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# WITHDRAWAL SHEET

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*Baker, James A. III.*  
Collection: ~~HODSOLL, FRANCIS (FRANK) S.M.~~ FILES

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F99-016

Date 7/9/99

File Folder: ~~[Action]~~ Action/Peace Corps [2]  
*[ACTION] Action-1 OA 9108 Box 1*

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
1. memo	Frank Hodsell to Ed Meese re: Peace Corps Separation, 1p.	7/8/81	P5 11/24/00

## RESTRICTION CODES

### Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National security classified information [(a)(1) of the PRA].
- P-2 Relating to appointment to Federal office [(a)(2) of the PRA].
- P-3 Release would violate a Federal statute [(a)(3) of the PRA].
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA].
- P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA].
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA].

C. Closed in accordance with restrictions contained in donor's deed of gift.

### Freedom of Information Act - [5 U.S.C. 552(b)]

- F-1 National security classified information [(b)(1) of the FOIA].
- F-2 Release could disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA].
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA].
- F-4 Release would disclose trade secrets or confidential commercial or financial information [(b)(4) of the FOIA].
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA].
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA].
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA].
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA].



# WITHDRAWAL SHEET

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THE WHITE HOUSE  
WASHINGTON

July 8, 1981

NOTE FOR ED MEESE

FROM: FRANK HODSOLL *Frank*  
SUBJECT: Peace Corps Separation

Attached is Tom Pauken's memo. I checked with him today, and he is still of the opinion that we should acquiesce in the ACTION/Peace Corps divorce, but would delay the effective date to October 1, 1982, to allow for an orderly transition.

While I think the origins of this Congressional action are highly suspect, I doubt we want to veto the State Department authorization for this purpose. For these reasons, I think we should go with Pauken's suggestion.

If you agree, we can lay on the necessary actions. JAB agrees.

AGREE \_\_\_\_\_

DISAGREE \_\_\_\_\_

ATTACHMENT



# ACTION

WASHINGTON, D.C. 20525

To Frank  
6/22  
mot

OFFICE OF  
THE DIRECTOR

June 19, 1981

## MEMORANDUM

To: James A. Baker, III  
From: Tom Pauken *Tom Pauken*  
Subject: Peace Corps Separation

The Senate, Wednesday, voted 52 to 45 to separate the Peace Corps from the ACTION agency effective immediately upon enactment.

The companion bill in the House is due to get a Rule next week and a Floor vote is expected in Mid-July.

Today, Loret Ruppe told a press conference held in conjunction with the Peace Corps Conference, that she expects the President to support Peace Corps autonomy, even though this is in conflict with the President's position.

Because the Senate amendment is in the State Department authorization, and a veto is unlikely, a way to resolve this situation would be to set an effective date of October 1, 1982, for the separation. That would give all concerned time to absorb the changes and achieve autonomy with the lowest possible budget impact.

It is important to make clear that the separation will in no way hamper ACTION's ability to cooperate with international volunteer organizations and programs. Furthermore, it should be clear that ACTION will continue to be the designated lead agency for volunteer service and programs for the Federal Government.

If this is acceptable to the White House, the necessary amendments can be offered when the autonomy issue comes up in the House in mid-July.

Draft language is attached.

P.S. The National Peace Corps Conference was not set up by the "previous Administration." It was organized by the present Peace Corps leadership after I had stopped it. Senator Tsongas, Robert Mugabe, Sergeant Shriver, and Cardinal Kim as speakers were initiatives of the present Peace Corps leadership.

Attachment

D R A F T

AMENDMENT TO LANGUAGE OF S. 1193, TITLE VI, "PEACE CORPS AUTONOMY"

Sec. 602. Effective October 1, 1982, the Peace Corps shall be an independent agency within the executive branch and shall not be an agency within the ACTION agency or any other department or agency of the United States. Nothing in this Title shall be construed to prevent ACTION's participation and cooperation with international volunteer organizations, programs and services. Further, nothing in this Title shall be construed to in any way limit ACTION's designation as the lead agency for volunteer service of the Federal Government.



# Assault on

# World Hunger Begg for U.S. Attention

Star 181  
48/81

World hunger is one of those issues that only "do-gooders" (read liberals) are supposed to be concerned with. Anyone who thinks that we can or should actually do something about the world's starving millions is either idealistic, foolish or both. Nothing wrong with sending a few dollars to assuage a guilty conscience, but unfortunately, that's about all that can be done.

As a result of this common perception that hunger is inevitable, there is little activity or excitement for the creation of programs to end it. On a list of the top ten or 20 policy priorities for the United States, it doesn't even show up. No one asked a question in last fall's presidential debates about world hunger. President Reagan hasn't proposed that the elimination of death by starvation be a

Mary King was Deputy Director of ACTION, the U.S. agency housing the Peace Corps and VISTA.



priority of his administration. It isn't even an issue.

Recently I asked one of the Reagan people moving into Washington what he thought about the new administration's interest in world hunger. He thought it was a nice idea, but that there were more important priorities for the new administration to address. Furthermore, he insisted that Republicans, as opposed to Democrats, don't generally subscribe to the "Impossible Dream" theory of government.

But, in fact, the elimination of death by starvation may no longer be an "impossible dream." In the past two years, no fewer than three studies by recognized groups of experts have stated clearly that it can be done. They are not only do-gooder Democrats. Even the Heritage Foundation, that fountain of conservative thinking, said recently in a report to the new president, "There is now the scientific knowledge and institutional arrangement which makes it possible to overcome hunger, not only in the United States but throughout the world. This can be done within the lifetime of people now living, if there is the political will to do so."

Clearly, if it is to happen, the issue of hunger must be included in our national agenda. But remember that this agenda is not necessarily a function of what those in power say it should be. It may or may not be reflected in President Reagan's master plan.

What, then, would it take to make what is now a possibility into a reality? The American public is not a

lumbering, docile beast waiting to be led. On the contrary, the American people have over and over again taken the lead and made things happen that were not in anyone's master plan.

In the early 1950s, the issue of civil rights in the United States was not the focus of attention of opinion leaders, and it certainly wasn't on the list of America's national priorities. There were a few people deeply concerned about the problem, but the fact that millions of American citizens were treated as sub-human did not really register, or if it did,



Starving Cambodian child

it was perceived as unfortunate but part of the inevitable inequity of the human condition which would always be with us.

So, too, in the early 1960s the public debate about America's involvement in the war in Vietnam revolved around victory or defeat. The question of the legitimacy of our involvement had not been raised, except by a very few. It's hard to imagine now, but two years before Dr. Martin Luther King spoke out against the war I was thrown off the payroll at my own civil rights organization in 1965 for my opposition to it. A year later that organization came to the same conclusion. And a few years later there was national consensus.

Now, in the early 1980s, the issue of world hunger is in very much the same place. A small number of concerned and committed people are organizing. Some of them are doing it by working with elected officials; others by speaking out in schools and churches; and an increasing number are taking direct action through private organizations, or by volunteering for the Peace Corps or VISTA.

It will require much more. It will require the kind of spark that made Rosa Parks 25 years ago refuse to sit in the back of the bus in Montgomery, Ala. It will require the kind of indignation finally brought on by America's involvement in Vietnam. And most definitely, it will require a recognition that it is simply not acceptable to have a world in which 28 human beings die of starvation each minute, every day.



# Peace Corps

Washington, D.C. 20525

Mail - Please take this to  
White House, N.W. gate

Judy <sup>Call</sup> MOESTA

456-2174 - when  
you get them. She will

exchange this for  
original.

Be.

N.W. gate  
West Wing

## CHRONOLOGY

Feb. 13 Loret M. Ruppe nominated.

Feb. 24 Thomas W. Pauken nominated, name submitted to Senate.

March 16 Cranston Letter to Loret M. Ruppe

March 17 LMR memo to Powell Moore, Tom Pauken re Cranston letter

March 18 Letter to Cranston from Loret Ruppe and William Sykes. ~~5-20~~

Mar. 19 Bastian letter to Pam Turner w. copy of 3/18 letter.

March 20 Follow-up letter to Senator Cranston.

*MR 26* *Cranston note to LMR.*

April 2 Sen. Percy letter to Friedersdorf and Fielding (2).

April 3 Meeting -- Loret M. Ruppe, Al Cook, Fred Fielding and

Letter to Fred Fielding from Loret M. Ruppe

Letter to Sen. Percy from Friedersdorf.

Letter to Sen. Percy from Fielding.

Letter to Sen. Percy from Robert M. McNamara.

April 7 Pauken nomination reported, Senate Foreign Relations Committee.

April 9 Second letter from Robert M. McNamara to Sen. Pell and Sen. Cranston.

April 15 Carrier Article, Washington Star.

April 16 McGrory Column, Washington Star.

April 22 Star editorial supporting Pauken.

April 24 Dave Scotton met with Fred Fielding.

April 27 Loret M. Ruppe letter to Star editor published.

April 27 Friedersdorf letter to Percy re: cost of separation.

April 28 Loret M. Ruppe confirmation hearing.

May 1 Star published letters from Cranston and Dellenback.

May 2 News Article, Human Events

March 16, 1981

Ms. Loret Ruppe  
Director-Designate of the  
Peace Corps  
806 Connecticut Avenue  
Washington, D. C. 20525

Dear Loret,

In anticipation of your confirmation hearing before the Foreign Relations Committee, I would appreciate it very much if you would provide me with a description of the history and development of the policy of separation of the Peace Corps from the intelligence-gathering functions and agencies of the United States Government and a description of how that policy of separation has been applied throughout the history of the Peace Corps with particular reference to Peace Corps staff and volunteer applicants and distinctions between absolute bars and case-by-case determinations, including identification of the units or branches of the Peace Corps that have been and are responsible for application of the policy and what factors are considered in case-by-case determinations.

I would also like to know your views on the importance of continuing this policy and on any changes you propose to consider in it or its application.

I appreciate very much your assistance and cooperation in this matter, and request a reply by close of business March 18 if at all possible.

Cordially,

  
Alan Cranston

March 17, 1981

MEMORANDUM FOR POWELL MOORE  
TOM PAUNEN

FROM: Loret Miller Ruppe

SUBJECT: Attached Letter from Senator Cranston

I have received the attached letter from Senator Cranston which appears to be part of his effort to hold up Tom's confirmation process.

I do not want to respond to the Senator's inquiry, but I will be guided by your suggestions. No doubt I will be grilled on these issues at my confirmation hearing, but we will address that at the time. Hopefully Tom's nomination will have been cleared by then. (I don't think a joint appearance would be helpful if it can be avoided.)

Would you prefer that we simply not acknowledge this inquiry from Cranston, or should we tell the Senator's staff that no response will be forthcoming?

Attachment

FARRAND:RUPPE:sss:3/17/81

cc: Subject ✓  
Alphabetical  
Chron  
LaForge

# Peace Corps

Washington, D.C. 20535

Director's Office

March 12, 1961

Honorable Alan Cranston  
United States Senate  
Washington, D. C. 20510

Dear Alan:

I appreciated very much your writing to me personally on March 16. I would like to have responded in the same manner; however, my current status with Peace Corps until my confirmation is that of student volunteer. For that reason and for legal purposes, I have asked Bill Sykes, Acting Director of Peace Corps, to co-sign this letter.

I do want to thank you for your interest in Peace Corps. I look forward to our working together in the future.

Sincerely yours,



Loret M. Ruppe  
Director-Designate

Enclosure



# Peace Corps

Washington, D.C. 20515

Office of the Director

March 18, 1977

Honorable Alan Cranston  
United States Senate  
229 Russell Senate Office Bldg.  
Washington, D. C. 20510

Dear Senator Cranston:

I have received your letter concerning Peace Corps' policy of maintaining separation between the agency and the intelligence gathering functions of the government.

The current policy evolved from the original rule adopted by former Director Sargent Shriver. This rule barred any former CIA employee from ever working for the Peace Corps in any staff or volunteer capacity. It also barred former employees of other intelligence agencies from Peace Corps employment or volunteer service if their intelligence work occurred within the previous 15 years. With minor modifications, the basic concepts of separation between the Peace Corps and the intelligence community have been successfully applied for 20 years. In 1970, former Director Blatchford extended the prohibition to anyone who had ever had "any CIA connection". This was presumed to include persons who had engaged in contract work or other activities with the CIA, but who were not formally employed by that agency. At the same time, the 15-year quarantine for persons who had received intelligence training or engaged in non-CIA intelligence activities was modified to 10 years.

## Volunteers

The intelligence policy as it applies to volunteers is codified in Peace Corps Manual Section 201 which was most recently revised in May, 1973. Manual Section 201 states that to be eligible for Peace Corps service, an applicant must:

5. Have no connection with the Central Intelligence Agency;
  - a. Any person who has ever had any Central Intelligence (CIA) connection is automatically disqualified from Peace Corps service.

- b. Any person with other intelligence training or who has done intelligence work within the past ten years is also disqualified from Peace Corps service. A person who was involved in intelligence activity (other than CIA) more than 10 years ago will be referred to GC which will determine if the nature of that activity was sufficient to warrant disqualification.
- c. Any question as to whether an activity constituted an intelligence activity under these guidelines will be referred to GC.

The criteria used to determine whether the 10-year bar should be included in a particular case are:

- (1) Was applicant's involvement sufficiently extensive to create the impression of career service which may not have been terminated?
- (2) Was the applicant's previous position in the intelligence field a prominent one (i.e., would he or she be likely to be known as an intelligence official)?
- (3) Did the applicant serve overseas while in the intelligence field?
- (4) What was the nature of the individual's involvement? (e.g. persons involved in covert action would probably be permanently barred).

#### Peace Corps Staff

In July 1975, the intelligence policy as it applies to staff positions was codified for the first time in an internal regulation, Manual Section 643 which remains in effect today.

Manual Section 643 was intended to carry forward the then existing policies and to clarify their application to positions with ACTION which related to both domestic and international programs. The regulation contains an absolute prohibition applicable to persons with previous CIA employment. It continues the 10-year quarantine for persons having non-CIA intelligence backgrounds and who were seeking employment in the Peace Corps.

Unlike the regulation applicable to volunteer service, Manual Section 643 makes employee applicants automatically eligible upon the expiration of 10 years following their last intelligence involvement. However, as a matter of practice the Peace Corps would look beyond the 10-year bar if an applicant's intelligence background was particularly extensive or involved covert activities.

#### ACTION Staff

At the time of the merger of Peace Corps and domestic volunteer programs under the ACTION umbrella, an attempt was made to apply the intelligence policy to all ACTION positions. It was quickly realized that this was unnecessary because most domestic positions had no relationship to the Peace Corps mission. Its application was then limited to Peace Corps positions and to positions in ACTION offices having a direct and important relationship to operations under the Peace Corps Act. Manual Section 643 applied the policy to ACTION positions as follows:

- d. Any person whose application to a position within ACTION reveals a CIA employment or intelligence activity within the past ten years, and whose application refers to a position other than a position in ACTION's Office of International Operations, but which position nevertheless has a direct and important relationship with operations under the Peace Corps Act, may be barred from consideration for that position.

With respect to paragraph d., any such application shall be referred to the General Counsel on a case-by-case basis.

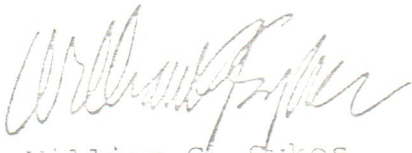
A committee was established by the regulation consisting of representatives from the General Counsel's Office, the Peace Corps and the domestic programs. The criteria for determining eligibility in such cases is the extent and nature of the non-CIA activity or training and the identification with Peace Corps operations of the ACTION position being sought.

Under Executive Order 12137, while the Peace Corps enjoys autonomy from ACTION, the latter still performs many support services such as recruitment and public affairs, for the Peace Corps. Thus, the policy contained in Manual Section 643 with respect to ACTION positions continues to be relevant.

Notre Dame Alan Cranston  
United States Senate

page 4

I hope this information fully answers your concerns about the Peace Corps intelligence policy. I believe the continued separation of Peace Corps and the intelligence functions of our government is critical to the success, credibility and safety of our overseas volunteers. If confirmed as Director, I intend to enforce the policy strictly, as has been done for the past two decades. It would be premature for me to suggest any modifications to the existing policy at this time. However, before considering any changes in the policy, we would seek the advice of a wide range of people, including members of the Congressional Committees with oversight responsibility for the Peace Corps.



William G. Sykes  
Acting Director

Sincerely,



Loret M. Ruppe  
Director-Designate

# Peace Corps

WFO 100-100000000

100-100000000

Ms. Pamela Turner  
Special Assistant  
for Legislative Affairs  
The White House  
Washington, D. C. 20500

Dear Pam:

Attached is the letter from Peace Corps to Senator Cranston in response to his intelligence inquiry.

I very much appreciated the attention you and Powell Moore gave this matter during our telephone conversation last evening. As I indicated at that time, it remains vital that we keep lines of communication open. To that end, please do not hesitate to contact me or Loret should you have any questions or concerns about Peace Corps. As it stands, we remain indebted to you and Powell for your help and support.

Loret joins me in sending special best wishes to you both.

Sincerely,



Kenneth H. Bastian  
Executive Assistant to  
the Director-Designate



March 20, 1981

Honorable Alan Cranston  
United States Senate  
Washington, D. C. 20510

Dear Alan:

In your letter of March 16, 1981, you asked certain questions concerning Peace Corps policy with respect to the employment of individuals with background in intelligence. In my reply of March 18, 1981 I attempted to respond to your questions, which I took to reflect your general concern that our present policies in this area be continued. As you know I too wish to continue those policies.

Your letter appeared aimed at questions of interest to my confirmation process, and I was therefore dismayed to learn that my response has been interpreted as having some relevance to the President's nomination of Tom Pauken to be Director of ACTION. I can assure you it was not so intended. I have, however, looked into the matter of Tom's nomination and have concluded that nothing whatsoever in the rules of either agency concerning intelligence background would preclude his eligibility to serve as Director of ACTION.

Lest there be any misunderstanding on this point, I want to state for the record that I fully support the President's nomination of Tom Pauken. I believe that he is fully qualified to be Director of ACTION and will perform ably in that role. I look forward to working with him in meeting the goals of our respective agencies.

Sincerely,

Loret Miller Ruppe  
Director-Designate

LMRUPPE:3/20/81 ✓  
cc: Chron, Subject, Bastion

United States Senate

WASHINGTON, D. C. 20510

March 26, 1981

Ms. Loret Ruppe  
Director-Designate of the  
Peace Corps  
806 Connecticut Avenue  
Washington, D. C. 20525

Dear Loret,

Many thanks for your letter of March 20. Please rest assured that I did not interpret your letter of March 16 to be intended to reflect upon Mr. Pauken's nomination, nor do I believe that the rules of either the ACTION Agency or the Peace Corps would legally preclude his eligibility to serve as Director of the ACTION Agency.

Cordially,

  
Alan Cranston

JOSEPH R. EDEN, JR., DEL.  
JOHN CLENN, OHIO  
PAUL S. DEKARTS, MD.  
EDWARD D. DICK, INDR  
FRANCIS W. DILL, MISS.  
ALBERT D. DILL, CALIF.  
CHAS. D. DILL, MD. MISS.

Mr. Fred Fielding  
Counsel to the President  
The White House  
Washington, D.C. 20500

The Committee intends to file its report on the Pauken nomination by Monday, April 6. I would, therefore, appreciate receiving your responses no later than the close of business Friday, April 3. If you are not able to comply fully with this request, please provide the Committee with whatever responses are available by that date. Thank you for your continued cooperation in this matter.

Sincerely,



Charles H. Percy  
Chairman

CHP:bga

cc: Mr. Max Friedersdorf, Assistant to the President for  
Legislative Affairs  
Senator Claiborne Pell

Enclosures

CHARLES H. PERCY, ILL., CHAIRMAN

HOWARD H. BAKER, JR., TENN.  
JESSE HELMS, N.C.  
G. L. BRAXTON, CALIF.  
WILLIAM D. COLE, IOWA  
FRANK J. FORD, ILL.  
JAMES H. HASTINGS, N.Y.  
J. EDGAR JOHNSON, MISS.  
J. ROBERT MANN, ILL.  
J. ROBERT MANN, ILL.

CLAIBORNE PELL, N.H.  
JOSEPH R. BIDEN, JR., DEL.  
JOHN CHAFFIN, OHIO  
PAUL D. CANINE, MD.  
EDWARD J. COCHRAN, N.Y.  
FRANK J. FORD, ILL.  
ADAM EMMETT BELL, ILL.  
FRANK J. FORD, ILL.

## United States Senate

OFFICE OF THE CLERK OF THE SENATE

WASHINGTON, D.C. 20510

April 2, 1981

Fred Fielding, Esquire  
Counsel to the President  
The White House  
Washington, D. C. 20500

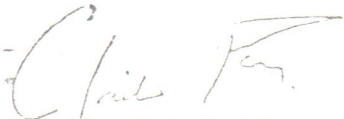
Dear Mr. Fielding,

With reference to the April 2 letter to you from Chairman Percy, please also provide the Committee with your views, and the independent legal judgment of the Peace Corps General Counsel, on the following issue raised during Mr. Pauken's nomination proceedings:

Under the present Peace Corps policy and practice regarding persons with intelligence backgrounds and taking into account Mr. Pauken's previous military intelligence experience and association, would he be eligible to hold a position on the Peace Corps staff or to serve as a Peace Corps volunteer?

Your response in the same time frame as to Chairman Percy's letter would be greatly appreciated.

Sincerely,



Claiborne Pell  
Ranking Minority Member



Alan Cranston

cc: Honorable Charles Percy  
Max Freidersdorf



1. While in military intelligence during the Vietnam War, 1969-1970, Mr. Pauken was a member of the Vietnam War Veterans Association and the Vietnam Veterans of America.

2. Finally, as Director of ACTION, Mr. Pauken has virtually no involvement with day-to-day Peace Corps operations. The ACTION offices which provide support services in no way dictate or influence Peace Corps policy.

When Mr. Pauken appeared before the Committee, he testified that "the Peace Corps should be kept separate from intelligence-related activities. I strongly support that policy and am in full compliance with the intelligence policy, as written vis-a-vis ACTION" (hearing record, p. 101). Included in the appendix to the views of the Majority are correspondence between Chairman Percy and Fred Fielding, White House Counsel, Max Friedersdorf, Assistant to the President for Legislative Affairs, and Robert McNamara, Jr., Peace Corps General Counsel. Messrs. Fielding's, Friedersdorf's and McNamara's correspondence indicate, *inter alia*, that according to ACTION, Peace Corps policy regarding the hiring of personnel who have an intelligence background, Mr. Pauken would be eligible to hold the position of Director of ACTION or any career position in ACTION.

Consequently, since Mr. Pauken meets the requirements of the ACTION/Peace Corps regulations pertaining to the service of ACTION personnel with previous intelligence experience, and taking into account Mr. Pauken's strong support for maintaining the separation of the Peace Corps from any intelligence-related activities, a majority of the Members of the Committee have concluded that Mr. Pauken is qualified to serve as the Director of ACTION.

U.S. SENATE.  
COMMITTEE ON FOREIGN RELATIONS.  
Washington, D.C., April 2, 1981.

Mr. MAX FRIEDERSDORF,  
Assistant to the President for Legislative Affairs, The White House,  
Washington, D.C.

DEAR MR. FRIEDERSDORF: The Senate Committee on Foreign Relations at its business meeting yesterday morning favorably considered the nomination of Thomas W. Pauken to be Director of ACTION. However, some Members of the Committee expressed serious concern over Mr. Pauken's previous military intelligence experience and the possible problems his confirmation might create for the safety of Peace

Committee Members. In an effort to resolve the concerns of the Committee Members, I request your views on the following issues raised during Mr. Pauken's nomination proceedings:

Under the present ACTION/Peace Corps policy regarding hiring of personnel who have an intelligence background and taking into account Mr. Pauken's previous military intelligence experience, would Mr. Pauken be eligible to hold the position of Director of ACTION or any career position in ACTION?

I further request that the Peace Corps General Counsel also provide the Committee with his independent legal judgment on the question listed above.

The Committee intends to file its report on the Pauken nomination by Monday, April 6. I would, therefore, appreciate receiving your responses no later than the close of business Friday, April 3. If you are not able to comply fully with this request, please provide the Committee with whatever responses are available by that date. Thank you for your continued cooperation in this matter.

Sincerely,

CHARLES H. PERCY,  
*Chairman,*  
The White House,  
Washington, April 3, 1981.

Enclosures.

Hon. CHARLES H. PERCY,  
U.S. Senate, Washington, D.C.

DEAR SENATOR PERCY: Your letter concerning the President's nomination of Thomas W. Pauken for Director of ACTION has been received.

The Administration opposes the separation of the Peace Corps and ACTION.

We have no knowledge of any comparable costs between an Executive Order issued two years ago and speculation on what costs might have been had the agencies been separated. However, we will request the Office of Management and Budget to review the question.

Mr. Pauken's nomination was submitted to the Senate on February 24, 1981, and we are hopeful that the Senate will take up his confirmation at the earliest possible date.

With regard,

Max L. Friedenson,  
*Assistant to the President,*  
The White House,  
Washington, April 3, 1981.

Hon. CHARLES H. PERCY,  
U.S. Senate, Washington, D.C.

DEAR SENATOR PERCY: By letter dated April 2, 1981, you requested that I supply to your Committee my views on the issue of whether Thomas W. Pauken, the President's nominee for Director of ACTION, would be eligible to hold the position of Director of ACTION or any career position in ACTION in light of his prior military experience. By a separate letter received this afternoon, Senator Pell

also requested a copy of the March 26 nomination hearing and a copy of Senator Pell's letter of March 26 to me. A copy of the transcript of the hearing will be forwarded to you as soon as it is available. In an effort to resolve the concerns of the Committee Members, I request your view on the following issues raised during Mr. Pauken's nomination proceedings:

Under the present ACTION/Peace Corps policy regarding hiring of personnel who have an intelligence background and taking into account Mr. Pauken's previous military intelligence experience, would Mr. Pauken be eligible to hold the position of Director of ACTION or any career position in ACTION?

I further request that the Peace Corps General Counsel also provide the Committee with his independent legal judgment on the question listed above.

The Committee intends to file its report on the Pauken nomination by Monday, April 6. I would, therefore, appreciate receiving your responses no later than the close of business Friday, April 3. If you are not able to comply fully with this request, please provide the Committee with whatever responses are available by that date. Thank you for your continued cooperation in this matter.

Sincerely,

CHARLES H. PERCY,  
*Chairman,*  
The White House,  
Washington, April 3, 1981.

# Peace Corps

Washington, D.C. 20525

CONFIDENTIAL

Honorable Fred W. McCallum  
Counsel to the President  
The White House  
Washington, D. C. 20500

Dear Fred:

To follow up on our conversation of this morning I wish to restate my position regarding Tom Pauken's nomination and the relationship of the Director of ACTION to the Peace Corps. As Director of the Peace Corps, my primary concern has to be maintaining the safety of our volunteers and staff overseas.

As you know qualifications for the Director of ACTION are determined by the President who nominates him and by the Senate which must confirm his nomination. As such, that position is not covered by the intelligence policy guidelines of the Peace Corps.

As I have indicated earlier, I believe Tom is qualified to be the Director of ACTION. In addition, two Senate committees have already approved his nomination.

With respect to the hypothetical question of his eligibility to serve as an employee of ACTION pursuant to existing intelligence policy, this is a legal determination. I must therefore rely on legal opinions as to the answer to that question. If your office has answered that question in the affirmative, I will of course accept that opinion.

This issue has developed because of the publicity surrounding Mr. Pauken's confirmation hearings which imply some possibility that the Peace Corps will be used for intelligence purposes. I believe this is an unfair, unwarranted conclusion based on Mr. Pauken's record. His intelligence involvement was over ten years ago in the military--not as a civilian intelligence operative--and he testified that he has had no contact with military intelligence since 1969. Any implication that based on this background he will turn the Peace Corps into an intelligence-gathering agency is totally without merit and outside the scope of the ACTION Director's authority.

As Director of the Peace Corps, I intend to make absolutely clear that Peace Corps personnel are not in the intelligence business. I intend to reaffirm the understanding with various intelligence agencies of that policy. In this way we will continue our efforts to minimize any risk to Peace Corps Volunteers in the field.





THE WHITE HOUSE

WASHINGTON

April 3, 1981

Honorable Charles H. Percy  
United States Senate  
Washington, D.C. 20510

Dear Senator Percy:

By letter dated April 2, 1981, you requested that I supply to your Committee my views on the issue of whether Thomas W. Pauken, the President's nominee for Director, ACTION, would "be eligible to hold the position of Director of ACTION or any career position in ACTION" in light of his prior military experience. By a separate letter received this afternoon, Senators Pell and Cranston asked me to expand my response to also cover the question of whether Mr. Pauken would "be eligible to hold a position on the Peace Corps staff or to serve as a Peace Corps volunteer". Given time constraints, I am taking the liberty of responding to both requests in this letter. I have also asked Mrs. Loret Ruppe to advise the General Counsel of the Peace Corps of your additional request for his independent legal opinion on these issues.

In order to respond, and to place the issue of Mr. Pauken's "intelligence background" in the proper context, it is appropriate to examine (1) ACTION/Peace Corps intelligence policy, (2) the nature of the relationship between Peace Corps and ACTION, and (3) the facts of Mr. Pauken's military experience.

In 1975, ACTION published Order 300.5, an internal policy statement. It has no force of law and is not binding on the President in making this nomination, or on the Senate in the exercise of its constitutional power to advise and consent on the appointment by the President of officers of the United States. However, even if Order 300.5 applied to this case, I am of the opinion that Mr. Pauken would qualify for appointment to any position in ACTION. The policy of Order 300.5 clearly states that former intelligence activity will never automatically disqualify a candidate for any post in ACTION. Only if the applicant had worked for the CIA or engaged in intelligence activity within the past ten years, is a determination required as to the appropriateness of

ACTION employment in light of past intelligence work. Since Mr. Pauken's intelligence activity ceased in 1969, Order 300.5 would not restrict his application for employment by ACTION.

Order 300.5 would also not apply to Mr. Pauken if he were seeking to be a Peace Corps volunteer. He was not a CIA employee and was not engaged in any intelligence activity for the past 10 years. By letter to Senator Cranston dated March 18, 1981, William G. Sykes and Loren Ruppe state that form (4) enumerated criteria are used, apparently by the Peace Corps, to determine whether the ten-year ban should be extended in a particular case of a Peace Corps applicant. We have been unable to locate any previously existing public source for these four tests and believe that the application of unpublished criteria to evaluate an individual's job eligibility raises serious questions of fairness. Even if, however, these criteria were applied hypothetically to Mr. Pauken, I believe he would be eligible for placement in the Peace Corps. With respect to the first criterion, Mr. Pauken's involvement was clearly limited in time and responsibility. As his testimony before your Committee makes clear, he was not a career intelligence employee, but worked in low-level intelligence in a combat area, solely to aid U.S. forces as a military assignment. Mr. Pauken was a Lieutenant in the U.S. Army; he was not in a "prominent" position in intelligence, as criterion 2 asks. It is true that Mr. Pauken served overseas, as criterion 3 asks, but this service was not in some underdeveloped neutral country; rather, he served in the military in an allied country, assisting South Vietnam in its fight for survival. Finally, criterion 4 asks for the nature of the applicant's involvement. Mr. Pauken's was extremely limited in time and scope.

Of course, Thomas W. Pauken is not seeking to be a Peace Corps volunteer. He is, rather, applying to be the Director of ACTION. As such, he would have an extremely limited role with respect to the Peace Corps. (The Peace Corps Director prepares and implements its budget, and directs and controls the operation of the Peace Corps and such support functions as are necessary to carry out the responsibilities delegated by Executive Order 12137 (March 16, 1979). Policy matters, including program development and implementation, planning, volunteer selection and placement, legal support, congressional liaison, development of education activities, program evaluation, and services to volunteers and their families, remain the sole responsibility of the Peace Corps Director. As you yourself have stated, Mr. Pauken will have virtually no

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\*I believe it to be irrelevant that Mr. Pauken remained in the inactive Reserves for a brief period thereafter; during this period he was not engaged in intelligence activity.

...should be judged as the Director, since he  
will have less of the ...

It should be noted that the Peace Corps does not totally exclude former intelligence personnel from its employ. Since 1975, by Order 300.5, it has been public knowledge that the Peace Corps stands ready to employ persons who have worked for a non-CIA intelligence agency more than 10 years before their application. This public position of the Peace Corps has not, to our knowledge, hampered the Peace Corps in the performance of its basic functions, nor has it jeopardized the safety of any Peace Corps volunteer.

In my opinion, Order 300.5 is a sensible solution to the question of when former intelligence employees should be allowed to work for ACTION and the Peace Corps. Thomas Pauken qualifies under any reading of Order 300.5; his prior service to his country in a time of need is evidence of his capacity to lead ACTION, and not a reason to deny him this opportunity for further public service. It is the President's desire that he have that opportunity, and we respectfully urge his confirmation at the earliest date.

I appreciate the opportunity to comment on this subject for your Committee.

Sincerely,



Fred F. Fielding  
Counsel to the President

cc: Honorable Claiborne Pell  
Honorable Alan Cranston  
Honorable Max L. Friedersdorf  
Mr. Thomas W. Pauken



# Peace Corps

MS 643 (ACTION Order No. 300.5)

Office of the Director

April 3, 1981

Honorable Charles H. Percy  
Chairman  
Committee on Foreign Relations  
United States Senate  
Washington, D.C. 20510

Dear Mr. Chairman:

In a letter dated April 2, 1981, to Mr. Fred Fielding, Counsel to the President, you requested that the Peace Corps General Counsel provide the Committee with a legal opinion on whether, under the current ACTION/Peace Corps policy regarding the hiring of personnel who have an intelligence background, Mr. Pauken, the ACTION Director-Designate, would be eligible to hold the position of Director of ACTION or any career position in ACTION.

## Eligibility for Position of Director of ACTION:

The Peace Corps intelligence policy, as set forth in MS 643 (ACTION Order No. 300.5), dated July 21, 1975, has neither a statutory nor a formal regulatory basis. Rather, it is an internal policy which has been formulated by the Peace Corps and applied to volunteers, Peace Corps employees, and to those ACTION employees whose positions have "a direct and important relationship with operations under the Peace Corps Act".

Since the policy is an internal one, it is not legally binding on the President, nor is it applicable to individuals nominated by the President for positions which require the advice and consent of the Senate. Consequently, the policy would have no application to Mr. Pauken's nomination, and, therefore, would not be a bar to his holding the position of Director of ACTION.

## Eligibility for Any Other Position in ACTION:

As a preface to the discussion which follows, I wish to point out that I am relying solely on the transcript of the hearing on Mr. Pauken's nomination to be Director of the ACTION agency, which the Committee held on Wednesday, March 25,



Honorable Charles H. Perry  
Washington, D.C.

April 3, 1981  
Page Two

1981, for the factual predicate for my opinion. I assume that the information contained in that transcript is not only accurate, but also complete. I have not had access to any other documents, such as Mr. Pauken's military record (Tr. 48); I assume information in that record neither contradicts nor qualifies the information contained in the transcript.

The relevant provision of the Peace Corps intelligence policy which applies to positions within ACTION is found in MS 643.4.d, which states:

"Any person whose application to a position within ACTION reveals a CIA employment or intelligence activity within the past ten years, and whose application refers to a position . . . which . . . has a direct and important relationship under the Peace Corps Act, may be barred from consideration for that position."

In such cases, a committee is formed comprised of Peace Corps General Counsel (representing the Peace Corps Director), the ACTION General Counsel, and the designee of the Associate Director for Domestic Operations. The committee examines the nature and circumstances of the applicant's intelligence activity and the directness and importance of whatever relationship the position applied for within ACTION has to operations under the Peace Corps Act. The committee then makes a recommendation to the Deputy Director of ACTION as to whether the applicant should be barred from consideration for the position.

Before applying this policy and the underlying criteria to Mr. Pauken's situation, it is important to point out that this case is unique. After discussions with my staff, and with ACTION General Counsel, I have confirmed that on no occasion previous to this have we had a situation involving inactive reserve status. Consequently, it is not settled whether such status should be included for purposes of the ten-year rule. If that status is not included for purposes of consideration under MS 643.4.d, then Mr. Pauken would automatically be cleared for a position within ACTION, since his intelligence activity occurred more than ten years ago. However, assuming without deciding that such status is to be included, then an examination of the nature and circumstances of the intelligence activity is necessary.

Mr. Pauken's military record indicates that on December 29, 1969, he received special orders assigning him to a reserve unit; on January 4, 1970, he was separated from

Honorable Charles H. Percy  
Washington, D.C.

April 3, 1981  
Page Three

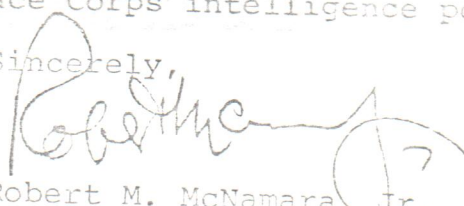
active duty; on March 10, 1972, he signed an election to be transferred to the USAR Control Group Standby upon expiration of the Ready Reserve obligation; and on February 14, 1973, he received a notice of discharge from Standby Service effective February 28, 1973. (Tr. 57, 59; See also Tr. 47-48). During this period of time, Department of Army records show Mr. Pauken's military intelligence MOS continued, that is, as a military intelligence officer. (Tr. 57).

Regarding the nature of this inactive reserve status, Mr. Pauken has testified that after his discharge he in fact had no connection or involvement with the military or intelligence. (Tr. 9, 32-33, 58, 60-61). At the Committee's hearing on his nomination, Mr. Pauken testified:

" . . . I never went to a meeting, never talked with anyone from the military, never had any connection with military intelligence after the day I was discharged or got out in Oakland." (Tr. 58).

This uncontradicted statement clearly indicates that Mr. Pauken was involved in no military intelligence activities during the period of time he would have fallen within the ten-year provision. The circumstances surrounding his inactive reserve status also clearly indicate that it was purely an administrative classification evidencing a continuing legal obligation without any actual involvement with the military. Consequently, in my opinion, Mr. Pauken would not be barred from consideration for a position within ACTION under the current Peace Corps intelligence policy.

Sincerely,

  
Robert M. McNamara, Jr.  
General Counsel

# Peace Corps

Washington, D.C. 20525

Office of the Director

April 27, 1981

The Honorable Claiborn Pell  
Committee on Foreign Relations  
United States Senate  
Washington, D. C. 20510

Dear Senator Pell:

On Friday, April 3, 1981, I was informed that you had sent a letter to Mr. Fred Fielding, Counsel to the President, in which you asked us to expand our responses to the questions submitted by the Chairman of the Committee to include whether "Under the present Peace Corps policy and practice regarding persons with intelligence backgrounds and taking into account Mr. Pauken's previous military experience and association he would be eligible to hold a position on the Peace Corps staff or to serve as a Peace Corps volunteer." My response to this question has been delayed because I wished to see a copy of the letter itself.

As I am sure you are well aware, the application of the Peace Corps intelligence policy to those wishing to serve either as volunteers or as Peace Corps staff members is much stricter than those wishing to serve in certain staff positions in the ACTION Agency. The primary reason for this dichotomy is the heightened concern for the safety and security of the volunteers and staff overseas, especially in countries where even the suspicion--albeit totally unfounded--of participation in intelligence activities could seriously jeopardize not only the lives of these persons but also the credibility and vitality of our programs.

Our concern in this area has increased in recent years as terrorist and guerrilla organizations have looked upon hostage-taking as a standard operating procedure to effect short-term domestic and international political gains. The possibility and the fear that our volunteers or staff could be used as pawns in such a situation is not speculative. In recent times two of our volunteers have been held hostage: one for three years and another for ten days. Consequently, since most of our volunteers operate outside of capital cities oftentimes at great distances in rural villages, the Peace Corps has strictly applied the intelligence policy and has, if at all, erred on the side of extreme caution.



For these reasons I am in full support of the policy of the ACTION Agency, which the Committee held on Wednesday, March 23, 1961, for the factual predicate for my opinion. I assume that the information contained in that transcript is not only accurate, but also complete. I have not had access to any other documents, such as Mr. Pauken's military record (Tr. 43). I assume information in that record neither contradicts nor qualifies the information contained in the transcript.

The hearing transcript provides the following information regarding Mr. Pauken's military service:

1. Upon enlisting in the Army, he requested an assignment to international affairs and was assigned to Special Intelligence (Tr. 54-56);
2. From June 1967 to December 1968, he received intelligence and language training (Tr. 9, 41);
3. His first assignment in Vietnam was a Province Intelligence Officer in the Delta (Tr. 9, 41). He described his primary duties as "nothing other than low-level order of battle collection of information (Tr. 42), and he was primarily involved "with analyzing a particular religious sect that is in the Delta known as Hoa Hao, which is an off-shoot of the Buddhist sect." (Tr. 43-50).
4. An efficiency evaluation report covering the period of November 1, 1968 to May 31, 1969 described his principal duties as "team chief in a unilateral clandestine intelligence collection operation" (Tr. 49).
5. An efficiency evaluation report covering the period of June 1, 1969 to August 22, 1969 described his principal duties as "team chief of an intelligence collection team engaged in covert intelligence operations, directly responsible for developing and directing team operations in direct support of the counter-insurgency effort in the Four Cord (?) (sic) tactical zone in the Republic of Vietnam" (Tr. 49).



6. In conjunction with the report mentioned in No. 5 above, Mr. Pauken performed "simultaneously I contributed to develop the covert intelligence programs of the team I headed" (Tr. 50).
7. His work did not include the knowing interrogation of North Vietnamese, Viet Cong soldiers or civilians (Tr. 43-44).
8. He carried out these activities in the Delta at times in civilian clothes and at other times in uniform. He did not, however, have any type of cover (Tr. 45).
9. He later served as a Senior Analyst for the Office of Strategic Research and Analysis in Saigon. In this capacity he "prepared a number of studies on everything from communist revolutionary strategy towards South Vietnam and did a major study on Truong Chinh, who was a leading North Vietnamese revolutionary theorist" (Tr. 43-46). He also conducted "studies on the relationship between the North Vietnamese and the Viet Cong" (Tr. 46).
10. He testified that, to his knowledge, he did not communicate with intelligence personnel from any other intelligence agency, including the CIA (Tr. 47).
11. The citation accompanying the Joint Service Commendation Medal that he was awarded stated that his "analyses provided the Commander, United States Military Assistance Command, Vietnam, of the United States Embassy and other agencies throughout the intelligence community with intelligence information of great value in the counter-insurgency effort in Vietnam" (Tr. 51). Mr. Pauken testified, however, that he was unaware that the reports were passed on to other agencies. (Tr. 44, 46, 51-52).
12. An efficiency report covering the period of August 23, 1969 to December 27, 1969, indicates he "contributed to the success of several joint classified projects undertaken with other intelligence agencies in the Saigon area" (Tr. 53).
13. On December 29, 1969, he received special orders assigning him to a reserve unit; on January 4, 1970, he was separated from active duty; on March 10, 1972, he signed an election to be transferred to the USAR Control Group Standby upon expiration of the Ready Reserve obligation; and on February 14, 1973, he received a notice of discharge from Standby Service effective February 28, 1973. (Tr. 57, 59; see also Tr. 47-48).

During this period of time, Department of Army records show Mr. Pauken's military intelligence life was continued as a military intelligence officer (Tr. 57).

14. Regarding the nature of this inactive reserve status, Mr. Pauken has testified that after his discharge he in fact had no connection or involvement with the military or intelligence (Tr. 9, 32-33, 58, 60-61). At the Committee's hearing on his nomination, he testified:

" . . . I never went to a meeting, never talked with anyone from the military, never had any connection with military intelligence after the day I discharged or got out in Oakland." (Tr. 58).

Eligibility for Service as a Peace Corps Volunteer:

The intelligence policy as it applies to volunteers is codified in Peace Corps Manual Section 201. II.B., which was most recently revised in May 1973. Manual Section 201. II.B. states that to be eligible for Peace Corps service, an applicant must:

5. Have no connection with the Central Intelligence Agency;
  - a. Any person who has ever had a Central Intelligence Agency connection is automatically disqualified from Peace Corps service.
  - b. Any person with other intelligence training or who has done intelligence work within the past ten years is also disqualified from Peace Corps service. A person who was involved in intelligence activity (other than CIA) more than 10 years ago will be referred to General Counsel which will determine if the nature of that activity was sufficient to warrant disqualification.
  - c. Any question as to whether an activity constituted an intelligence activity under these guidelines will be referred to General Counsel.

In determining whether the nature of intelligence activity was sufficient to warrant disqualification under the provisions of Manual Section 201.II.B.5.b., the Office of General Counsel uses the following criteria to determine whether the 10-year bar should be extended in a particular case:

1. Was the applicant's involvement sufficiently extensive to create the impression of career service which may not have been terminated?

2. Was the applicant's previous position in the intelligence field a prominent one (i.e., would he or she be likely to be known as an intelligence official)?
3. Did the applicant serve overseas while in the intelligence field?
4. What was the nature of the individual's involvement (e.g., was the person involved in covert action, which would probably be a permanent bar)?

The first issue to be resolved is whether Mr. Pauken falls within the 10-year bar by virtue of the fact that he was on inactive reserve status as a military intelligence officer until 1973. As I indicated in my letter to the Chairman dated April 3, 1981, this Office has never specifically ruled on the issue of whether inactive reserve status should be included for purposes of the 10-year rule. Manual Section 201.II.B.5.b. requires that the individual not have been involved in intelligence training or in intelligence work for 10 years prior to his acceptance to the Peace Corps. Mr. Pauken's uncontradicted statement (see No. 14 above) clearly indicates that he was involved in no military intelligence training or activities during the period of time which would have fallen within the 10-year provision. The circumstances surrounding his inactive reserve status also clearly indicate that this status was an administrative classification evidencing a continuing legal obligation without any actual involvement with the military. Consequently, he would not be barred automatically by the 10-year rule.

The second and more important question was whether his activities as a military intelligence officer in Vietnam were sufficient to warrant disqualification as a Peace Corps volunteer, despite the fact that it occurred more than ten years ago. Regarding the first criterion, it is my opinion that Mr. Pauken's military service was not sufficiently extensive to create the impression of career service. Although he technically served for a period of six years, two of those years were in training in the States prior to going to Vietnam and only approximately eleven months were served as an intelligence officer. Although he was on inactive reserve status as a military intelligence officer, once he was discharged in Oakland, he had no further connection with the military or with any intelligence agency. In fact, it is clear from his biographical data that Mr. Pauken once again became a private citizen and engaged in activities totally unrelated to the military or to the intelligence fields.



With respect to the second criterion, it is my opinion that Mr. Pauken's military intelligence background and his contact with host country nationals in his capacity as a military intelligence officer and as a Senior Analyst with the Strategic Research Analysis, it is not only likely but certain that he was known to the North Vietnamese intelligence and counter-intelligence divisions and that this information could have been routinely passed on at least to Soviet intelligence if not also to other sympathetic hostile intelligence services. For this reason, not only is there a strong possibility that the credibility of the Peace Corps program in the country to which he might be assigned would be jeopardized, but also, and more importantly, his own safety as a volunteer could be threatened--especially in those countries undergoing a degree of political instability-- should he be accepted as a volunteer.

Regarding the third criterion, he did serve overseas, albeit in a military capacity, and in a country where the U.S. military forces were engaged. His presence overseas and his contact with host country nationals in his capacity as an intelligence officer increases the likelihood of his notoriety.

With respect to the fourth criterion, the exact nature of Mr. Pauken's intelligence activity in Vietnam is unclear at best. Mr. Pauken's testimony regarding his primary responsibilities are contradicted by the evaluation reports which indicate that he was involved in and responsible for clandestine and covert operations. Without attempting to reconcile the apparent contradictions, even the remote possibility that such information would surface could be devastating to virtually any Peace Corps program. Consequently, in my opinion, he should be disqualified from serving as a volunteer under this criterion as well.

Conclusions drawn from the application of these criteria must of necessity rest to a certain degree on speculation. It is very possible that no one would remember or learn that he was a military intelligence officer or that, at least according to Department of Army records, he was involved in clandestine and covert intelligence operations. However, the genuine risk to the safety of Mr. Pauken as a volunteer, to other volunteers, and to the viability of Peace Corps country programs far outweighs the equally speculative gain of accepting him for volunteer service.

#### Eligibility for a Position on the Peace Corps Staff:

The intelligence policy as it applies to Peace Corps staff positions is codified in Manual Section 643, para. 4 which states in part:



- b. Any person who has ever had any Central Intelligence Agency (CIA) employment shall be barred from considerations for positions in Peace Corps operations overseas and in ACTION's Office of International Operations (now Peace Corps/Washington).
- c. Any person whose application reveals intelligence activity (other than CIA) within the past 10 years shall be barred from consideration for positions in Peace Corps operations overseas and in ACTION's Office of International Operations (now Peace Corps/Washington).

You will note that, unlike the regulations applicable to volunteer service, Manual Section 643 appears to make employee applicants automatically eligible for Peace Corps staff positions upon the expiration of 10 years following their last intelligence involvement. However, as a matter of practice, the Peace Corps looks behind the 10-year bar if an applicant's intelligence background was particularly extensive or involved covert activities. Because the same concerns regarding the health and safety of volunteers and Peace Corps programs apply equally to a staff position, there is no logical reason to differentiate between volunteers and staff. While this is currently the policy and practice of the Office of General Counsel and has been since I became the General Counsel, in candor I must admit that, in the three years prior to my accepting this appointment, the application of this policy and practice has been inconsistent.

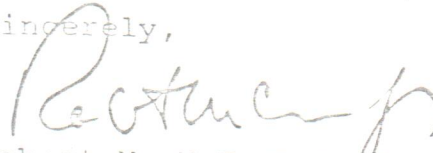
In my opinion, for the reasons set forth above where I discuss the application of the various criteria used to determine the eligibility of applicants for Peace Corps volunteer service, Mr. Pauken would be barred from serving in a position as a Peace Corps staff member in any overseas position, in any Peace Corps/Washington policy position, in any country desk officer position, and in any position which would likely require him to travel overseas as part of his official responsibilities.

He would be clearly barred from any overseas position since any allegation arising from the fact that he had been a high level intelligence officer in Vietnam and allegedly conducted clandestine covert operations in that country would be the death knell to any Peace Corps program in which he served and would jeopardize the safety of volunteers in that country. Similarly, were he to serve in a policymaking position, a country desk position, or a position requiring overseas travel, such allegations could have the same impact on the Peace Corps' credibility and integrity. I would again point out that this analysis rests on a highly speculative set of probabilities, but the grave risks

to the individuals who serve in the Peace Corps and to the Peace Corps itself warrant a high degree of caution in the application of this policy.

I have attempted to apply the policy without reference to the publicity which has surrounded Mr. Pauken's nomination. However, because of the extensive publicity which his nomination has received, the perception of Mr. Pauken's intelligence involvement has taken on a substance of its own. Thus, unfair as it might appear, we would be forced to take this publicity into account were Mr. Pauken to apply for a position with the Peace Corps in the near future.

Sincerely,



Robert M. McNamara, Jr.  
General Counsel

cc: The Honorable Charles H. Percy  
Chairman

Wednesday, April 15, 1981



# All Did Not Go Peaceful In Peace Corps Rank

Life is a bit sticky — and due to get stickier — at ACTION, the agency which helps the poor at home with VISTA and the poor abroad with the Peace Corps.

That's because Ronald Reagan has chosen as its new boss a person who could not under the rules even get a job at the Peace Corps, much less direct it.

Manual Section 643 is quite specific: Anybody who has served in the CIA or intelligence activity within the past ten years is automatically barred. Applications from people whose intelligence service is more than ten years old must be reviewed on a case-by-case basis.

According to Peace Corps General Counsel Robert McNamara, Thomas W. Pauken, Reagan's choice, would not be eligible.

A secret poll conducted by the ACTION Employees Union shows that by a margin of two to one, the workers favor opposition to the man they undoubtedly will have live with.

## Filibuster Hinted

They realize how little ice their views cut in the Senate, which will vote on the confirmation upon return from recess. Several Democratic liberal senators, including Peace Corps alumni Paul Tsongas and Christopher Dodd, have joined Minority Whip Alan Cranston in hinting at a filibuster, but little hope is held out for any kind of a show.

The Senate, after choking, swallowed alarming Alexander Haig and his know-nothing deputy, William Clark.

And the Republicans are claiming that Ernest Lefever, the enemy of human rights for head of the department by that name, is a sure thing. Only one Republican has spoken out against Pauken: Rudy Boschwitz of Minnesota, which is second to California as a source of Peace Corps volunteers.

Chairman Charles Percy of the Senate Foreign Relations Committee sought escape from the turmoil by inquiring of the White House if plans were afoot to divorce the Peace Corps from ACTION, whose employees would not be endangered by having a former intelligence officer in charge.

Percy received a cryptic letter from the president's people informing him that not even a trial separation was under consideration.

Pauken made no secret of his past as a military intelligence officer in Vietnam when he was a three-time, unsuccessful candidate for public office in Texas.

"I was not a spy," he told the Foreign Relations Committee, which voted his nomination out by eight to seven.

But the character of his service

as that Pauken was "not a spy" did not about how he was assigned to intelligence.

Cranston says that a number of the military requested Pauken's pre-induction application. And he was not the "spy," he says, "because he was engaged in counter-intelligence operations, direct support of the counter-insurgency effort."

Pauken complains that his service to his country is being held against him.

To conservative Republicans, of course, such stalwart efforts in a cause that so many of Pauken's contemporaries refused to join are admirable... For them, there is an appealing symmetry in replacing Sam Brown, the leader of Vietnam resistance, with someone who volunteered for the fray.

For Peace Corps volunteers, however, it is something else. They have labored from the beginning under the shadow of suspicion that under the guise of digging sewers, teaching English and planting fields, they were doing the work of the CIA.

At the request of Cranston, volunteers submitted instances where they had been held at gunpoint, thrown in jail or threatened with beating by exercised locals. The Employees Union has taken the position that the "wall of separation" between spying and the Peace Corps has been breached by the appointment, and that the health and safety of the volunteers is imperiled.

A minority at ACTION favors Pauken all the same, on grounds that the agency needs a full-time advocate, and that Pauken proved his clout at the White House by talking Deputy Chief of Staff James Baker out of chopping off the domestic arm of ACTION entirely. Pauken emerged from a widely publicized meeting in mid-March as the rescuer of the doomed program.

## Others Skeptical

Others are skeptical and suspect a bit of stagecraft. Pauken, a conservative, former leader of Young Republicans, was getting a boost from Baker, who is said to be trending fences with the right that the odd nomination.

Pauken told the senators that he did not feel that the "appearance" of a connection of the Peace Corps with intelligence activities could be as serious a problem as an actual connection.

But the volunteers are a special fervent lot and they feel that the Peace Corps will waver and die with Pauken at the helm. They hope that the character of his service



## The ACTION Nominee

The receipt of the nomination of Mr. Pauken to head ACTION, a unit at first glance to be well suited to the job, has caused a certain amount of uneasiness in the Central Ad. Study Council on Vietnam. The Council is a membership organization of the Office of Industrialization Center based in Dallas.

But, wait. Mr. Pauken was an Army officer — an Army officer who served in Vietnam and whose military specialty was intelligence. And ACTION is the parent agency for the Peace Corps. That combination has generated a fierce opposition to Mr. Pauken, although his nomination has been approved by both the Labor and Human Resources Committee and the Foreign Relations Committee of the Senate. A floor vote could come next week.

There are two layers to what has become, both publicly and behind the scenes, a bitter dispute. There is the fear that the Peace Corps could be compromised by having as its head a person with an intelligence background. There is no statutory restriction, but it has been a longtime Peace Corps regulation that no person who has served in the CIA or the intelligence field generally could be accepted as a corpsman within 10 years of having so served. The concern is legitimate and has guided the Peace Corps since it was established under President Kennedy. There must be not even a tenuous connection between Peace Corps activities and U.S. intelligence-gathering activities.

A legitimate concern, however, in the Pauken nomination seems to have been raised to a level of absolutism, not without adding that Mr. Pauken is a presidential nominee and not a Peace Corps applicant. Beyond that, the opposition to the former lieutenant's nomination has taken on a rancor that suggests rather more than the principle of separation between the Peace Corps and intelligence.

Mr. Pauken enlisted in the Army in 1967, a period when a conspicuous portion of his generation resisted military service. When he was commissioned a year later, he was assigned to military intelligence work which spans a wide spectrum of activities but which, in the poisoned atmosphere of the Vietnam years, was freighted with dark connotations of spying and worse. That connotation is excessive, but it has generated most of the opposition to Mr. Pauken.

Mr. Pauken was grilled by Sen. Alan Cranston at the confirmation hearing before the Foreign Relations Committee. The word "covert" was the prime spice in that stew. But Mr. Pauken repeatedly testified that his 1968 Vietnam service involved basic military intelligence work — from operational order-of-battle analysis to broader studies involving the relationship between the North Vietnamese and the Viet Cong. Senator Cranston's persistent scratching at Mr. Pauken's service in Vietnam finally led the nominee to say, "Senator, I must say that it is extremely ironic . . . that someone with a military background does not have a distinction made for him versus someone with a professional intelligence background . . . I have no apologies for my service there (in Vietnam). . . I really think that this is an important distinction that needs to be made."

Mr. Pauken is right. He left active duty in 1969, which more than covers the agency 10-year-connection regulation. It strikes us as strained to think that a stint in military intelligence could be construed as violating the traditional separation of the Peace Corps and intelligence-gathering.

The tone of the opposition to his nomination has a taint of soldier-baiting to it — of stereotyping that does a disservice to the men and women who honorably served their nation during the Vietnam era.

## Our Deceptive Economy

The big economic news of the week is that the Gross National Product grew at a 6.5 percent annual rate, after allowing for inflation, in the first quarter of the year. It was the most robust three months of economic growth in almost three years. The news contrasted with the gloom pervading a lot of the recent statistics — numbers that tell of substantial unemployment and rising inflation, fantastic

quarter growth will not be duplicated immediately. Commerce Secretary Malcolm Baldrige sounded glum, forecasting "a couple of flat quarters." The administration, which took office January 20, says most of the growth took place in that month, and is not trying to take credit for it.

There are, of course, other reasons for the administration to continue poor-mouthing in

# Peace Corps

Editor  
The Washington Star  
Washington, D.C.

Dear Editor:

I have reviewed with great interest articles which appeared on successive days in your Comment Section concerning the Peace Corps. I am compelled to offer to your readers information which casts a different light on some of the suggestions made in the two articles or which provides data not included in the discussions by Mr. Carrier or Ms. McGrory.

First, the Director of ACTION is not the Director of the Peace Corps. As Director-Designate of the Peace Corps, I clearly understand that I report to the President and that I determine the policy and practices of the Peace Corps and hire its personnel. The Peace Corps is autonomous from ACTION and has been since an Executive Order was issued effecting autonomy in May, 1979. The Peace Corps does buy certain services from ACTION, including accounting, health services, recruitment, communications and general services. We have a separate personnel system, budget system, general counsel, program offices, planning and policy unit, placement office and volunteer support unit. We have volunteers in sixty-one countries and there is a Peace Corps office in most of these countries. Peace Corps policy is not subject to the approval of or review by the ACTION agency. That right is reserved for the President of the United States. I can state unequivocally that the Peace Corps is not now and will not become an instrument for intelligence activities of any kind or at any level during my tenure as Peace Corps Director.

Mr. Carrier suggests that it is inappropriate to screen and select Peace Corps Volunteers before they are sent overseas. This is, of course, ludicrous! Not everyone can live and work effectively in a different culture. Not everyone can effectively represent the American people in the villages and countryside of Asia and Africa and the Caribbean and the South Pacific and Central America and South America. "Inflexibility" is not a characteristic we look for in volunteers because we do not send Americans overseas to impose their wills and views on our friends. We send them to help with skilled manpower needs, to represent the American people and to bring back to America an increased understanding of a people and a culture different from our own.

staff level personnel would be duplicated in a new Peace Corps operation. The analysis is based on the assumption of offices and on the assumption that only a minimal number of managerial staff would be added for the Peace Corps offices. It is assumed in each case that only relevant supervisory personnel would be duplicated in a new Peace Corps operation, along with necessary space and equipment. An attempt has been made to factor the effects of possible agency responses to a shift, such as major reorganizations or space reallocations, into the analysis.

The analysis involved examination of three support offices that account for \$8.3 million (30 percent) of the total 1981 budget of \$29 million for jointly supported services: accounting, administrative services, and computer services. Within those operations, the minimal assumptions about duplication of management-level personnel mentioned above were made. These additional personnel were assumed paid at slightly above the office-average salary for 1981 and provided with roughly the agency-average amount of space, furniture, phone services, etc. All of these assumptions appear to be conservative given the likely grade of these staff. Staff-level personnel and associated space and equipment were assumed divided between the agencies.

On a base of 150 staff, this methodology led to a conclusion that 26 senior staff would be duplicated resulting in an increase of roughly \$1 million in operating costs on the base of \$8.3 million for 1981. This would represent an 11 percent increase for these three offices. Substantial uncertainty is introduced in attempting to project total costs from this sample estimate. A simple linear projection of the savings to the full \$29 million joint services budget would indicate an increase of \$3 million. This figure is likely to be too large, however, because Peace Corps does not buy the same level of services in all areas. While it buys significant recruitment and health services from ACTION, Peace Corps would not duplicate positions from the Office of Policy and Planning since it already has its own independent offices. Therefore, the \$3 million figure should be viewed as an outside estimate for additional operating costs.

APR 23 1981

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# Peace Corps

Washington, D.C. 20535

Director

April 18, 1981

Editor  
The Washington Star  
Washington, D.C.

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