION OF CERTAIN NONRESIDENT ALIENS.—Notwithstanding the provisions of paragraph (1), a nonresident alien individual (other than an individual described in section 3401(a)(6) (A) or (B)) shall be entitled to only one withholding exemption.”

26 USC 3401.

(h)(1) The amendments made by subsections (a), (b), and (c) of this section shall apply to taxable years beginning after December 31, 1961.

(2) The amendments made by subsection (d) of this section shall apply with respect to payments made after December 31, 1961.

(3) The amendments made by subsections (e) and (f) of this section shall apply with respect to service performed after December 31, 1961.

(4) The amendments made by subsection (g) of this section shall apply with respect to wages paid after December 31, 1961.

Repeals.

SEC. 111. (a) There are hereby repealed—

(1) Section 32(b)(2) of the Surplus Property Act of 1944, as amended (60 Stat. 754, 50 U.S.C. App. Sec. 1641);

(2) Sections 2(2), 201, 203 insofar as it relates to schools, 601, 602 and 603 insofar as they relate to the Advisory Commission on Educational Exchange, 1001 insofar as it relates to persons employed or assigned to duties under this Act, and 1008 and 1009 insofar as they relate to educational exchange activities, of the United States Information and Educational Exchange Act of 1948, as amended (62 Stat. 6; 22 U.S.C. sections 1431 (2); 1434, 1439, 1440, 1446, 1448, 1466, 1467, and 1468);

(3) The International Cultural Exchange and Trade Fair Participation Act of 1956 (70 Stat. 778; 22 U.S.C. 1991-2001);

(4) The joint resolution of August 24, 1949, authorizing the use of Finnish World War I debt payments available for educational and technical instruction, and so forth (63 Stat. 630; 20 U.S.C. 222-224).

(b) All Executive orders, agreements, determinations, regulations, contracts, appointments, and other actions issued, concluded, or taken under authority of any provisions of law repealed by subsection (a) of this section shall continue in full force and effect, and shall be applicable to the appropriate provisions of this Act until modified or superseded by appropriate authority.

(c) Any reference in any other Act to the provisions of law listed in subsection (a) shall hereafter be considered to be references to the appropriate provisions of this Act.

Approved September 21, 1961.

Public Law 87-257

AN ACT

September 21, 1961
[H. R. 8719]

To amend the Act of July 23, 1947, chapter 301, as amended, to extend for two years the authority to make temporary appointments and promotions in the United States Coast Guard.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 16 of the Act of July 23, 1947, chapter 301 (61 Stat. 413; 14 U.S.C. 435, note), as amended, is amended, to read as follows:

“SEC. 16. Notwithstanding the limitations contained in subsection (a) of section 435, and subsection (a) of section 436, of title 14, United States Code, the authority granted by those sections may be exercised until—

“(1) such time as the Secretary of the Treasury determines that the number of officers holding permanent appointments on the active list of the Coast Guard is equal to 95 per centum of the number of such officers authorized by law, exclusive of extra numbers; or

“(2) January 1, 1964; whichever occurs earlier.”

Approved September 21, 1961.

Coast Guard.
Temporary ap-
pointments.
72 Stat. 1555.

70A Stat. 621.