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January 4, 1972

MEMORANDUM

To : Joseph H. Blatchford, Director

From : Jorge L. Cordova, GC

Subject: Trust Territory of the Pacific Islands (Micronesia)

We have the following comments on the impact of a possible shift of responsibility for Volunteer activities in Micronesia from Peace Corps to VISTA. We have assumed an immediate rather than a gradual shift.

- 1. Legislative authority is sufficient. Under Section 810(a)(1) of the OEO Act, VISTA Volunteers may be assigned to work "... in meeting the health, education, welfare or related needs . . . of residents . . . of the Trust Territory of the Pacific Islands."
- 2. Volunteer benefits and obligations differ significantly between Peace Corps and VISTA. Some of the more important differences occur in the following areas:
 - (a) Health Benefits
 - (b) Readjustment Allowances
 - (c) Term of Service
 - (d) Legal Assistance
 - (e) Application of the Hatch Act
 - (f) Home Leave and Special Leave
 - (g) Benefits to Minor Children of Volunteer Families

- 3. We assume that Peace Corps Volunteers would have no trouble living among and at the economic level of the people served by them, thus meeting the requirements of the OEO Act.
- 4. Congress has appropriated funds for Domestic and for International programs in separate appropriations, guided at least in part by what we have told them about these programs. An immediate shift of the Micronesia programs to Domestic Operations would affect the budget of the current fiscal year, leaving us open to the charge that we have violated the intent of the Congress. In answer to this we could argue that our Peace Corps presentation was based upon an \$82 million budget, so that a \$10 million cut inevitably means the loss of some programs. If domestic funds permit us to pick up a program that might otherwise be lost, how can Congress complain?
 - 5. We could not force Peace Corps Volunteers to become VISTA Volunteers. We can presume that some of them may refuse to transfer their allegiance.
- 6. VISTA operations do not normally require the equivalent of a Country Director and supporting staff. However, Section 812(a) of the OEO Act provides sufficient authority to cover the cost involved in such support.
- 7. The Country Director and supporting staff would have to shift status from FS to GS. Domestic slots would have to be found for such employees, and they would no longer be subject, among other things, to the five-year rule.
- 8. VISTA programs operate through a sponsor, and presumably the only one available here would be the Government. In addition, VISTA Volunteers could operate within Micronesia only with the Commissioner's consent.

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- 9. Since Micronesia is a United Nations Trust Territory which will eventually reach independence, the State Department would have to concur in any change. It can be assumed that they would strongly oppose any change that would make the Micronesians think they were being considered more like a part of the United States.
- 10. If any such change is even to be considered at this time, it should first be discussed with State and Interior here in Washington and not with anyone in Micronesia.

GC:JLCordova:gh/dm:1/4/71

Clearance:

GC:MELeland (draft)

GC: GC subj
GC read
Kevin O'Donnell, IO
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JLC chron

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