

Public Law 87-293

September 22, 1961
[H. R. 7500]

AN ACT

To provide for a Peace Corps to help the peoples of interested countries and areas in meeting their needs for skilled manpower.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—THE PEACE CORPS

SHORT TITLE

Peace Corps Act. SECTION 1. This Act may be cited as the "Peace Corps Act".

DECLARATION OF PURPOSE

SEC. 2. The Congress of the United States declares that it is the policy of the United States and the purpose of this Act to promote world peace and friendship through a Peace Corps, which shall make available to interested countries and areas men and women of the United States qualified for service abroad and willing to serve, under conditions of hardship if necessary, to help the peoples of such countries and areas in meeting their needs for trained manpower, and to help promote a better understanding of the American people on the part of the peoples served and a better understanding of other peoples on the part of the American people.

AUTHORIZATION

SEC. 3. (a) The President is authorized to carry out programs in furtherance of the purposes of this Act, on such terms and conditions as he may determine.

(b) There is hereby authorized to be appropriated to the President for the fiscal year 1962 not to exceed \$40,000,000 to carry out the purposes of this Act.

DIRECTOR OF THE PEACE CORPS AND DELEGATION OF FUNCTIONS

SEC. 4. (a) The President may appoint, by and with the advice and consent of the Senate, a Director of the Peace Corps, whose compensation shall be fixed by the President at a rate not in excess of \$20,000 per annum, and a Deputy Director of the Peace Corps, whose compensation shall be fixed by the President at a rate not in excess of \$19,500 per annum.

(b) The President may exercise any functions vested in him by this Act through such agency or officer of the United States Government as he shall direct. The head of any such agency or any such officer may promulgate such rules and regulations as he may deem necessary or appropriate to carry out such functions, and may delegate to any of his subordinates authority to perform any of such functions.

(c) (1) Nothing contained in this Act shall be construed to infringe upon the powers or functions of the Secretary of State.

(2) The President shall prescribe appropriate procedures to assure coordination of Peace Corps activities with other activities of the United States Government in each country, under the leadership of the chief of the United States diplomatic mission.

(3) Under the direction of the President, the Secretary of State shall be responsible for the continuous supervision and general direc-

tion of the programs authorized by this Act, to the end that such programs are effectively integrated both at home and abroad and the foreign policy of the United States is best served thereby.

(d) Except with the approval of the Secretary of State, the Peace Corps shall not be assigned to perform services which could more usefully be performed by other available agencies of the United States Government in the country concerned.

PEACE CORPS VOLUNTEERS

SEC. 5. (a) The President may enroll in the Peace Corps for service abroad qualified citizens and nationals of the United States (referred to in this Act as "volunteers"). The terms and conditions of the enrollment, training, compensation, hours of work, benefits, leave, termination, and all other terms and conditions of the service of volunteers shall be exclusively those set forth in this Act and those consistent therewith which the President may prescribe; and, except as provided in this Act, volunteers shall not be deemed officers or employees or otherwise in the service or employment of, or holding office under, the United States for any purpose. In carrying out this subsection no political test shall be required or taken into consideration, nor shall there be any discrimination against any person on account of race, creed, or color.

(b) Volunteers shall be provided with such living, travel, and leave allowances, and such housing, transportation, supplies, equipment, subsistence, and clothing as the President may determine to be necessary for their maintenance and to insure their health and their capacity to serve effectively. Transportation and travel allowances may also be provided, in such circumstances as the President may determine, for applicants for enrollment to or from places of training and places of enrollment, and for former volunteers from places of termination to their homes in the United States.

(c) Volunteers shall be entitled to receive termination payments at a rate not to exceed \$75 for each month of satisfactory service as determined by the President. The termination payment of each volunteer shall be payable at the termination of his service, or may be paid during the course of his service to the volunteer, to members of his family or to others, under such circumstances as the President may determine. In the event of the volunteer's death during the period of his service, the amount of any unpaid termination payment shall be paid in accordance with the provisions of section 61f of title 5 of the United States Code.

(d) Volunteers shall be deemed to be employees of the United States Government for the purposes of the Federal Employees' Compensation Act (39 Stat. 742), as amended: *Provided, however*, That entitlement to disability compensation payments under that Act shall commence on the day after the date of termination of service. For the purposes of that Act—

(1) volunteers shall be deemed to be receiving monthly pay at the lowest rate provided for grade 7 of the general schedule established by the Classification Act of 1949, as amended, and volunteer leaders (referred to in section 6 of this Act) shall be deemed to be receiving monthly pay at the lowest rate provided for grade 11 of such general schedule; and

(2) any injury suffered by a volunteer during any time when he is located abroad shall be deemed to have been sustained while in the performance of his duty and any disease contracted during such time shall be deemed to have been proximately caused by his employment, unless such injury or disease is

64 Stat. 395.

5 USC 751 note.

63 Stat. 954.
5 USC 1071 note.

caused by willful misconduct of the volunteer or by the volunteer's intention to bring about the injury or death of himself or of another, or unless intoxication of the injured volunteer is the proximate cause of the injury or death.

(e) Volunteers shall receive such health care during their service, and such health examinations and immunization preparatory to their service, as the President may deem necessary or appropriate. Subject to such conditions as the President may prescribe, such health care, examinations, and immunization may be provided for volunteers in any facility of any agency of the United States Government, and in such cases the appropriation for maintaining and operating such facility shall be reimbursed from appropriations available under this Act.

(f)(1) Any period of satisfactory service of a volunteer under this Act shall be credited in connection with subsequent employment in the same manner as a like period of civilian employment by the United States Government—

(A) for the purposes of the Civil Service Retirement Act, as amended (5 U.S.C. 2251, et seq.), section 852(a)(1) of the Foreign Service Act of 1946, as amended (22 U.S.C. 1092(a)(1)), and every other Act establishing a retirement system for civilian employees of any United States Government agency; and

(B) except as otherwise determined by the President, for the purposes of determining seniority, reduction in force, and lay-off rights, leave entitlement, and other rights and privileges based upon length of service under the laws administered by the Civil Service Commission, the Foreign Service Act of 1946, and every other Act establishing or governing terms and conditions of service of civilian employees of the United States Government: *Provided*, That service of a volunteer shall not be credited toward completion of any probationary or trial period or completion of any service requirement for career appointment.

(2) For the purposes of paragraph (1)(A) of this subsection, volunteers and volunteer leaders shall be deemed to be receiving compensation during their service at the respective rates of termination payments payable under sections 5(c) and 6(1) of this Act.

(g) The President may detail or assign volunteers or otherwise make them available to any entity referred to in paragraph (1) of section 10(a) on such terms and conditions as he may determine: *Provided, however*, That any volunteer so detailed or assigned shall continue to be entitled to the allowances, benefits and privileges of volunteers authorized under or pursuant to this Act.

(h) Volunteers shall be deemed employees of the United States Government for the purposes of the Federal Tort Claims Act and any other Federal tort liability statute, and for the purposes of section 1 of the Act of June 4, 1920 (41 Stat. 750), as amended (22 U.S.C. 214).

(i) The service of a volunteer may be terminated at any time at the pleasure of the President.

(j) Upon enrollment in the Peace Corps, every volunteer shall take the oath prescribed for persons appointed to any office of honor or profit by section 1757 of the Revised Statutes of the United States, as amended (5 U.S.C. 16), and shall swear (or affirm) that he does not advocate the overthrow of our constitutional form of government in the United States, and that he is not a member of an organization that advocates the overthrow of our constitutional form of government in the United States, knowing that such organization so advocates.

70 Stat. 736.

74 Stat. 844.

60 Stat. 999.
22 USC 801 note.

28 USC 2671-
2680 and notes.

PEACE CORPS VOLUNTEER LEADERS

SEC. 6. The President may enroll in the Peace Corps qualified citizens or nationals of the United States whose services are required for supervisory or other special duties or responsibilities in connection with programs under this Act (referred to in this Act as "volunteer leaders"). The ratio of the total number of volunteer leaders to the total number of volunteers in service at any one time shall not exceed one to twenty-five. Except as otherwise provided in this Act, all of the provisions of this Act applicable to volunteers shall be applicable to volunteer leaders, and the term "volunteers" shall include "volunteer leaders": *Provided, however, That—*

(1) volunteer leaders shall be entitled to receive termination payments at a rate not to exceed \$125 for each month of satisfactory service as determined by the President;

(2) spouses and minor children of volunteer leaders may receive such living, travel, and leave allowances, and such housing, transportation, subsistence, and essential special items of clothing, as the President may determine, but the authority contained in this paragraph shall be exercised only under exceptional circumstances;

(3) spouses and minor children of volunteer leaders accompanying them may receive such health care as the President may determine and upon such terms as he may determine, including health care in any facility referred to in section 5(e) of this Act, subject to such conditions as the President may prescribe and subject to reimbursement of appropriations as provided in section 5(e); and

(4) spouses and minor children of volunteer leaders accompanying them may receive such orientation, language, and other training necessary to accomplish the purposes of this Act as the President may determine.

PEACE CORPS EMPLOYEES

SEC. 7. (a) The President may employ such persons, not to exceed 275 persons permanently employed in the United States at any one time in fiscal year 1962, as the President deems necessary to carry out the provisions and purposes of this Act. Except as otherwise provided in this Act, such persons (hereinafter sometimes referred to as "employees") shall be employed in accordance with and shall be subject to the laws applicable to personnel employed by the United States Government.

(b) Of the persons so employed in the United States in activities authorized by this Act, not to exceed thirty may be compensated without regard to the provisions of the Classification Act of 1949, as amended, of whom not to exceed twenty may be compensated at rates higher than those provided for grade fifteen of the general schedule established by the Classification Act of 1949, as amended, and of these not to exceed two may be compensated at a rate in excess of the highest rate provided for grades of such general schedule but not in excess of \$19,000 per year. Such positions shall be in addition to those authorized by section 4(a) of this Act to be filled by Presidential appointment, and in addition to the number authorized by section 505 of the Classification Act of 1949, as amended.

(c) For the purpose of performing functions under this Act outside the United States, the President may—

(1) employ or assign persons, or authorize the employment or assignment of officers or employees of agencies of the United States Government, who shall receive compensation at any of

63 Stat. 954.
5 USC 1071 note.

5 USC 1105.

the rates provided for persons appointed to the Foreign Service Reserve and Staff under the Foreign Service Act of 1946, as amended (22 U.S.C. 801 et seq.), together with allowances and benefits thereunder; and persons so employed or assigned shall be entitled, except to the extent that the President may specify otherwise in cases in which the period of the employment or assignment exceeds thirty months, to the same benefits as are provided by section 528 of that Act for persons appointed to the Foreign Service Reserve, and the provisions of section 1005 of that Act shall apply in the case of such persons, except that policymaking officials shall not be subject to that part of section 1005 which prohibits political tests;

(2) utilize such authority, including authority to appoint and assign persons for the duration of operations under this Act, contained in the Foreign Service Act of 1946, as amended, as the President deems necessary to carry out functions under this Act. Such provisions of the Foreign Service Act of 1946 as the President deems appropriate shall apply to persons appointed or assigned under this paragraph, including in all cases, the provisions of section 528 of that Act: *Provided, however,* That the President may by regulation make exceptions to the application of section 528 in cases in which the period of the appointment or assignment exceeds thirty months: *Provided further,* That Foreign Service Reserve officers appointed or assigned pursuant to this paragraph shall receive within-class salary increases in accordance with such regulations as the President may prescribe; and

(3) specify which of the allowances and differentials authorized by title II of the Overseas Differentials and Allowances Act (5 U.S.C. 3031 et seq.) may be granted to any person employed, appointed or assigned under this subsection (c) and may determine the rates thereof not to exceed those otherwise granted to employees under that Act.

(d) The President is authorized to prescribe by regulation standards or other criteria for maintaining adequate performance levels for persons appointed or assigned pursuant to subsection (c) (2) of this section and section 527(c) (2) of the Mutual Security Act of 1954, as amended, and may, notwithstanding any other law, separate persons who fail to meet such standards or other criteria, and also may grant such persons severance benefits of one month's salary for each year of service, but not to exceed one year's salary at the then current salary rate of such persons.

(e) In each country or area in which volunteers serve abroad, the President may appoint an employee or a volunteer as a Peace Corps representative to have direction of other employees of the Peace Corps abroad and to oversee the activities carried on under this Act in such country or area. Unless a representative is a volunteer, the compensation, allowances and benefits, and other terms and conditions of service of each such representative, shall be the same as those of a person appointed or assigned pursuant to paragraph (1) or (2) of subsection (c) of this section, except that any such representative may, notwithstanding any provision of law, be removed by the President in his discretion.

VOLUNTEER TRAINING

SEC. 8. (a) The President shall make provision for such training as he deems appropriate for each applicant for enrollment as a volunteer and each enrolled volunteer. All of the provisions of this Act applicable respectively to volunteers and volunteer leaders shall be applicable to applicants for enrollment as such during any period of training

60 Stat. 999.

22 USC 928, 807.

74 Stat. 793.

68 Stat. 857; 71
Stat. 364.
22 USC 1787.

occurring prior to enrollment, and the respective terms "volunteers" and "volunteer leaders" shall include such applicants during any such period of training.

(b) The President may also make provision, on the basis of advances of funds or reimbursement to the United States, for training for citizens of the United States, other than those referred to in subsection (a) of this section, who have been selected for service abroad in programs not carried out under authority of this Act which are similar to those authorized by this Act. The provisions of section 9 of this Act shall apply, on a similar advance of funds or a reimbursement basis, with respect to persons while within the United States for training under authority of this subsection. Advances or reimbursements received under this subsection may be credited to the current applicable appropriation, fund, or account and shall be available for the purposes for which such appropriation, fund, or account is authorized to be used.

(c) Training hereinabove provided for shall include instruction in the philosophy, strategy, tactics, and menace of communism.

PARTICIPATION OF FOREIGN NATIONALS

SEC. 9. In order to provide for assistance by foreign nationals in the training of volunteers, and to permit effective implementation of Peace Corps projects with due regard for the desirability of cost-sharing arrangements, where appropriate, the President may make provision for transportation, housing, subsistence, or per diem in lieu thereof, and health care or health and accident insurance for foreign nationals engaged in activities authorized by this Act while they are away from their homes, without regard to the provisions of any other law: *Provided, however,* That per diem in lieu of subsistence furnished to such persons shall not be at rates higher than those prescribed by the Secretary of State pursuant to section 12 of Public Law 84-885 (70 Stat. 890). Such persons, and persons coming to the United States under contract pursuant to section 10(a)(4), may be admitted to the United States, if otherwise qualified, as nonimmigrants under section 101(a)(15) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15)) for such time and under such conditions as may be prescribed by regulations promulgated by the Secretary of State and the Attorney General. A person admitted under this section who fails to maintain the status under which he was admitted or who fails to depart from the United States at the expiration of the time for which he was admitted, or who engages in activities of a political nature detrimental to the interests of the United States, or in activities not consistent with the security of the United States, shall, upon the warrant of the Attorney General, be taken into custody and promptly deported pursuant to sections 241, 242, and 243 of the Immigration and Nationality Act. Deportation proceedings under this section shall be summary and the findings of the Attorney General as to matters of fact shall be conclusive.

5 USC 170q.

66 Stat. 166.

8 USC 1251-1253.

GENERAL POWERS AND AUTHORITIES

SEC. 10. (a) In furtherance of the purposes of this Act, the President may—

(1) enter into, perform, and modify contracts and agreements and otherwise cooperate with any agency of the United States Government or of any State or any subdivision thereof, other governments and departments and agencies thereof, and educa-

tional institutions, voluntary agencies, farm organizations, labor unions, and other organizations, individuals and firms;

(2) assign volunteers in special cases to temporary duty with international organizations and agencies when the Secretary of State determines that such assignment would serve the purposes of this Act: *Provided*, That not more than one hundred and twenty-five Peace Corps volunteers or volunteer leaders shall be assigned to international organizations as described in this section;

(3) accept in the name of the Peace Corps and employ in furtherance of the purposes of this Act (A) voluntary services notwithstanding the provisions of 31 U.S.C. 665(b), and (B) any money or property (real, personal or mixed, tangible or intangible) received by gift, devise, bequest, or otherwise; and

(4) contract with individuals for personal services abroad, and with aliens (abroad or within the United States) for personal services within the United States: *Provided*, That no such person shall be deemed an officer or employee or otherwise in the service or employment of the United States Government for any purpose.

(b) Notwithstanding any other provision of law, whenever the President determines that it will further the purposes of this Act, the President, under such regulations as he may prescribe, may settle and pay, in an amount not exceeding \$10,000, any claim against the United States, for loss of or damage to real or personal property (including loss of occupancy or use thereof) belonging to, or for personal injury or death of, any person not a citizen or resident of the United States, where such claim arises abroad out of the act or omission of any Peace Corps employee or out of the act or omission of any volunteer, but only if such claim is presented in writing within one year after it accrues. Any amount paid in settlement of any claim under this subsection shall be accepted by the claimant in full satisfaction thereof and shall bar any further action or proceeding thereon.

(c) Subject to any future action of the Congress, a contract or agreement which entails commitments for the expenditure of funds available for the purposes of this Act, including commitments for the purpose of paying or providing for allowances and other benefits of volunteers authorized by sections 5 and 6 of this Act, may extend at any time for not more than thirty-six months.

(d) Whenever the President determines it to be in furtherance of the purposes of this Act, functions authorized by this Act may be performed without regard to such provisions of law (other than the Renegotiation Act of 1951, as amended) regulating the making, performance, amendment, or modification of contracts and the expenditure of Government funds as the President may specify.

(e) The President may allocate or transfer to any agency of the United States Government any funds available for carrying out the purposes of this Act including any advance received by the United States from any country or international organization under authority of this Act, but not to exceed 20 per centum in the aggregate of such funds may be allocated or transferred to agencies other than the Peace Corps. Such funds shall be available for obligation and expenditure for the purposes of this Act in accordance with authority granted in this Act or under authority governing the activities of the agencies of the United States Government to which such funds are allocated or transferred.

(f) Any officer of the United States Government carrying out functions under this Act may utilize the services and facilities of, or procure commodities from, any agency of the United States Government as the President shall direct, or with the consent of the head of such agency, and funds allocated pursuant to this subsection to

64 Stat. 765.

65 Stat. 7; 73
Stat. 210.
50 USC app. 1211
note.

any such agency may be established in separate appropriation accounts on the books of the Treasury.

(g) In the case of any commodity, service, or facility procured from any agency of the United States Government under this Act, reimbursement or payment shall be made to such agency from funds available under this Act. Such reimbursement or payment shall be at replacement cost, or, if required by law, at actual cost, or at any other price authorized by law and agreed to by the owning or disposing agency. The amount of any such reimbursement or payment shall be credited to current applicable appropriations, funds, or accounts from which there may be procured replacements of similar commodities, services, or facilities, except that where such appropriations, funds, or accounts are not reimbursable except by reason of this subsection, and when the owning or disposing agency determines that such replacement is not necessary, any funds received in payment therefor shall be covered into the Treasury as miscellaneous receipts.

REPORTS

SEC. 11. The President shall transmit to the Congress, at least once in each fiscal year, a report on operations under this Act.

PEACE CORPS NATIONAL ADVISORY COUNCIL

SEC. 12. (a) The President may appoint to membership in a board to be known as the Peace Corps National Advisory Council twenty-five persons who are broadly representative of educational institutions, voluntary agencies, farm organizations, and labor unions, and other public and private organizations and groups as well as individuals interested in the programs and objectives of the Peace Corps, to advise and consult with the President with regard to policies and programs designed to further the purposes of this Act.

(b) Members of the Council shall serve at the pleasure of the President and meet at his call. They shall receive no compensation for their services, but members who are not officers or employees of the United States Government may each receive out of funds made available for the purposes of this Act a per diem allowance of \$50 for each day, not to exceed twenty days in any fiscal year in the case of any such member, spent away from his home or regular place of business for the purpose of attendance at meetings or conferences and in necessary travel, and while so engaged may be paid actual travel expenses and per diem in lieu of subsistence and other expenses, at the applicable rate prescribed by the Standardized Government Travel Regulations, as amended from time to time.

EXPERTS AND CONSULTANTS

SEC. 13. (a) Experts and consultants or organizations thereof may, as authorized by section 15 of the Act of August 2, 1946, as amended (5 U.S.C. 55a), be employed by the Peace Corps for the performance of functions under this Act, and individuals so employed may be compensated at rates not in excess of \$75 per diem, and while away from their homes or regular places of business, they may be paid actual travel expenses and per diem in lieu of subsistence and other expenses at the applicable rate prescribed in the Standardized Government Travel Regulations, as amended from time to time, while so employed: *Provided*, That contracts for such employment may be renewed annually.

(b) Service of an individual as a member of the Council authorized to be established by section 12 of this Act or as an expert or consultant under subsection (a) of this section shall not be considered as service or employment bringing such individual within the provisions of section

62 Stat. 697.

281, 283, or 284 of title 18 of the United States Code, or of section 190 of the Revised Statutes (5 U.S.C. 99), or of any other Federal law imposing restrictions, requirements, or penalties in relation to the employment of persons, the performance of service, or the payment or receipt of compensation in connection with any claim, proceeding, or matter involving the United States Government, except insofar as such provisions of law may prohibit any such individual from receiving compensation in respect of any particular matter in which such individual was directly involved in the performance of such service; nor shall such service be considered as employment or holding of office or position bringing such individual within the provisions of section 13 of the Civil Service Retirement Act, as amended (5 U.S.C. 2263), section 212 of the Act of June 30, 1932, as amended (5 U.S.C. 59a), section 872 of the Foreign Service Act of 1946, as amended, or any other law limiting the reemployment of retired officers or employees or governing the simultaneous receipt of compensation and retired pay or annuities.

70 Stat. 757.

47 Stat. 406; 69
Stat. 498.
74 Stat. 846.
22 USC 1112.

DETAIL OF PERSONNEL TO FOREIGN GOVERNMENTS AND INTERNATIONAL ORGANIZATIONS

SEC. 14. (a) In furtherance of the purposes of this Act, the head of any agency of the United States Government is authorized to detail, assign, or otherwise make available any officer or employee of his agency (1) to serve with, or as a member of, the international staff of any international organization, or (2) to any office or position to which no compensation is attached with any foreign government or agency thereof: *Provided*, That such acceptance of such office or position shall in no case involve the taking of an oath of allegiance to another government.

(b) Any such officer or employee, while so detailed or assigned, shall be considered, for the purpose of preserving his allowances, privileges, rights, seniority, and other benefits as such, an officer or employee of the United States Government and of the agency of the United States Government from which detailed or assigned, and he shall continue to receive compensation, allowances, and benefits from funds authorized by this Act. He may also receive, under such regulations as the President may prescribe, representation allowances similar to those allowed under section 901 of the Foreign Service Act of 1946 (22 U.S.C. 1131). The authorization of such allowances and other benefits, and the payment thereof out of any appropriations available therefor, shall be considered as meeting all of the requirements of section 1765 of the Revised Statutes (5 U.S.C. 70).

74 Stat. 801.

(c) Details or assignments may be made under this section—

(1) without reimbursement to the United States Government by the international organization or foreign government;

(2) upon agreement by the international organization or foreign government to reimburse the United States Government for compensation, travel expenses, and allowances, or any part thereof, payable to such officer or employee during the period of assignment or detail in accordance with subsection (b) of this section; and such reimbursement shall be credited to the appropriation, fund, or account utilized for paying such compensation, travel expenses, or allowances, or to the appropriation, fund, or account currently available for such purpose; or

(3) upon an advance of funds, property or services to the United States Government accepted with the approval of the President for specified uses in furtherance of the purposes of this Act; and funds so advanced may be established as a separate fund in the Treasury of the United States Government, to be available for the specified uses, and to be used for reimbursement

of appropriations or direct expenditure subject to the provisions of this Act, any unexpended balance of such account to be returned to the foreign government or international organization.

UTILIZATION OF FUNDS

SEC. 15. (a) Funds made available for the purposes of this Act may be used for compensation, allowances and travel of employees, including Foreign Service personnel whose services are utilized primarily for the purposes of this Act, for printing and binding without regard to the provisions of any other law, and for expenditures outside the United States for the procurement of supplies and services and for other administrative and operating purposes (other than compensation of employees) without regard to such laws and regulations governing the obligation and expenditure of Government funds as may be necessary to accomplish the purposes of this Act.

(b) Funds made available for the purposes of this Act may be used to pay expenses in connection with travel abroad of employees and, to the extent otherwise authorized by this Act, of volunteers, including travel expenses of dependents (including expenses during necessary stopovers while engaged in such travel), and transportation of personal effects, household goods, and automobiles when any part of such travel or transportation begins in one fiscal year pursuant to travel orders issued in that fiscal year, notwithstanding the fact that such travel or transportation may not be completed during the same fiscal year, and cost of transporting to and from a place of storage, and the cost of storing automobiles of employees when it is in the public interest or more economical to authorize storage.

(c) Funds available under this Act may be used to pay costs of training employees employed or assigned pursuant to section 7(c)(2) of this Act (through interchange or otherwise) at any State or local unit of government, public or private nonprofit institution, trade, labor, agricultural, or scientific association or organization, or commercial firm; and the provisions of Public Law 84-918 (7 U.S.C. 1881 et seq.) may be used to carry out the foregoing authority notwithstanding that interchange of personnel may not be involved or that the training may not take place at the institutions specified in that Act. Such training shall not be considered employment or holding of office under section 2 of the Act of July 31, 1894, as amended (5 U.S.C. 62), and any payments or contributions in connection therewith may, as deemed appropriate by the head of the agency of the United States Government authorizing such training, be made by private or public sources and be accepted by any trainee, or may be accepted by and credited to the current applicable appropriation of such agency: *Provided, however,* That any such payments to an employee in the nature of compensation shall be in lieu, or in reduction, of compensation received from the United States Government.

70 Stat. 934.

(d) Funds available for the purposes of this Act shall be available for—

(1) rent of buildings and space in buildings in the United States, and for repair, alteration, and improvement of such leased properties;

(2) expenses of attendance at meetings concerned with the purposes of this Act, including (notwithstanding the provisions of section 9 of Public Law 60-328 (31 U.S.C. 673)) expenses in connection with meetings of persons whose employment is authorized by section 13(a) of this Act;

(3) rental and hire of aircraft;

(4) purchase and hire of passenger motor vehicles: *Provided*, That, except as may otherwise be provided in an appropriation or other Act, passenger motor vehicles for administrative purposes abroad may be purchased for replacement only, and such vehicles may be exchanged or sold and replaced by an equal number of such vehicles, and the cost, including exchange allowance, of each such replacement shall not exceed \$2,500 in the case of an automobile for any Peace Corps country representative appointed under section 7(e): *Provided further*, That passenger motor vehicles may be purchased for use in the United States only as may be specifically provided in an appropriation or other Act;

(5) entertainment (not to exceed \$5,000 in any fiscal year except as may otherwise be provided in an appropriation or other Act);

(6) exchange of funds without regard to section 3561 of the Revised Statutes (31 U.S.C. 543) and loss by exchange;

(7) expenditures (not to exceed \$5,000 in any fiscal year except as may be otherwise provided in an appropriation or other Act) not otherwise authorized by law to meet unforeseen emergencies or contingencies arising in the Peace Corps: *Provided*, That a certificate of the amount only of each such expenditure and that such expenditure was necessary to meet an unforeseen emergency or contingency, made by the Director of the Peace Corps or his designee, shall be deemed a sufficient voucher for the amount therein specified;

(8) insurance of official motor vehicles acquired for use abroad;

(9) rent or lease abroad for not to exceed five years of offices, health facilities, buildings, grounds, and living quarters, and payments therefor in advance; maintenance, furnishings, necessary repairs, improvements, and alterations to properties owned or rented by the United States Government or made available for its use abroad; and costs of fuel, water, and utilities for such properties;

(10) expenses of preparing and transporting to their former homes, or, with respect to foreign participants engaged in activities under this Act, to their former homes or places of burial, and of care and disposition of, the remains of persons or members of the families of persons who may die while such persons are away from their homes participating in activities under this Act;

(11) use in accordance with authorities of the Foreign Service Act of 1946, as amended (22 U.S.C. 801 et seq.), not otherwise provided for; and

(12) ice and drinking water for use abroad.

60 Stat. 999.

APPOINTMENT OF PERSONS SERVING UNDER PRIOR LAW

SEC. 16. (a) Under such terms and conditions as the President may prescribe, volunteer personnel who on the effective date of this Act have been engaged by contract by, or pursuant to agreement with, the Peace Corps agency established within the Department of State pursuant to Executive Order Numbered 10924, dated March 1, 1961, may be enrolled as volunteers or volunteer leaders under this Act. Such enrollment may be made effective, for any or all purposes, as of a date prior to the effective date of this Act but not earlier than the date of commencement of training of the person in question. All allowances and termination payments similar to those authorized by this Act received by any such person or by members of his family or payable with respect to any period between the effective date and the actual date of such enrollment shall be deemed for all purposes to have been received or to be payable under the appropriate provision of this Act.

26 F.R. 1789.

(b) Any person who was appointed by and with the advice and consent of the Senate to be Director of the Peace Corps prior to the enactment of this Act may be appointed by the President to be Director of the Peace Corps under section 4(a) of this Act without further action by the Senate.

USE OF FOREIGN CURRENCIES

SEC. 17. Whenever possible, expenditures incurred in carrying out functions under this Act shall be paid for in such currency of the country or area where the expense is incurred as may be available to the United States.

APPLICABILITY OF MUTUAL DEFENSE ASSISTANCE CONTROL ACT

SEC. 18. The Mutual Defense Assistance Control Act of 1951 (22 U.S.C. 1611 et seq.) shall apply with respect to functions carried out under this Act except in cases where the President shall determine that such application would be detrimental to the interests of the United States.

65 Stat. 644.

SEAL

SEC. 19. The President may adopt, alter, and use an official seal or emblem of the Peace Corps of such design as he shall determine, which shall be judicially noticed.

MORATORIUM ON STUDENT LOANS

SEC. 20. Section 205 of the National Defense Education Act of 1958 (20 U.S.C. 425) is amended by deleting the word "or" immediately preceding clause (ii) of section 205(b)(2)(A) and by adding immediately after that clause the following: "or (iii) not in excess of three years during which the borrower is in service as a volunteer under the Peace Corps Act: *Provided*, That this clause shall apply to any loan outstanding on the effective date of the Peace Corps Act only with the consent of the then obligee institution."

72 Stat. 1584.

AMENDMENT TO CIVIL SERVICE RETIREMENT ACT

SEC. 21. Subsection (j) of section 3 of the Civil Service Retirement Act, as amended (5 U.S.C. 2253), is amended to read as follows:

70 Stat. 745.

"(j) Notwithstanding any other provision of this section or section 5(f) of the Peace Corps Act, any military service (other than military service covered by military leave with pay from a civilian position) performed by an individual after December 1956 and any period of service by an individual as a volunteer under the Peace Corps Act, shall be excluded in determining the aggregate period of service upon which an annuity payable under this chapter to such individual or to his widow or child is to be based, if such individual or widow or child is entitled (or would upon proper application be entitled) at the time of such determination, to monthly old-age or survivors benefits under section 202 of the Social Security Act, as amended (42 U.S.C. 402), based on such individual's wages and self-employment income. If in the case of the individual or widow such military service or service under the Peace Corps Act is not excluded under the preceding sentence, but upon attaining age sixty-two, he or she becomes entitled (or would upon proper application be entitled) to such benefits, the Commission shall redetermine the aggregate period of service upon which such annuity is based, effective as of the first day of the month in which he or she attains such age, so as to exclude such service. The Secretary

of Health, Education, and Welfare shall, upon the request of the Commission, inform the Commission whether or not any such individual or widow or child is entitled at any specified time to such benefits.”

SECURITY INVESTIGATIONS

SEC. 22. All persons employed or assigned to duties under this Act shall be investigated to insure that the employment or assignment is consistent with the national interest in accordance with standards and procedures established by the President. If an investigation made pursuant to this section develops any data reflecting that the person who is the subject of the investigation is of questionable loyalty or is a questionable security risk, the investigating agency shall refer the matter to the Federal Bureau of Investigation for the conduct of a full field investigation. The results of that full field investigation shall be furnished to the initial investigating agency, and to the agency by which the subject person is employed, for information and appropriate action. Volunteers shall be deemed employees of the United States Government for the purpose of this section.

UNIVERSAL MILITARY TRAINING AND SERVICE ACT

SEC. 23. Notwithstanding the provisions of any other law or regulation, service in the Peace Corps as a volunteer shall not in any way exempt such volunteer from the performance of any obligations or duties under the provisions of the Universal Military Training and Service Act.

FOREIGN LANGUAGE PROFICIENCY

SEC. 24. No person shall be assigned to duty as a volunteer under this Act in any foreign country or area unless at the time of such assignment he possesses such reasonable proficiency as his assignment requires in speaking the language of the country or area to which he is assigned.

DEFINITIONS

SEC. 25. (a) The term “abroad” means any area outside the United States.

(b) The term “United States” means the several States and territories and the District of Columbia.

(c) The term “function” includes any duty, obligation, right, power, authority, responsibility, privilege, discretion, activity, and program.

(d) The term “health care” includes all appropriate examinations, preventive, curative and restorative health and medical care, and supplementary services when necessary.

(e) For the purposes of this or any other Act, the period of any individual’s service as a volunteer under this Act shall include—

(i) except for the purposes of section 5(f) of this Act, any period of training under section 8(a) prior to enrollment as a volunteer under this Act; and

(ii) the period between enrollment as a volunteer and the termination of service as such volunteer by the President or by death or resignation.

(f) The term “United States Government agency” includes any department, board, wholly or partly owned corporation, or instrumentality, commission, or establishment of the United States Government.

(g) The word “transportation” in sections 5(b) and 6(2) includes transportation of not to exceed three hundred pounds per person of unaccompanied necessary personal and household effects.

CONSTRUCTION

SEC. 26. If any provision of this Act or the application of any provision to any circumstances or persons shall be held invalid, the validity of the remainder of this Act and the applicability of such provision to other circumstances or persons shall not be affected thereby.

EFFECTIVE DATE

SEC. 27. This Act shall take effect on the date of its enactment.

TITLE II—AMENDMENT OF INTERNAL REVENUE CODE
AND SOCIAL SECURITY ACT

TAXATION OF ALLOWANCES

SEC. 201. (a) Section 912 of the Internal Revenue Code of 1954 (relating to exemption from gross income for certain allowances) is amended by adding at the end thereof the following new paragraph:

74 Stat. 802.
26 USC 912.

“(3) PEACE CORPS ALLOWANCES.—In the case of an individual who is a volunteer or volunteer leader within the meaning of the Peace Corps Act and members of his family, amounts received as allowances under section 5 or 6 of the Peace Corps Act other than amounts received as—

“(A) termination payments under section 5(c) or section 6(1) of such Act,

“(B) leave allowances,

“(C) if such individual is a volunteer leader training in the United States, allowances to members of his family, and

“(D) such portion of living allowances as the President may determine under the Peace Corps Act as constituting basic compensation.”

(b) Section 1303(b) of the Internal Revenue Code of 1954 (relating to definition of back pay) is amended by adding at the end thereof the following new paragraph:

68A Stat. 335.
26 USC 1303.

“(4) Termination payments under section 5(c) or section 6(1) of the Peace Corps Act which are received or accrued by an individual during the taxable year on account of any period of service, as a volunteer or volunteer leader under the Peace Corps Act, occurring prior to the taxable year.”

(c) Section 3401(a) of the Internal Revenue Code of 1954 (relating to the definition of wages for purposes of the collection of income tax at source on wages) is amended by striking out the period at the end of paragraph (12) and inserting in lieu thereof “; or”, and by adding at the end thereof the following new paragraph:

69 Stat. 616.
26 USC 3401.

“(13) pursuant to any provision of law other than section 5(c) or 6(1) of the Peace Corps Act, for service performed as a volunteer or volunteer leader within the meaning of such Act.”

(d) The amendments made by subsections (a) and (b) of this section shall apply with respect to taxable years ending after March 1, 1961. The amendment made by subsection (c) shall apply with respect to remuneration paid after the date of the enactment of this Act.

SOCIAL SECURITY COVERAGE

70 Stat. 878.
26 USC 3121.

SEC. 202. (a) (1) Section 3121(i) of the Internal Revenue Code of 1954 (relating to computation of wages for purposes of the Federal Insurance Contributions Act) is amended by adding at the end thereof the following new paragraph:

Infra.

“(3) PEACE CORPS VOLUNTEER SERVICE.—For purposes of this chapter, in the case of an individual performing service, as a volunteer or volunteer leader within the meaning of the Peace Corps Act, to which the provisions of section 3121(p) are applicable, the term ‘wages’ shall, subject to the provisions of subsection (a) (1) of this section, include as such individual’s remuneration for such service only amounts paid pursuant to section 5(c) or 6(1) of the Peace Corps Act.”

(2) Section 3121 of such Code is amended by adding at the end thereof the following new subsection:

“(p) PEACE CORPS VOLUNTEER SERVICE.—For purposes of this chapter, the term ‘employment’ shall, notwithstanding the provisions of subsection (b) of this section, include service performed by an individual as a volunteer or volunteer leader within the meaning of the Peace Corps Act.”

68A Stat. 428.
26 USC 3122.

(3) The first sentence of section 3122 of such Code (relating to Federal service) is amended by inserting after “section 3121(m) (1) are applicable,” the following: “and including service, performed as a volunteer or volunteer leader within the meaning of the Peace Corps Act, to which the provisions of section 3121(p) are applicable.”

68A Stat. 747.
26 USC 6051.

(4) Section 6051(a) of such Code (relating to receipts for employees) is amended by adding at the end thereof the following new sentence: “In the case of compensation paid for service as a volunteer or volunteer leader within the meaning of the Peace Corps Act, the statement shall show, in lieu of the amount required to be shown by paragraph (5), the total amount of wages as defined in section 3121(a), computed in accordance with such section and section 3121(i) (3).”

Supra.

60 Stat. 979.

(b) (1) Section 210 of the Social Security Act (42 U.S.C. 410) is amended by adding at the end thereof the following new subsection:

“Peace Corps Volunteer Service

“(o) The term ‘employment’ shall, notwithstanding the provisions of subsection (a), include service performed by an individual as a volunteer or volunteer leader within the meaning of the Peace Corps Act.”

(2) Section 209 of such Act (42 U.S.C. 409) is amended by adding at the end thereof the following new paragraph:

Supra.

“For purposes of this title, in the case of an individual performing service, as a volunteer or volunteer leader within the meaning of the Peace Corps Act, to which the provisions of section 210(o) are applicable, (1) the term ‘wages’ shall, subject to the provisions of subsection (a) of this section, include as such individual’s remuneration for such service only amounts certified as payable pursuant to section 5(c) or 6(1) of the Peace Corps Act, and (2) any such amount shall be deemed to have been paid to such individual at the time the service, with respect to which it is paid, is performed.”

64 Stat. 520.

(3) The first sentence of section 205(p) (1) of such Act (42 U.S.C. 405(p) (1)) is amended by inserting after “are applicable,” the following: “and including service, performed as a volunteer or volunteer leader within the meaning of the Peace Corps Act, to which the provisions of section 210(o) are applicable.”

(c) The amendments made by subsections (a) and (b) of this section shall apply with respect to service performed after the date of the enactment of this Act. In the case of any individual who is enrolled as a volunteer or volunteer leader under section 16(a) of this Act, such amendments shall apply with respect to service performed on or after the effective date of such enrollment.

Approved September 22, 1961.

Public Law 87-294

AN ACT

September 22, 1961
[H. R. 9030]

To amend the Act to promote the education of the blind, approved March 3, 1879, as amended, so as to authorize wider distribution of books and other special instruction materials for the blind, and to increase the appropriations authorized for this purpose, and to otherwise improve such Act.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of section 3 of the Act entitled "An Act to promote the education of the blind", approved March 3, 1879, as amended (20 U.S.C. 102), is amended to read as follows: "The Secretary of Health, Education, and Welfare is hereby authorized to pay over semiannually, to the trustees of the American Printing House for the Blind, located in Louisville, Kentucky, and chartered in 1858 by the Legislature of Kentucky, upon requisition of their president, countersigned by their treasurer, one-half of such annual appropriation upon the following conditions:"

American Printing House for the Blind.

20 Stat. 468.

SEC. 2. The paragraph of such section 3 designated "Second." is amended to read as follows:

"Second. No part of the appropriation shall be expended in the erection or leasing of buildings; but the trustees of the American Printing House for the Blind may use each year a reasonable sum of the annual appropriation for salaries and other expenses of experts and other staff to assist special committees which may be appointed in performance of their functions, and for expenses of such special committees."

Buildings. Restriction.

SEC. 3. The paragraph of such section 3 designated "Sixth." is amended to read as follows:

"Sixth. The superintendent of each public institution for the education of the blind (or his designee) and the chief State school officer (or his designee), of each State and possession of the United States, the Commonwealth of Puerto Rico, and the District of Columbia, shall each, ex officio, be a member of the Board of Trustees of the American Printing House for the Blind only for purposes of administering this Act."

Ex officio trustees.

SEC. 4. The Act entitled "An Act providing additional aid for the American Printing House for the Blind", approved August 4, 1919, as amended (20 U.S.C. 101), is further amended by striking out "the sum not to exceed \$400,000" and inserting in lieu thereof the following: "such sum as the Congress may determine", and by inserting after "said Act" the following: "under rules and regulations prescribed by the Secretary of Health, Education, and Welfare,"

Trust fund.

70 Stat. 939.

SEC. 5. The amendments made by this Act shall be effective immediately after the date of its enactment.

Approved September 22, 1961.