Y 4
.L 11/2
M 52/5
1043
GOVERNMENT
Storage

MENOMINEE COUNTY AID

HEARINGS

BEFORE THE

SUBCOMMITTEE ON EMPLOYMENT AND MANPOWER

OF THE

COMMITTEE ON LABOR AND PUBLIC WELFARE

UNITED STATES SENATE

EIGHTY-NINTH CONGRESS

FIRST AND SECOND SESSIONS

ON

S. 1934

A BILL AUTHORIZING THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE TO MAKE CERTAIN GRANTS TO MENOMINEE COUNTY, WISCONSIN, AND FOR OTHER PURPOSES

NOVEMBER 10 AND 11, 1965, AND FEBRUARY 17, 1966

Printed for the use of the
Committee on Labor and Public Welfare

A11600 687336
JUL 25 1966
MANHATTAN, KANSAS

U.S. GOVERNMENT PRINTING OFFICE
61-408 O WASHINGTON : 1966

AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

COMMITTEE ON LABOR AND PUBLIC WELFARE

LISTER HILL, Alabama, *Chairman*

PAT MCNAMARA, Michigan
WAYNE MORSE, Oregon
RALPH YARBOROUGH, Texas
JOSEPH S. CLARK, Pennsylvania
JENNINGS RANDOLPH, West Virginia
HARRISON A. WILLIAMS, JR., New Jersey
CLAIBORNE PELL, Rhode Island
EDWARD M. KENNEDY, Massachusetts
GAYLORD NELSON, Wisconsin
ROBERT F. KENNEDY, New York
JACOB K. JAVITS, New York
WINSTON L. PROUTY, Vermont
PETER H. DOMINICK, Colorado
GEORGE MURPHY, California
PAUL J. FANNIN, Arizona

STEWART E. MCCLURE, *Chief Clerk*
JOHN S. FORSYTHE, *General Counsel*
STEPHEN KURZMAN, *Minority Counsel*

SUBCOMMITTEE ON EMPLOYMENT AND MANPOWER

JOSEPH S. CLARK, Pennsylvania, *Chairman*

JENNINGS RANDOLPH, West Virginia
PAT MCNAMARA, Michigan
CLAIBORNE PELL, Rhode Island
EDWARD M. KENNEDY, Massachusetts
GAYLORD NELSON, Wisconsin
WINSTON L. PROUTY, Vermont
JACOB K. JAVITS, New York
GEORGE MURPHY, California

ARNOLD NEMORE, *Professional Staff Economist*

CONTENTS

	Page
Text of S. 1934	3
Departmental reports:	
Bureau of the Budget	14
Department of Commerce	9
Department of Health, Education, and Welfare	9
Department of Interior	8

CHRONOLOGICAL LIST OF WITNESSES

NOVEMBER 10, 1965

Laird, Hon. Melvin R., a Representative in Congress from the State of Wisconsin 16
LaFave, Hon. Reuben, Wisconsin State senator, and chairman of the Menominee Indian Study Committee 21
Grover, Herbert J., assemblyman, representing Menominee and Shawano Counties in the Wisconsin State Legislature 97
Bowers, John H., deputy attorney general of the State of Wisconsin 97
Kingston, Alan, assistant superintendent of the Wisconsin State Department of Public Instruction 120
Harder, Harry W., Wisconsin State Department of Taxation 128
Shinner, Dr. George F., district health officer, Wisconsin State Board of Health 135
Keith, George M., deputy director, Wisconsin State Department of Public Welfare, and welfare representative, Menominee Indian Study Committee 143
Beale, John, assistant director, Wisconsin State Conservation Department 152
Empe, Roy, chief engineer, district No. 3, Wisconsin State Highway Commission 163
Vik, Harold O., consulting engineer, General Engineering Co., Portage, Wis 167
Kohls, Leo, chairman, Menominee County Board, and chairman of the town of Neopit, Wis 171
Fossum, John, member of the Menominee County Board, and chairman of the Menominee County Highway Commission 174
Grignon, Jerome, chairman of the board of directors, Menominee Enterprises, Inc 177
Clements, Arthur D., president and treasurer, Menominee Enterprises, Inc 183
Frechette, James, member of the board of directors, Menominee Enterprises, Inc 192
Dickie, Gordon, Sr., chairman of the joint legislative committee, and member of the board of directors, Menominee Enterprises, Inc 193
Kenote, George W., vice president, Menominee Enterprises, Inc 196
Andrews, Lloyd G., district attorney, Shawano and Menominee Counties, Wis., and legal counsel, Menominee Enterprises, Inc 208
Buzard, Donald S., assistant vice president, First Wisconsin Trust Co 209
Bubolz, Gordon A., chairman, Wolf River Basin Regional Planning Commission, and member of the board of directors, Menominee Enterprises, Inc 210
Cabo, Father Marcellus, O.F.M., pastor, St. Anthony's Parish, Neopit, Wis 218

NOVEMBER 11, 1965

Dodge, Al, Menominee County, Wis 221
Sturdevant, Mitchell, president, Local IV–302, International Woodworkers of America, AFL–CIO 222
Neconish, Ernest (Blackhawk), Menominee County, Wis 224, 251

Page
Dick, Mr. Agnes, Keshena, Wis 225, 247
Tucker, Mrs. Clara, stockholder and bondholder of Menominee Enterprises, Inc 226
Wilber, Mrs. Margret, Keshena, Wis 227
Fowler, Mrs. Sanford, Menominee County, Wis 228
Blumreich, Mrs. Mary, Neopit, Wis 229
Deer, Mrs. Constance W., Keshena, Wis 229, 248
Grignon, William, Menominee County, Wis 238, 252
Skubitz, Frank, Keshena, Wis 239
Peterson, Roy, Neopit, Wis 241
Caldwell, Mrs. James, Neopit, Wis 242
Gruber, Arnold, superintendent of schools, Joint School District No. 8, Menominee and Shawano Counties, Wis 243
LeMay, Andre, Menominee County, Wis 244
Connolly, Rev. Thomas E., director, community action program, Menominee County, Wis 245

FEBRUARY 17, 1966

Huitt, Ralph K., Assistant Secretary for Legislation, Department of Health, Education, and Welfare; accompanied by Charles E. Hawkins, Legislative Reference Officer, Welfare Administration; Alan W. Donaldson, Associate Chief for Program, Bureau of State Services, Community Health Service, U.S. Public Health Service; E. S. Rabeau, M.D., Chief, Division of Indian Health, Bureau of Medical Services, U.S. Public Health Service; B. Alden Lillywhite, Director, Division of School Assistance to Federally Affected Areas, U.S. Office of Education; and Albert L. Alford, Deputy Assistant Commissioner for Legislation, U.S. Office of Education 254
Hawkins, Charles E., Legislative Reference Officer, Welfare Administration, Department of Health, Education, and Welfare 261
Donaldson, Alan W., Associate Chief of Program, Bureau of State Services, Community Health Services, U.S. Public Health Service 264
Lillywhite, B. Alden, Director, Division of School Assistance in Federally Affected Areas, U.S. Office of Education 269
Harvey, Thomas, Special Assistant to the Assistant Secretary for Economic Development, Department of Commerce 275
Berry, Theodore M., Director, community action program, Office of Economic Opportunity 282
Connolly, Rev. Thomas E., director, community action program, Menominee County, Wis 285
Lewis, Robert G., Administrator, Rural Community Development Service, Department of Agriculture 289
Fischer, Victor, Director, Office of Metropolitan Development, Department of Housing and Urban Development; accompanied by Arnold Coplan, Associate General Counsel, Public Housing Administration; and Sol Ackerman, Assistant Commissioner, HUD, Public Housing Administration 295
McCauley, John S., Director, Manpower Training Operations, U.S. Employment Service 297
Markuson, Stanley, manpower development specialist, Division of On-the-Job Training, Department of Labor 300

STATEMENTS

Andrews, Lloyd G., district attorney, Shawano and Menominee Counties, Wis., and legal counsel, Menominee Enterprises, Inc 208
Beale, John, assistant director, Wisconsin State Department of Conservation 152
Prepared statement 158
Berry, Theodore M., director, community action program, Office of Economic Opportunity 282
Blumreich, Mrs. Mary, Neopit, Wis 229
Bowers, John H., deputy attorney general of the State of Wisconsin 97

Page
Bubolz, Gordon A., chairman, Wolf River Basin Regional Planning Commission, and member of the board of directors, Menominee Enterprises, Inc 210
Prepared statement 215
Buzard, Donald S., assistant vice president, First Wisconsin Trust Co 209
Cabo, Father Marcellus, O.F.M., pastor, St. Anthony's Parish, Neopit, Wis 218
Caldwell, Mrs. James, Neopit, Wis 242
Chilson, Walter John, president, Wausau Friends of the Menominees, Wausau, Wisc., prepared statement 306
Clements, Arthur D., president and treasurer, Menominee Enterprises, Inc 183
Prepared statement 189
Connolly, Rev. Thomas E., director, community action program, Menominee County, Wis 245, 285
Deer, Mrs. Constance W., Keshena, Wis 229, 248
Prepared statement 232
Dickie, Gordon, Sr., chairman of the joint legislative committee, and member of the board of directors, Menominee Enterprises, Inc 193
Dick, Mrs. Agnes, Keshena, Wis 225, 247
Dodge, Al, Menominee County, Wis 221
Donaldson, Alan W., associate chief of program, Bureau of State Services, Community Health Services, U.S. Public Health Service 264
Empe, Roy, chief engineer, District No. 3, Wisconsin State Highway Commission 163
Prepared statement 165
Fischer, Victor, director, Office of Metropolitan Development, Department of Housing and Urban Development; accompanied by Arnold Coplan, Associate General Counsel, Public Housing Administration; and Sol Ackerman, Assistant Commissioner, HUD, Public Housing Administration 295
Prepared statement 295
Fossum, John, member of the Menominee County Board, and chairman of the Menominee County Highway Commission 174
Prepared statement 176
Fowler, Mrs. Sanford, Menominee County, Wis 228
Frechette, James, member of the board of directors, Menominee Enterprises, Inc 192
Grignon, Jerome, chairman of the board of directors, Menominee Enterprises, Inc 177
Grignon, William, Menominee County, Wis 238, 252
Grover, Herbert J., assemblyman, representing Menominee and Shawano Counties in the Wisconsin State Legislature 97
Gruber, Arnold, superintendent of schools, Joint School District No. 8, Menominee and Shawano Counties, Wis 243
Harder, Harry W., Wisconsin State Department of Taxation 128
Harvey, Thomas, Special Assistant to the Assistant Secretary for Economic Development, Department of Commerce 275
Hawkins, Charles E., Legislative Reference Officer, Welfare Administration, Department of Health, Education, and Welfare 261
Huitt, Ralph K., Assistant Secretary for Legislation, Department of Health, Education, and Welfare; accompanied by Charles E. Hawkins, Legislative Reference Officer, Welfare Administration; Alan W. Donaldson, Associate Chief for Program, Bureau of State Services, Community Health Service, U.S. Public Health Service; E. S. Rabeau, M.D., Chief, Division of Indian Health, Bureau of Medical Services, U.S. Public Health Service; B. Alden Lillywhite, Director, Division of School Assistance to Federally Affected Areas, U.S. Office of Education; and Albert L. Alford, Deputy Assistant Commissioner for Legislation, U.S. Office of Education 254
Prepared statement 255
Keith, George M., deputy director, Wisconsin State Department of Public Welfare, and welfare representative, Menominee Indian Study Committee 143
Prepared statement 149
Kenote, George W., vice president, Menominee Enterprises, Inc 196
Prepared statement 202
Kingston, Alan, assistant superintendent of the Wisconsin State Department of Public Instruction 120
Prepared statement 123

Page
Knight, W. D., professor of commerce, University of Wisconsin, voting trustee, Menominee Enterprises, Inc., prepared statement 204
Kohls, Leo, chairman, Menominee County Board, and chairman of the town of Neopit, Wis 171
LaFave, Hon. Reuben, Wisconsin State senator, and chairman of the Menominee Indian Study Committee 21
Laird, Hon. Melvin R., a Representative in Congress from the State of Wisconsin, Seventh District 16
LeMay, Andre, Menominee County, Wis 244
Lewis, Robert G., Administrator, Rural Community Development Service, Department of Agriculture 289
Lillywhite, B. Alden, Director, Division of School Assistance in Federally Affected Areas, U.S. Office of Education 269
McCauley, John S., Director, Manpower Training Operations, U.S. Employment Service 297
Prepared statement 298
Markuson, Stanley, manpower development specialist, Division of On-the-Job Training, Department of Labor 300
Neconish, Ernest (Blackhawk), Menominee County, Wis 224, 251
Orfield, Gary, graduate student, University of Chicago, prepared statement 307
Peterson, Roy, Neopit, Wis 241
Shinner, Dr. George F., district health officer, Wisconsin State Board of Health 135
Prepared statement 139
Skubitz, Frank, Keshena, Wis 239
Sturdevant, Mitchell, president, Local IV–302, International Woodworkers of America, AFL–CIO 222
Tucker, Mrs. Clara, stockholder and bondholder of Menominee Enterprises, Inc 226
Vik, Harold O., consulting engineer, General Engineering Co., Portage, Wis 167
Prepared statement 168
Wilber, Mrs. Margret, Keshena, Wis 227
Wirtz, Hon. W. Willard, Secretary of Labor, prepared statement 300

ADDITIONAL INFORMATION

Agriculture, Department of, miscellaneous reports 289
Communications from:
Conway, Jack T., executive director, Industrial Union Department, AFL–CIO, to Senator Hill, Mar. 24, 1966 332
Greiber, C. L., director, State board of vocational and adult education, Madison, Wis., to William Spring of Senator Nelson's staff, Nov. 15, 1965 127
Kingston, Alan, assistant superintendent, Wisconsin State Department of Public Instruction, to William Spring of Senator Nelson's staff, Nov. 11, 1965 126
Reynolds, John W., Wisconsin attorney general, and chairman, Menominee Indian Study Committee, to the members of the joint legislative council, State capitol, Madison, Wis., Apr. 30, 1959, with attachments 99
Schmidt, John W., executive vice president, Wisconsin State, AFL–CIO, to Senator Hill, Feb. 15, 1966 331
Communications to Senator Nelson, from:
Dodge, Al M., and Roy Peterson, including a proposed amendment to S. 1934, for the Menominee Indian Tribe of Wisconsin, Inc., Feb. 8, 1965 317
La Follette, Bronson C., attorney general of the State of Wisconsin, with attachments, Mar. 3, 1966 23
Proxmire, Hon. William, a U.S. Senator from the State of Wisconsin, Mar. 3, 1966 21
Rabeau, E. S., M.D., Assistant Surgeon General, Chief, Division of Indian Health, U.S. Public Health Service, containing answers to questions from Senator Nelson, Mar. 25, 1966 267
Legislative history re Menominee termination 178
Public Law 87–432, school aid to Menominee County 271

Page
Report by the Bureau of Indian Affairs, Department of Commerce, to House Committee on Appropriations, February 1965 entitled "The Status of the Termination of the Menominee Indian Tribe" 178
Report of the Menominee County Board of Supervisors at a special meeting at the county courthouse at Keshena, Wis., Feb. 7, 1966 329
Report of the Menominee Indian Study Committee, vol. III, April 1966 .. 27
Resolution from International Woodworkers of America, AFL–CIO, February 1966 331
Tables:
Table 1. Menominee County, town of Menominee effective property tax rates, actual and projected, 1961–69 132
Table 2. Menominee County, town of Menominee projection of increase in tax base by classes of property under existing conditions, actual and projected, 1961–69 133
Table 3. Valuation of the forest under sustained yield requirement on the basis of the timber cruise by the Department of Taxation, 1955–57 .. 134
Table 4. Menominee County, town of Menominee comparative tax levies, 1961–64, inclusive (exclusive of Federal aid) 135
Table 5. School district No. 8, Shawano County, valuations and apportionments of school costs 135
Table 6. Town of Menominee budgets, 1961–66 171
Table 7. Menominee County budgets, 1961–66 172
Table 8. School budget, fiscal years 1961–66 173
Table 9. Menominee County budgets and State and Federal reimbursement, 1961–66 173
Table 10. Menominee Enterprises, Inc., comparative statement of operations, years ended Sept. 30, 1962–66 184
Table 11. Menominee Enterprises, Inc., 5-year forecast of operations, 1966–70 186
Table 12. Menominee Enterprises, Inc., 5-year forecast of operations with proposed industrial expansion, 1966–70 187
Table 13. Menominee Enterprises, Inc., estimated capital requirements for industrial expansion, 1966–70 187
Table 14. Comparison of tuberculin testing in selected areas 265

MENOMINEE COUNTY AID

WEDNESDAY, NOVEMBER 10, 1965

U.S. SENATE,
SUBCOMMITTEEE ON EMPLOYMENT AND MANPOWER
OF THE COMMITTEE ON LABOR AND PUBLIC WELFARE,
Neopit, Wis.

The subcommittee met, pursuant to notice, at 10 a.m., in St. Anthony's School gymnasium, Neopit, Wis.

Present: Senator Nelson (presiding pro tempore).

Also present: William J. Spring, legislative assistant to Senator Nelson, and Robert Dunkel, home office secretary to Representative Laird.

Senator NELSON (presiding pro tempore). Now, we will call this hearing to order. This is a hearing on Senate bill 1934 and a companion bill that was introduced in the House of Representatives by Congressman Laird.

On my right is Robert Dunkel, who is here representing Congressman Laird, who had a speaking engagement and couldn't be here today.

We drafted a bill involving this county and Congressman Laird introduced it in the House of Representatives and I introduced it in the Senate.

The purpose of this hearing is to prepare the record for subsequent hearings in Washington. We are going to be calling upon the representatives of Menominee County and representatives of the State to submit testimony for the record on the situation in this county.

I will briefly outline the proposals in the bill that was introduced in the Congress by Congressman Laird and myself. This bill provides $1,125,000 over a 10-year period for education—$150,000 annually for 5 years and a declining amount for 5 additional years. The bill proposes $747,000 over the 10-year period for welfare, $100,000 annually for 5 years and a declining amount for 5 additional years; $500,000 for health, especially tuberculosis eradication, $100,000 a year for 5 years; $450,000 for the completion of sanitation connections in Neopit and Keshena; $50,000 for a detailed recreational development study under the direction of the Department of the Interior; $25,000 for a detailed study of the possible expansion of the timber industry; $5 million in long-term, low-interest loans to carry out the study recommendations.

Now, some of the proposals in the bill that Congressman Laird and I introduced, we think will—funds will be available under some of the programs passed in the last session of Congress, so as it may become necessary, we will amend the bill in the Congress. When we conduct our hearings in Wasihngton in late January or early Feb-

ruary, we will have all the Federal agencies involved so that we will have a complete record of the legislation that is available and what ought to go into this bill.

Senator NELSON. At this time I will place in the record a copy of the bill, S. 1934, departmental reports we have received, the prepared statement of Congressman Melvin R. Laird, and a letter from Senator Proxmire.

(The material referred to above follows:)

89TH CONGRESS
1ST SESSION

S. 1934

IN THE SENATE OF THE UNITED STATES

MAY 10, 1965

Mr. NELSON (for himself and Mr. PROXMIRE) introduced the following bill; which was read twice and referred to the Committee on Labor and Public Welfare

A BILL

Authorizing the Secretary of Health, Education, and Welfare to make certain grants to Menominee County, Wisconsin, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) for the purpose of providing financial assistance to Menominee County, Wisconsin, there is hereby authorized to be appropriated (1) for the fiscal year beginning July 1, 1965, and for each of the four succeeding fiscal years, the sum of $150,000, and (2) for the fiscal year beginning July 1, 1970, and for each of the four succeeding fiscal years, the sums of $125,000, $100,000, $75,000, $50,000, and $25,000, respectively. Sums so appropriated shall be available

for use by the Secretary of Health, Education, and Welfare in making grants to the State of Wisconsin for distribution to Menominee County, or directly to such county, for contributions to joint school district costs.

(b) For the purpose of providing financial assistance to Menominee County, Wisconsin, there is hereby authorized to be appropriated (1) for the fiscal year beginning July 1, 1965, and for each of the four succeeding fiscal years, the sum of $100,000, and (2) for the fiscal year beginning July 1, 1970, and for each of the four succeeding fiscal years, the sums of $83,000, $67,000, $50,000, $30,000, and $17,000, respectively. Sums so appropriated shall be available for use by the Secretary of Health, Education, and Welfare in making grants to the State of Wisconsin for distribution to Menominee County, or directly to such county, for the purpose of financially assisting such county in providing public welfare benefits (including administrative costs, public assistance, indigent medical care services, child welfare, veterans services, surplus commodities, general relief, and the services of State hospitals, mental institutions, and industrial schools) for the the residence of Menominee County.

(c) For the purpose of providing financial assistance to Menominee County, Wisconsin, there is hereby authorized to be appropriated for the fiscal year beginning July 1, 1965, and for each of the four succeeding fiscal years, the sum of

$100,000. Sums so appropriated shall be available for use by the Secretary of Health, Education, and Welfare in making grants to the State of Wisconsin for distribution to Menominee County, or directly to such county, for the purpose of financially assisting such county in providing health and sanitation services (including hospitalization of the tubercular, employment of a public health nurse and a sanitary aid, immunization against communicable diseases, the collection and disposal of garbage and refuse, and collection and recording vital statistics) for the residents of Menominee County.

(d) The grants authorized under this section shall be made at such times, in such amounts, and on such terms and conditions as the Secretary of Health, Education, and Welfare deems appropriate.

(e) The Secretary of Health, Education, and Welfare is authorized to issue such regulations as he may determine necessary to enable him to carry out the provisions of this section.

SEC. 2. (a) The Surgeon General of the Public Health Service, Department of Health, Education, and Welfare, is authorized to complete the construction of sanitation facilities in Menominee County, Wisconsin, which construction was commenced by the Secretary of Health, Education, and Wel-

fare pursuant to the authority contained in the Act of April 4, 1962 (76 Stat. 53).

(b) There is hereby authorized to be appropriated the sum of $450,000 to carry out the provisions of this section.

SEC. 3. (a) (1) The Secretary of Commerce is authorized to cause to be conducted, in cooperation with Menominee County, Wisconsin, a study in connection with the lumber resources in such county with a view to obtaining detailed recommendations with respect to how best to economically develop such resources for the benefit of such county.

(2) There is hereby authorized to be appropriated such sum, not to exceed $25,000, as may be necessary to carry out the provisions of this subsection.

(b) (1) The Secretary of the Interior is authorized to cause to be conducted, in cooperation with Menominee County, Wisconsin, a study in connection with the outdoor recreation resources in such county with a view to obtaining detailed recommendations with respect to how best to economically develop such resources for the benefit of such county.

(2) There is hereby authorized to be appropriated such sum, not to exceed $50,000, as may be necessary to carry out the provisions of this subsection.

SEC. 4. (a) The Secretary of Commerce is authorized to make loans to Menominee Enterprises, Incorporated, in

such amounts as he may determine necessary to assist financially such corporation in carrying out any recommendations resulting from the studies conducted pursuant to section 3. Such loans shall be made at such times, in such amounts, and on such terms and conditions as the Secretary of Commerce deems appropriate.

(b) Any loan made under this section shall bear interest at a rate (which rate shall be certified by the Secretary of the Treasury) equal to the estimated average rate of interest on new long-term borrowings by the United States as of the first day of the month immediately preceding the month in which the loan is made.

(c) There is hereby authorized to be appropriated the sum of $5,000,000 to carry out the provisions of this section.

SEC. 5. The Secretary of Commerce is authorized to issue such regulations as he may determine necessary to enable him to carry out the provisions of section 4 of this Act.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., October 20, 1965.

Hon. LISTER HILL,
Chairman, Committee on Labor and Public Welfare,
U.S. Senate, Washington, D.C.

DEAR SENATOR HILL: This responds to your request for a report on S. 1934, a bill authorizing the Secretary of Health, Education, and Welfare to make certain grants to Menominee County, Wis., and for other purposes.

The Federal trusteeship of the Menominees was terminated April 30, 1961. Such termination has wholly precluded the provision of special Federal services to the Menominees as individuals or as a tribe since that time. The Menominees have assumed the same status as all other citizens of the United States.

As a transition device, however, to aid the county or town of Menominee while the new political and economic organizations were being established, a total of $1,098,000 was authorized to be appropriated. Of this sum $660,000 was for grants on a declining basis over a 5-year period ending April 30, 1966, for school district costs, and $438,000 was for the construction of sanitation facilities by the Surgeon General. The purpose of the pending bill is to provide additional grants to the county and to authorize supplemental assistance in the form of limited Federal programs.

The bill authorizes grants to the State of Wisconsin or Menominee County in the following total amounts, spread over a 10-year period beginning July 1, 1965:

Joint school district costs	$1,125,000
Public welfare benefits	747,000
Health and sanitation services	500,000

All of these grants would be administered by the Secretary of Health, Education, and Welfare.

The bill authorizes the appropriation of $450,000 to complete construction of certain sanitation facilities by the Surgeon General.

The bill authorizes the appropriation of $25,000 for a study by the Secretary of Commerce of the lumber resources of the county, and it authorizes the Secretary of Commerce to make loans in such amounts as he considers necessary to develop the lumber resources in accordance with the study. A $5 million loan fund is authorized for the latter purpose.

The bill authorizes an appropriation of $50,000 for a study by the Secretary of the Interior of the outdoor recreation resources of the county.

In response to a request by the House Appropriations Committee (H.R. 1237, 88th Cong.), the Bureau of Indian Affairs prepared a detailed report regarding the status of the termination of the Menominee Indian Tribe. This report was submitted to that committee in February 1965 in connection with the 1966 budget. The report had to be prepared, of course, on the basis of data made available by others—the State of Wisconsin, Menominee County, Menominee Enterprises, Inc., and the University of Wisconsin. It did not represent firsthand knowledge of the situation such as results from Bureau experience in jurisdictions where its programs continue in operation. That report concluded:

"The need for remedial action, by the State or Federal Government, or both, cannot be denied in light of the stark facts concerning the county, with its mounting budget, and the corporation, with its struggle to finance most of that budget and yet keep its head above water."

The present bill is designed to provide assistance in the categories and amounts that the State and local authorities believe are needed by Menominee County.

We are not in a position to evaluate the need for the particular dollar amounts requested, but are confident that the State authorities are prepared to do so. We are convinced that Federal assistance for Menominee County is necessary.

The Bureau of the Budget has advised that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely yours,

JOHN A. CARVER, Jr.,
Under Secretary of the Interior.

GENERAL COUNSEL OF THE DEPARTMENT OF COMMERCE,
Washington, D.C., October 22, 1965.

Hon. LISTER HILL,
Chairman, Committee on Labor and Public Welfare,
U.S. Senate,
Washington, D.C.

DEAR MR. CHAIRMAN: This letter is in further reply to your request for the views of this Department with respect to S. 1934, a bill "authorizing the Secreary of Health, Education, and Welfare to make certain grants to Menominee County, Wis., and for other purposes.

Section 3(a) of S. 1934 authorizes the Secretary of Commerce to cause to be conducted in cooperation with Menominee County, Wis., a study in connection with the lumber resources in such county with a view to obtaining detailed recommendations with respect to the economic development of such resources for the benefit of the county.

Section 3(b) of the bill authorizes the Secretary of the Interior to cause to be conducted, in cooperation with Menominee County, Wis., a study in connection with the outdoor recreation resources in such county with a view to obtaining detailed recommendations with respect to the economic development of such resources for the benefit of the county.

Section 4 of the bill authorizes the Secretary of Commerce to make loans to Menominee Enterprises, Inc., in such amounts as he may deem necessary to assist financially such corporation in carrying out any recommendations resulting from the studies conducted pursuant to section 3 therein.

Section 5 of the bill authorizes the Secretary of Commerce to issue regulations as he may deem necessary to enable him to carry out the provisions of section 4 therein.

Sections 3 and 4 of S. 1934 provide for assistance similar to that which is presently provided under the Public Works and Economic Development Act of 1965. Menominee County was designated as eligible for assistance under the Area Redevelopment Act and therefore will remain eligible under the Economic Development Act.

In view of the above, we believe that the enactment of sections 3, 4, and 5 of S. 1934 is unnecessary.

We defer to the Secretary of Health, Education, and Welfare as to the merits of sections 1 and 2 of the bill which would authorize the appropriation of funds for grants for Menominee County for school, public welfare and health and sanitation purposes. However, with respect to section 2, which provides for construction of sanitation facilities, it should be noted that the Economic Development Act and other legislation administered by other departments also authorize financial assistance for such purposes. Working arrangements for coordinating these programs are being developed now among the various agencies. This may serve to render section 2 unnecessary.

We have been advised by the Bureau of the Budget that there would be no objection to the submission of this report from the standpoint of the administration's program.

Sincerely,

ROBERT E. GILES,
General Counsel.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE,
October 22, 1965.

Hon. LISTER HILL,
Chairman, Committee on Labor and Public Welfare,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This letter is in response to your request of May 11, 1965, for a report on S. 1934, a bill authorizing the Secretary of Health, Education, and Welfare to make certain grants to Menominee County, Wis., and for other purposes.

Following the termination, in 1961, of Federal supervision over the Menominees pursuant to the Menominee Indian Termination Act, the Congress provided by Public Law 87-432 (approved April 4, 1962), a transitional measure of special

aid to Menominee County (the former Menominee Reservation) by authorizing appropriations in the total amount of $1,098,000, consisting of $660,000 for grants on a descending basis by the Secretary of the Interior over a 5-year period (ending April 30, 1966) for contributions to the costs of the joint school district of which the area of the county is a part, and $438,000 for the construction of sanitation facilities by the U.S. Public Health Service. Appropriations have been made pursuant to these authorizations. The present bill would extend this transitional aid as to time, subject matter, and amount. This Department's concern is solely with the first two sections of the bill, for the administration of which the Department would be responsible. (The remaining sections relate to assistance for economic development.)

The first section would authorize appropriations aggregating $1,125,000, spread over a 10-year period beginning with the fiscal year 1966, for grants by us to Wisconsin for distribution to Menominee County, or directly to the country, to be used as contributions for joint school district costs. It would further authorize appropriations totaling $747,000 over the same period, for grants by us (channeled in the same manner) to assist the county "in providing public welfare benefits (including administration costs, public assistance, indigent medical care services, child welfare, veterans services, surplus commodities, general relief, and the services of State hospitals, mental institutions, and industrial schools) for the residents" of the county. Finally, that section would authorize appropriations totaling $500,000 over a 5-year period, for grants (similarly channeled) to assist the county in providing for its residents "health and sanitation services (including hospitalization of the tubercular, employment of a public health nurse and a sanitary aid, immunization against communicable diseases, the collection and disposal of garbage and refuse, and collection and recording vital statistics)."

Section 2 would authorize appropriations of $450,000 for completion, by the Public Health Service, of the construction of sanitation facilities in the county commenced pursuant to Public Law 87–432, referred to above.

Ordinarily, we would question in principle special-aid legislation for a particular county. We recognize, however, that the exceptional transitional problem created by the termination of Federal supervision over the tribe may furnish a basis for some form of Federal aid considered in the context of the availability of existing Federal programs. While we have no firsthand knowledge of the precise fiscal situation of Menominee County resulting from the termination of Federal supervision and from the consequent loss of special Federal assistance previously available to the tribe, we do not doubt the need for remedial action if the services needed by these Indians are to be provided, as they should be. To what extent special assistance (if any) on a transitional basis should be provided by the State and to what extent and for what period by the Federal Government can be determined only on the basis of all the facts as they will be developed at committee hearings on the bill and investigations in connection therewith.

If it is decided to enact legislation along the present lines—in whatever dollar amounts and for whatever period—it should, we believe, be required that there be satisfactory assurance that Federal grants under the bill will not serve to replace or diminish State assistance that would otherwise be available to the county. It should also be made clear that State or county expenditures out of Federal grants under the bill should, for the purpose of determining the amounts of Federal matching grants under other programs, be considered as if derived from State or county sources so as not to reduce the amount of such other Federal grants that would otherwise be available.

It would be particularly undesirable to modify the formula under the categorical public assistance and welfare grant programs of the Social Security Act in relation to a particular county or for that matter a particular State. Rather, insofar as section 1(b) of the bill is concerned, dealing with so-called public welfare expenditures, we should prefer to treat this measure as a temporary device to supply an unavoidable deficiency in revenues needed for local governmental purposes rather than individual programs.

With respect to the provisions of the bill for grants for contributions to joint school district costs your committee will no doubt wish to take into account any funds still coming to the district under Public Law 87–432, which, we understand, is $44,000 for the current fiscal year. Moreover, it should be noted that the joint school district will receive for the current fiscal year a total of approximately $132,985 from grants under title II of Public Law 874, enacted by title I of the Elementary and Secondary Education Act of 1965 (Public Law 89–10). There is

enclosed herewith a copy of a memorandum received on this matter from the Office of Education.

We are also enclosing herewith a copy of a memorandum of the Surgeon General with respect to subsection (c) of the first section of the bill (relating to health and sanitation services) and with respect to section 2 (relating to construction of sanitation facilities in Menominee County). The memorandum emphasizes the county's need for assistance in meeting its share of tuberculosis hospitalization costs and suggests grants on a descending scale with a view to gradually enabling the county to meet its full share of these costs. The memorandum also estimates that necessary sanitation facilities for both rural and nonrural Menominee Indians would cost about $500,000, which includes meeting the sanitation needs in the rural areas of the county which were not included in the previous estimates.

In conclusion, we concur with the view of the Department of the Interior that some Federal assistance for the county will be justifiable but that the level and time period for such support should be determined in the light of the evidence to be developed with respect to the fiscal ability of the county, the ability of the State to contribute, and the availability of Federal programs that are authorized by existing law. We, therefore, suggest that the committee hold hearings to develop such evidence. The administration will then be in a better position to make more definite suggestions.

We are advised by the Bureau of the Budget that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely,

WILBUR J. COHEN,
Under Secretary.

MEMORANDUM

OCTOBER 1, 1965.

To: Samuel Halperin, Assistant Commissioner, Office of Legislation.
Through: Dr. Arthur L. Harris, Associate Commissioner, Bureau of Elementary and Secondary Education.
From: B. Alden Lillywhite, Director, SAFA.
Subject: Comments on S. 1934 and H.R. 8034, identical bills authorizing educational grants to Menominee County, Wis., for health, education, welfare, and other purposes.

This is in response to your request for our comments on S. 1934 and H.R. 8034, identical bills authorizing the Secretary of Health, Education, and Welfare to make certain grants to Menominee County, Wis., for health, welfare, education, and other purposes.

This Office is concerned primarily with section 1(a) which authorizes for the fiscal year beginning July 1, 1965, and each of the 4 succeeding fiscal years, the sum of $150,000, and for the fiscal year beginning July 1, 1970, and for each of the 4 succeeding fiscal years, the sums of $125,000, $100,000, $75,000, $50,000, and $25,000, for grants to the State of Wisconsin or directly to the county for joint school district costs.

In 1961 Menominee County was created out of parts of two existing counties from lands formerly constituting the Menominee Indian Reservation. Jurisdiction of the Federal Government over the Menominee Indian Tribe was terminated and they assumed the responsibility of self-government. Although a separate county was created for administering most of the local public services, Menominee County became a part of Shawano Joint School District No. 8 and the children in this county have attended schools in the joint school district since that time. The Federal assistance authorized by section 1(a) apparently is to be used toward Menominee County's contribution to the costs of this joint school district.

Prior to the termination of tribal status in 1961 the school district covering the Menominee Indian Reservation as well as the Shawano School District No. 8 were both applicants under Public Laws 874 and 815 for impact area aid for current operating expenses and for construction of school facilities. The Federal property which gave rise to their Federal entitlement was the Menominee Indian Reservation. This Office did considerable work with these two school districts at the time they were consolidated into one district when the new county was created. Upon termination of tribal status the Menominee Indian Reservation became non-Federal property and could no longer be used as a basis

for eligibility and payment under the impact area program. Although there is a large Federal property directly to the north this joint school district has not been eligible for Federal assistance since the consolidation and termination of tribal use in 1961. Accordingly, we do not have firsthand knowledge of conditions in the school district and the problems of financing their school programs.

At the time of termination of tribal status, Public Law 87–432 was enacted (April 4, 1952) to provide grants for a period of 5 years to be distributed to the county to assist it in meeting school district costs. The amounts were $220,000 for the fiscal year ending June 30, 1962, and 80, 60, 40, and 20 percent respectively of that amount for each of the next 4 years, or a total for the 5 years of $660,000. Although we do not have firsthand knowledge of the school district's present condition some data were accumulated which sheds some light on the school district's present financial status. The assessed valuation for Joint School District No. 8 is $81,500,000. Of this total, $16,900,000, or approximately 21 percent, is in Menominee County. The school district's total budget for the 1964–65 school year was $1,689,644 and the average daily attendance was 3,112 children. This amounts to a cost of $542 per pupil. Of the total current costs, $242,000, or a little more than 20 percent, was the share from Menominee County which had around 900 of the 3,112 students. However, of the $242,000 contribution from Menominee County, $88,000 came from the fourth-year payment under Public Law 87–432 stationed above which meant that the district was required to provide from local taxes only $154,000. It is our understanding that the district still has coming to it from this authorization $44,000 for fiscal year ending June 30, 1966, to help meet its local share of the educational costs.

State aid is paid on an application basis in Wisconsin and the district received $365,000 in operating funds and additional grants in the form of school lunches and other benefits brought the total State aid to $475,000.

The tax rate for school purposes in the joint school district is 14 mills and the average for the State of Wisconsin is 16 mills. The joint school district has an assessed valuation for each child in average daily attendance of a little more than $26,000 which is well above many school districts in the United States. On the basis of these data it does not appear that there is any undue burden placed on the county to finannce its educational costs. However, Menominee County has about $18,000 assessed valuation for each child which is substantially below the average in the entire school district as a whole indicating that the part of Joint School District No. 8 not in Menominee County is better able to pay its share of the educational costs than is Menominee County.

In addition, the ability of finance education is only one part of the responsbility of a local governmental unit and it is difficult to determine need or burden for financing one public service without considering all other public services. Consequently, the figures given above for the public school program do not reflect the real burden on the county. In this connection it is our understanding that a substantial part of the total of $16,900,000 assessed valuation in Menominee County is represented by standing timber. While this represents real value it is not easily converted into cash for financing public services. Income results only when timber is cut and only a part of the timber can be harvested each year. It is our further understanding that taxation is heavy on the major industry, the Menominee Enterprises Corp., which is having a difficult time. We have been informed that 225 of approximately 1,100 children between the ages of 5 and 17 in Menominee County, or over 25 percent of the total, are in families having incomes of less than $2,000 a year. This joint school district will receive approximately a total of $132,985 from title II of Public Law 874.

In view of the above-mentioned circumstances we believe that some additional payments to Menominee County for its share of the joint school district costs during the period the county is adjusting to self-government is justified. We do not have sufficient information on the total financial picture in the county to judge whether or not the amounts specified in the proposed bills or the length of time for which they are authorized is justified. A review of the circumstances in the district, together with advice from the State Department of Education in Wisconsin, would be needed to make a specific recommendation on this point. Accordingly, this division does not recommend opposition to the proposed bills. We do feel that the payment authorized by the proposed bills for fiscal year 1966 should be reduced by the amount which we understand the district is expected to receive, $44,000 for its final year's payment under Public Law

87–432. We also feel that the legislation should specify that these payments are to be made to the school district in addition to all other State aid payments that would otherwise be made to the school district.

In making this recommendation we realize that congressional authorization for specific payments to specific school districts generally is an undesirable precedent. However, Menominee County, in our opinion, comes in a special category. It is the policy of the Federal Government to terminate Federal jurisdiction over Indian tribes as rapidly as they are able to assume the responsibility of self-government. In the past this has occurred infrequently. It is our opinion, therefore, that this special authorization is justified in order to achieve the specific purpose of helping the Indian tribes to obtain self-government.

MEMORANDUM

SEPTEMBER 22, 1965.

To: Assistant General Counsel, Division of Legislation.
From: Surgeon General.
Subject: Request for comments on S. 1934 and H.R. 8034, identical bills.

This is in response to your request of May 24, 1965, for comments on S. 1934 and H.R. 8034. These bills would authorize the appropriation of $100,000 for each of 5 years for grants by the Secretary of Health, Education, and Welfare either to the State of Wisconsin for distribution to Menominee County, or directly to the county, to assist in providing health and sanitation services to the residents of Menominee County. The bill would also authorize the Surgeon General of the Public Health Service to complete construction of sanitation facilities in Menominee County begun by the Secretary of Health, Education, and Welfare under authority in the act of April 4, 1962, Public Law 87–432 (76 Stat. 53); $450,000 would be authorized to be appropriated for this purpose. Other sections of the bill relate to education, public welfare benefits, and certain authorities which would be conferred upon the Secretaries of Commerce and the Interior relating to development of the lumber and outdoor recreation resources of the county.

Public Health Service comments are directed only to those parts of the bill related to the provision of health and sanitation services and facilities. As to the bill's other provisions, we defer to those agencies and departments directly concerned.

Except for the construction of sanitation facilities authorized by special legislation, direct Federal services to the Menominee Indians were terminated April 30, 1961, when the Menominee Indians lost their reservation status and became a new county known as Menominee County, Wis. Even before the termination, however, the Public Health Service had provided only limited services to the Menominee Indians. From July 1, 1955, when the Indian health program was transferred to the Public Health Service from the Department of the Interior, until 1961, we conducted no medical care program for the Menominees. We merely continued those services which had been provided by the Department of Interior and which included only the services of a sanitarian aid and consultative services on medical care. Four months prior to the termination of Federal services, however, the Public Health Service, in cooperation with the Shawano County Welfare Department and the State welfare department, operated an ambulatory medical care program for the Menominee Reservation with a doctor, a nurse, and supporting staff. Since the reservation status ended, the Public Health Service has not been directly concerned with the Menominees' health needs, except under special legislation which authorized construction of sanitation facilities.

In June 1960, following completion of an engineering study to determine sanitation facilities construction needs of the three communities of Keshena, Neopit, and Zoar, on what was then the Menominee Indian Reservation, the cost of water supply and sewerage improvements was estimated as follows:

"Necessary" for correction of most urgent deficiencies in water supply and sewerage	$117,000
"Required" for replacement, extensions, and additions to water and sewer systems to meet State regulations	548,000
"Desirable" for providing maximum balance and design in the systems	292,000
Total needs, 3 communities	957,000

Funds were appropriated in fiscal year 1961 to permit accomplishment of the work deemed "necessary" by the engineering study. That "necessary" work was done under Public Law 86–121, the Indian Sanitation Facilities Act, and was completed in January 1963.

In April 1962, Public Law 87–432 was enacted, authorizing the Surgeon General of the Public Health Service to construct under the act of July 31, 1959, Public Law 86–121, "such sanitation facilities on the former Menominee Reservation as he finds are reasonable and justified and to expend for this purpose not more than $438,000." There was $438,000 appropriated, and most of the work described as "required" by the 1960 engineering study was completed in December 1964.

According to the engineering study, there still remains an estimated $402,000 in work to be done on the water and sewer systems serving the communities of Keshena, Neopit, and Zoar. Much of this work falls in the category that the engineering study characterized as "desirable." On the basis of information now available as to past construction and future needs, we estimate that the remaining work which needs to be done in these nonrural communities would cost $200,000.

None of the previous estimates of sanitation needs for Menominee County considered the approximately 170 families living in the rural areas of the county. The needs of those people are certainly as great as those residing in the communities. We estimate that $300,000 would be required to provide them with safe and adequate individual water supply and waste disposal systems. The total estimated cost of providing necessary sanitation facilities for both rural and nonrural Menominee Indians would then be $500,000.

Tuberculosis is the health problem which has had the greatest economic impact upon Menominee County. Although the district health department provides good preventive health services, relatively little is being done to provide necessary hospitalization for those already infected with the disease. For a short while, the State of Wisconsin was able to bear the full cost of tuberculosis hospitalization for the Menominees by considering them as patients-at-large; that is, patients with no legal residence in any county. This could not be continued long, however, as technically and legally the Menominees, from April 30, 1961, were part of a county in the State. The State no longer, therefore, bears the full cost of hospitalization, and Menominee County has been too poor to pay its share.

Menominee County urgently needs special assistance in meeting its share of tuberculosis hospitalization costs. We would suggest that consideration be given to authorizing grants on a descending scale which provide 90 percent Federal matching for the first year, 75 percent for the second year, 60 percent for the third year, 45 percent for the fourth year and 30 percent for the fifth and final year. In this way, the county can gradually assume increasing responsibility and should be able to meet its full share of the costs independently by the last year of Federal support.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., October 20, 1965.

HON. LISTER HILL,
Chairman, Committee on Labor and Public Welfare,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to the committee's request for the views of the Bureau of the Budget on S. 1934, a bill "Authorizing the Secretary of Health, Education, and Welfare to make certain grants to Menominee County, Wisconsin, and for other purposes."

Menominee County was created in 1961 out of parts of two existing counties from land which had been included in the Menominee Indian Reservation. Federal trusteeships of the Menominees was terminated April 30, 1961. At that time the Menominees assumed the same status as other citizens of the United States.

In order to assist in the problems of transition from reservation to normal local government status Public Law 87–432 (approved April 4, 1962), was enacted, authorizing a total of $660,000 in grants over a 5-year period for contributions to the costs of the joint school district serving the county. That act also provided $438,000 for construction of sanitation facilities in the county by the U.S. Public Health Service.

The purpose of the pending bill is to provide further assistance, not only by extending the grants for education and sanitation facilities but also by providing for studies of the lumber and recreation resources of the county and a $5 million loan program for carrying out any recommendations resulting from the studies.

Section 1 of the bill authorizes appropriations totaling $1.1 million spread over a 10-year period for grants to Menominee County to be used as contributions for costs of the joint school district. For the first 5 years the grants for contributions to the joint school district would be $150,000 per year. The first grant would be for fiscal year 1966.

We note that the existing act authorizing transition grants to Menominee County (Public Law 87–432) provides for a payment in fiscal 1966 of $44,000 to the joint school district for the same purpose. Congress has already appropriated this amount for 1966. We note also that the recently passed Elementary and Secondary Education Act of 1965 will make available to the joint school district approximately $133,000 of Federal funds which had not been available previously.

Section 1 also authorizes appropriations totaling $747,000 spread over a 10-year period for public welfare services to residents of the county, and $500,000 over a 5-year period for health and sanitation services. No such benefits were provided under the previous transition grants act. The memorandum on this subject enclosed with the report of the Department of Health, Education, and Welfare states that the district health department provides good preventive health service. According to the memorandum the main health problem in the county is hospitalization for tuberculosis patients. The full cost of such hospitalization was met by the State of Wisconsin, as long as the Menominees could be considered as patients at large; that is, not having a legal residence in any county. When the reservation was changed by the State to county status the State agency was not able to carry on the program without the county bearing a share of the cost. This, it seems to us, is a problem that should be worked out between the county and the State of Wisconsin.

Section 2 of the bill authorizes appropriations of $450,000 for construction of sanitation facilities in the county by the Public Health Service. While we are not questioning the need in the county for such facilities, we believe that this community should demonstrate that it has done everything possible under existing law to solve the problem. In this connection we believe that the local community should first see what can be done under the Public Works and Economic Development Act of 1965 and other laws which provide for assistance in the construction of sewer facilities.

The remaining sections of the bill provide for studies of the lumber and recreation resources of the county and for a $5 million loan program to carry out any recommendations resulting from those studies. As the Department of Commerce has pointed out in its report to the committee, the Economic Development Act already provides authority for studies and loans such as are included in the proposed bill.

In summary, we conclude that most of the problems to which this bill is addressed are provided for by existing Federal law with eligibility criteria which apply throughout the country. Those problems which are beyond the scope of existing law, such as the public welfare and health service items, appear to call for legal or administrative solutions to be worked out between the county and the State. The bill presents the further difficulty of setting a precedent for similar special legislation for other counties in the United States which have financial problems as well as for other counties containing Indian populations whose special relationships to the Federal Government have been terminated.

In view of the above, we suggest that your committee will undoubtedly wish to review the adequacy of available Federal programs and the appropriate responsibility of the State in meeting the needs of Menominee County. Such a review might point up possible additional utilization of existing Federal programs and could provide a basis for consideration of unmet needs, if any, and how they might best be met in light of proper Federal and State responsibility. Pending such study, we recommend deferral of action on S. 1934.

Sincerely yours,

PHILLIP S. HUGHES,
Assistant Director for Legislative Reference.

PREPARED STATEMENT OF HON. MELVIN R. LAIRD, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WISCONSIN, SEVENTH DISTRICT

Mr. Chairman, it is a pleasure to have this opportunity to appear before your committee to speak in behalf of S. 1934. This bill would authorize both assistance grants and loan authorizations to develop the county and expand the lumber mill's operations.

The bill provides $150,000 for each of the 5 years beginning on July 1, 1965, for educational assistance and then declining aid for each of the subsequent 5 years in amounts of $125,000, $100,000, $75,000, $50,000, and $25,000 respectively.

It also provides on the same basis $100,000 for the first 5 years and the sums of $83,000, $67,000, $50,000, $30,000, and $17,000 respectively to furnish public welfare benefits to the residents of Menominee County.

To finance and all-out attack on the high incidence of tuberculosis and other diseases, the legislation provides the sum of $100,000 for each of the next 5 years commencing on July 1, 1965.

The bill also provides $450,000 to complete the construction of sanitation facilities for Menominee County.

The above aids are to be appropriated to the Secretary of Health, Education, and Welfare and earmarked by him either directly or through the State of Wisconsin for assistance to Menominee County.

In addition, S. 1934 would authorize a grant of $25,000 administered by the Secretary of Commerce, to conduct a study on the lumber resources of the county to determine how best to economically develop those resources for the benefit of Menominee County.

Another grant of not more than $50,000 would be authorized to explore the outdoor recreation resources with a view to determining how best to economically develop those resources for the benefit of Menominee County. This study would be directed by the Secretary of the Interior.

Finally, S. 1934 would authorize the Secretary of Commerce to make a loan to Menominee Enterprises, Inc., based on these studies of up to but not more than $5 million.

I am confident that if the Congress approved this legislation, "it would go a long way toward insuring the self-sufficiency and economic independence of Menominee County within a period of a few short years."

Mr. Chairman, 15 years ago the Menominee Indians of Wisconsin were considered one of the wealthiest tribes in America. Today, according to the report of the Department of the Interior dated February 1965, filed with your committee, they are considered one of the worst pockets of poverty in the country. During this period the tribe has been forced to deplete its treasury of $10 million and some believe is on the verge of losing its timberlands valued at $35 million.

Some of the early blame for the destruction of this tribe's assets lies with the tribe itself and with the State of Wisconsin. Most of the guilt, however, must be borne by the Federal Government because of an ignoring of responsibilities.

It was also, ironically a "lack of responsibility" by the Federal Government that made the tribe a wealthy one. Because of mismanage-

ment of their forest lands prior to 1910, the Menominees filed suit in 1935 and received $8.5 million in 1951 from the Government. This made the tribe one of the wealthiest and one of the most progressive in the country.

Since the trend of thought in the early 1950's was to terminate Federal supervision over progressive Indian groups, the tribe opened itself to such possible action by coming to Washington and seeking a per capita payment from the new judgment which built their treasury to more than $10 million. At the same time, the Menominees had devised a three-phase program to expand commercial development within the reservation. Some persons in Congress felt that if a tribe could handle a $10 million treasury, a per capita payment (of $1,500), and a plan for economic development, then that tribe was ready for termination of Federal supervision and an independent status from wardship. As the Representative in the Congress of this area I opposed and was successful in defeating termination legislation on three separate occasions.

Consequently, after the tribe voted for the "principle" of termination in 1953 against my recommendations (in order to receive their per capita payment), hearings were held and legislation passed in 1954 terminating the Menominee Indians (Public Law 83–399). It was from this point to the present day that lack of responsibility by the Federal Government has been a burden and a detriment to the Menominees and those working with them.

During the 1954 hearings, facts were introduced to show the social, cultural, economic, and governmental problems which would face the tribe if terminated too hastily. However, the figures were not enough to sway the minds of the Senate Subcommittee on Indian Affairs against rapid termination.

In 1964, 10 years later, a comparison with reservation statistics shows that the former Indian tribe is worse in some ways than it was in 1954. For example, the birth rate is higher, but so is the infant mortality rate. There are fewer full-time jobs in the county; the tuberculosis rate causes a cost to the county that is 15 times that expected at the time of termination (about $75,000); and the number on welfare programs is increasing. The median income has risen from $2,300 to only $2,677 in 10 years. More detailed information on these up-to-date figures were contained in the Interior Department's report which your committee has and can also be read in the 1965 report to the Wisconsin Legislature which will be placed on file with this committee by the Menominee Indian Study Committee.

Before the final termination date on May 1, 1961, pleas were made by the Menominees, the State of Wisconsin, and myself to rectify some of the mistakes made by Congress in their haste to make the Menominees "independent." A bill was introduced in an effort to create a "phase-out" program of Federal supervision while the tribe learned about county government, local and State economics, and the new tasks in general to be faced by the tribe as a unit of government in a State system (S. 870, 1961). A bill was also introduced to guarantee reimbursement to the tribe for money spent in preparing for termination (H.R. 10450, 1960). Another asked for Federal assistance for several years after termination (H.R. 4130, 1961).

The result of many bills being introduced was a delay in the final termination from 1958 to 1961 (Public Law 86–733); a reimbursement

to the tribe not to exceed $275,000 (Public Law 85–488); and $438,000 for sanitation projects plus $660,000 to aid in school taxes on a phase-out basis covering 5 years (Public Law 87–432). The last payment of these school funds was made this year—$44,000—ending June 30, 1966.

Otherwise, the Federal Government did little to help prepare the Menominees for their new responsibilities as a county, the type of post-termination status the tribe chose rather than splitting the reservation among several counties.

As a reservation, the Menominees received little from the Federal Government. A sanitation aid was provided through the Public Health Service and money was allocated for roadwork. The tribe supported its own welfare program, hospital and medical facilities, operated its lumber mill, and paid for the education (as well as scholarships) of its youth. With termination the hospital had to close, because it was run by the Catholic Church and could not be operated with public money from the county. The welfare program had to come completely under State jurisdiction. The lumber mill was found to have 132 faults which required repairs before the mill could pass State standards. It was expected that there would be a gradual shift of students from the tribally supported parochial schools into joint school district No. 8 of Shawano, of which the county was to become a part. In almost every phase of tribal operations, it was found the reservation was below State standards and regulations.

It would seem that it was then the duty of the Federal Government to raise the tribal reservation to State standards before turning the area over to Wisconsin. However, efforts were not made—except in road work—and the attitude prevailed that raising the reservation's standards was the problem of the Menominees and the State of Wisconsin.

Although statistics concerning the county today do not reflect the work put into making the county a self-sustaining operation, countless hours have been spent by State officials and Menominees in solving the county's problems. But a point has been reached where no amount of work can resolve the problems unless financial assistance can also be put to work with the people. Therefore, the Menominees find themselves coming back to the Federal Government in hopes that the assistance needed, but denied in 1961 before termination, will now be granted.

Much has been said to the Menominees about the use of existing agencies and new programs for the poverty areas. In some aspects, such programs can be applied for and possibly received. However, most of these programs demand matching funds and the Menominees simply do not have such funds.

As a new county, and with little experience in governmental procedures and organization, the county has shown a particular disadvantage in participating in these grants-in-aid programs. By any standard, Menominee County residents show the greatest need for increased and better governmental services but simply are not able to capitalize on these programs because of the precarious tax revenue situation which now exists. They can't keep paying ½ million dollars in taxes, with the lumber mill paying 92 percent of those taxes, and expect the mill to expand its operations and to meet the growing expenses of required Government services as well.

The representative of USDA also pointed out that in the last decade alone total Federal aid to State and local governments has tripled, rising from $3.8 billion in 1956 to next year's estimated $13.6 billion. With this increase in Federal grants, State, and local government expenditures have more than doubled. One study shows that State and local expenditures have risen in direct proportion to the increase in Federal grants-in-aid. This information points up the necessity for local governments to have taxing capability to come up with the necessary revenues to provide matching funds needed to qualify for Federal and State programs.

Therefore, finances are definitely needed to meet matching fund requirements of the many Federal programs which might be available to the county. This would be largely in areas of economic development of commercial and recreational projects.

In the fields of health, education, and welfare, it has been shown that these programs are determined by State agencies according to established formulas.

There are thorough efforts being made by the Wisconsin State Board of Health, but these are more in preventive practices than in treatment facilities. Although the tuberculosis costs are a great weight on the county's tax structure, the rising costs for medical care in the Shawano community hospital is a problem for the neighboring county of Shawano as well as for Menominee residents.

A total estimated cost of $500,000 is needed to complete santitation projects.

Said the representative of the division of public health:

"It should be noted that the mounting of an effective local health program for the residents of the county is seriously impeded by the absence within the boundaries of Menominee County of a hospital, health department, or even a practicing physician or dentist."

Educational services possible from the Federal and State Governments are being used at a maximum now, reports Wisconsin officials. And although new programs are being enacted for more Federal educational services, none of these help reduce the climbing tax rate for the school district. With the last of the special Federal funds for school taxes issued this year, the Menominees must raise about $256,000 in school taxes for 1966–67.

Welfare costs for the county are increasing with a rate of 15.8 percent of the residents receiving some form of assistance. This is in comparison to 2.5 percent of the population as a whole in Wisconsin. Funds allocated to the State must, in turn, be allocated to the countries according to standard State formula.

In answer to an argument that there are unique problems with every poverty situation, and Menominee County should not receive special attention, it should be remembered that the historical relationship of the Menominees with the Federal Government does make it a much more special case. Not only as a reservation, but as the first major tribe to be terminated and turned into a county, the Menominees have had a "special" relationship with the Federal Government. As such, the Indians need "special" consideration because of the unusual problems resulting from that Federal termination.

As explained in the report by the Menominee Indian Study Committee, financial assistance is needed in all aspects of activities in the

county. If aids are granted in only health, education, and welfare services, the main crux of the problem will not be solved.

For example, education is considered quite often to be the panacea for situations such as this. But with education, young Menominees must leave the county in order to find employment. This is a direct drain on the county's future human resources and draws competent young persons away who might have been able later to take over some civic and governmental responsibilities. Such a drain also means that as the younger population is reduced, only the elderly or welfare cases will be left in the county. This can result in a reduction of median family income, a shrinking tax base, a reduction in revenue accruing to the area from State income tax, and a reduction in attractiveness of the area for new investment, or reinvestment, that could strengthen the tax base.

Therefore, while education plays a large part in the Menominee development, so does economic growth of the county. And without money to attract industry or plan commercial developments of any kind, the county has little hope for improvement in the economic or governmental structure of itself for the future.

Without the special measures as proposed by S. 1934, the prospects of raising enough local funds to participate in Federal and State programs is questionable. The special circumstances surrounding the Menominees during termination and these 5 years following that "independence" make it clear that remedial action is necessary before Menominee County can be expected to operate as a normal county government.

With the measures in this bill, the county can begin to plan for more than 1 year at a time. The bill allows funds to be distributed over a 10-year period which, hopefully, will enable the Menominees to plan on a long-range basis. Up to now, the people have faced the problems of immediacy—immediate government formation, immediate plans for economic solvency through establishment of Menominee Enterprises, Inc., and immediate acceptance of new government responsibilities with little experience so vitally needed. This immediacy has caused a lack of planning for the future because of the present-day problems, an absence of funds, with a resulting unstable future facing the county as human and natural resources are not developed and government services are increasing in costs.

There is one sidelight to this situation which should also be presented. The Menominee termination, in principle, was believed to be a "good thing" by many Indians as well as those working with them. Termination could have been a good program if handled properly. It can still be a good thing if the mistakes are rectified as rapidly as possible. As it stands now, the Menominee termination has served as an example of Federal mismanagement and causes apprehension among many tribes when plans of progress are suggested to them. The president of the National Indian Youth Council has said that young Indians often find hesitation among the older leaders in planning progressive programs. "They are afraid if they look too progressive, the government will terminate them and the tribes will become like the Menominees."

The implication is clear. Rather than showing American Indians the advantages of no longer being "wards of the Federal Government," we have caused fear among the tribes and in the process may prevent them from improving their conditions. This being the case, more damage has been done than to just the Menominess or their surrounding communities or the State of Wisconsin, in terms of economics. The damage has been nationwide psychologically and may seem almost irreparable to some workers among the tribes.

Hopefully, through corrective legislation now, the Indians across the country can see that the Federal Government is aware of its mistakes and that we are making an effort to alleviate the problems we have helped create.

U.S. SENATE,
COMMITTEE ON APPROPRIATIONS,
March 3, 1966.

HON. GAYLORD NELSON,
Acting Chairman,
Subcommittee on Employment and Manpower,
Senate Committee on Labor and Public Welfare,
U.S. Senate,
Washington, D.C.

DEAR GAYLORD: This letter is to record my wholehearted support for S. 1934 which would authorize the Federal Government to make certain grants and loans to Menominee County.

There is no doubt in my mind that the Menominee people have made a truly impressive adjustment to the termination of their trust status. However, the funds provided under the Menominee Termination Act have been inadequate to enable the county to meet its many expenses.

Now the provisions of the Termination Act are about to expire. The local tax base simply is inadequate to support the normal needs of the county and provide for the industrial expansion that is indispensable to a sound economy.

Your bill would provide Federal assistance to see Menominee County through the difficult years that lie ahead. By providing funds for health, education, welfare, sanitation facilities, and industrial expansion S. 1934 would go far toward meeting the needs of Wisconsin's most poverty stricken county.

Rest assured that as a member of the Appropriations Committee I will do everything in my power to see that funds to implement this legislation are provided by the Congress as soon as the bill itself is signed into law.

Finally, let me add that I have been doing by utmost to see that existing Federal programs are utilized by and for Menominee County. In this connection I have obtained a ruling from the Office of Education that Elementary and Secondary Education Act funds can be used to support part of those education activities previously funded with Menominee Termination Act funds.

I am hopeful that a vigorous exploration of the possibilities created by existing legislation together with the enactment of S. 1934 will result in a new prosperity for Menominee County.

Would you please incorporate this letter in the hearing record on S. 1934.

Sincerely,

WILLIAM PROXMIRE, *U.S. Senator.*

Senator NELSON. We shall now commence the hearings with State Senator Reuben LaFave, chairman of the Menominee Indian Study Committee.

STATEMENT OF HON. REUBEN LaFAVE, WISCONSIN STATE SENATOR, AND CHAIRMAN OF THE MENOMINEE INDIAN STUDY COMMITTEE

Mr. LAFAVE. Senator Nelson, Mr. Dunkel, the history of the Menominee termination is probably well known by individuals at this

hearing, so there is little need to dwell on that situation. But it is important to know what the State has done with the former reservation since its creation as a county in Wisconsin in 1961.

Since 1954, 23 laws have been enacted by Wisconsin directly affecting Menominee Indians. Most laws were prior to termination in order to prepare the reservation for county status. However, since 1961, the increasing financial pressures on the county have become a recognizable problem within the State legislature, and efforts to assist Menominee County have been realized as a necessary program of our government.

But it is believed that such assistance should come more from the Federal Government rather than the State since necessary financial aids were lacking in the early stages of termination—with the exception of about $1 million in Federal funds for education and sanitation granted in 1961. The lack of adequate preparation by the Federal Government is the determining factor of the financial crisis now being faced by Menominee County.

Although the Menominee Indian Study Committee and State officials feel it is the obligation of the Federal Government to offer financial support to raise Menominee County onto a level equal to her surrounding counties, the State nevertheless has made repeated efforts to fill in areas of immediate concern ignored by the Federal Government in the past. For example, State legislation apropriated funds for a county consultant to work with Menominees in learning about county governmental work and functions and the new tasks being faced by them which they had never experienced before under tribal government. That consultant died in 1964, and it is now felt that another such person is badly needed by the county government. Also, Wisconsin appropriated $80,000 in 1963 to cover the cost of an unusually high number of tuberculosis cases that went undetected when the Indians were under Federal jurisdiction. During the 1965 sessions, the legislature passed other bills, one of which will pay about $67,000 of the $80,000 TB cost each year for the Menominee County. This bill is a 5-year bill which affects five other counties the same as it does the Menominee County.

As a rule, emergency State legislation has been introduced to meet immediate needs of the county. The State cannot take the county as something special above other counties with their problem areas and appropriate gigantic financial funds to raise Menominee County as a whole to a standard it should have met under Federal supervision.

Senator NELSON. May I interrupt just a moment, Senator? For purposes of the record, do I understand your statement respecting special legislation—do I understand it correctly that under our constitution, you may not select a city or a county for special legislation? Is that——

Mr. LAFAVE. No, I am not saying that. I said as a whole we do not do this in other than emergency legislation. The State can, as long as it is not an internal improvement within that county, do this. For aids such as tuberculosis and such, we can, but we can't select one county for the basis of giving only this county aid where we have a problem in another county and not give it to them.

Senator NELSON. This is a point I would like to have the attorney general's office, Mr. Bowers, address himself to because I think it is a legal question as to whether or not you could select a particular county for special legislation, and if Mr. Bowers is not prepared to address himself to that, we would appreciate the committee receiving from the attorney general's office a memo on this for the record. I believe it is correct that you may not select a county for special legislation under the Wisconsin Constitution. The legislation would have to meet the constitutional test of a "proper classification."

Mr. BOWERS. I will supply that for the record.

(Subsequently the following material was supplied for the record:)

THE STATE OF WISCONSIN,
OFFICE OF ATTORNEY GENERAL,
Madison, Wis., March 3, 1966.

Hon. GAYLORD NELSON,
U.S. Senator, Senate Office Building,
Washington, D.C.

DEAR SENATOR NELSON: This letter is written to answer some questions that arose at the hearing you conducted in Neopit, Wis., on November 10, 1965, on your Menominee aid bill, S. 1934.

The first question was related to the limitation placed upon the efforts of the State of Wisconsin to assist the Menominee people and Menominee County by section 10, article VIII, of the Wisconsin Constitution which states:

"Internal improvements. Section 10. The State shall never contract any debt for works of internal improvement, or be a party in carrying on such works; but whenever grants of land or other property shall have been made to the State, especially dedicated by the grant to particular works of internal improvement, the State may carry on such particular works and shall devote thereto the avails of such grants, and may pledge or appropriate the revenues derived from such works in aid of their completion: *Provided*, That the State may appropriate money in the treasury or to be thereafter raised by taxation for the construction or improvement of public highways or the development, improvement, and construction of airports or other aeronautical projects or the acquisition, improvement, or construction of veterans' housing or the improvement of port facilities: *Provided*, That the State may appropriate moneys for the purpose of acquiring, preserving, and developing the forests of the State; but there shall not be appropriated under the authority of this section in any one year an amount to exceed two-tenths of one mill of the taxable property of the State as determined by the last preceding State assessment."

You will notice that the exceptions following the general prohibition against works of internal improvement provide for the construction and improvement of public highways; development, improvement, and construction of airports and related projects; acquisition, improvement or construction of veterans' housing, and improvement of port facilities. Of the foregoing permissible projects, only the highway exception provides any reasonable basis for the kind of assistance needed in Menominee County. Chapter 395 of the laws of 1965 (the past legislative session) appropriated the sum of $300,000 for the express purpose of providing additional employment to the residents of Menominee County and for the improvement and development of town and county roads in that county. You will also note that the appropriation is denominated "emergency legislation" and expires June 30, 1967.

The final exception to the internal improvements prohibition is found in the permission granted to acquire, preserve, and develop the forests of the State. This exception could be extremely useful in the Menominee situation were it not for the two-tenths of 1 mill limitation. This limitation has been a handicap to the State forestry program for many years. For informational purposes I enclose herewith materials prepared by the conservation department pointing up the restrictive effect of this limitation upon the State forestry program.

All of the foregoing exceptions came into being as amendments to the original prohibition and, as you might surmise from these amendments, the court has given a broad general application to the prohibition. *State ex rel. Owen* v.

Donald (1915), 160 Wis. 21, 151 N.W. 331; *State ex rel. Jones* v. *Froehlich* (1902), 115 Wis. 32, 91 N.W. 15.

One other exception to the general prohibition can be found in section 3a of article XI which was added as an amendment in 1912 and states:

"Acquisition of lands by State and subdivisions; sale of excess. Section 3a. The State or any of its counties, cities, towns, or villages may acquire by gift, dedication, purchase, or condemnation lands for establishing, laying out, widening, enlarging, extending, and maintaining memorial grounds, streets, highways, squares, parkways, boulevards, parks, playgrounds, sites for public buildings, and reservations in and about and along and leading to any or all of the same; and after the establishment, layout, and completion of such improvements, may convey any such real estate thus acquired and not necessary for such improvements, with reservations concerning the future use and occupation of such real estate, so as to protect such public works and improvements, and their environs, and to preserve the view, appearance, light, air, and usefulness of such public works. If the governing body of a county, city, town, or village elects to accept a gift or dedication of land made on condition that the land be devoted to a special purpose and the condition subsequently becomes impossible or impracticable, such governing body may by resolution or ordinance enacted by a two-thirds vote of its members elect either to grant the land back to the donor or dedicator or his heirs or accept from the donor or dedicator or his heirs a grant relieving the county, city, town, or village of the condition; however, if the donor or dedicator or his heirs are unknown or cannot be found, such resolution or ordinance may provide for the commencement of proceedings in the manner and in the courts as the legislature shall designate for the purpose of relieving the county, city, town, or village from the condition of the gift or dedication."

The above quoted section has been construed to permit the State to acquire, improve, an create a wildlife refuge in the Horicon Marsh on the theory that such a refuge would be a species of public park. *State ex rel. Hammann* v. *Levitan* (1929), 200 Wis. 271, 228 N.W. 140.

The use of this section as a means of providing additional monetary assistance to Menominee County is presently under study and consideration by the various State agencies concerned with development of State parks and with the welfare of the Menominee people. The many scenic treasures within the county which will exist in their natural state afford considerable opportunity for the establishment of a State park in Menominee County.

The second question that arose concerned the question of preferential treatment of Menominee County by the State in educational, welfare, unemployment, and other grants-in-aid. Our supreme court on many occasions has held invalid particular preferences that are for purely a local or private purpose. It is there stated that public funds must be expended at the level at which raised. *State ex rel. Wis. Development Authority* v. *Dammann* (1938), 228 Wis. 147, 183 (on rehearing). The well-established law of Wisconisn is that State funds must not only be spent for a public purpose, but must be spent only for a State purpose. *State ex rel. Wis. Development Authority* v. *Dammann*, supra, citing cases, *State ex rel. Larson* v. *Giessel* (1954), 266 Wis. 547, 64 N.W. (2d) 421. Whether a preferential grant is for a State public purpose is dependent on the particular matter and the factual situation involved. Any attempt by the State to use its own funds for appropriations such as provided in your bill would be subject to question under the above well-established principles.

The constitutional limitations resulting from the requirement for uniformity of taxation and appropriations and the prohibition against works of internal improvement severely restrict the kinds and amounts of aid the State of Wisconsin can provide for the Menominee people. Your Menominee aid bill, S. 1934, would provide both the short-term immediate requirements of these people and a reasonable step toward the long-term solution of their financial problems. I trust that the Congress, recognizing the pressing needs of these people in their tremendous effort to shed the yoke of the past 100 years, will act favorably upon and pass bill S. 1934.

The people of Wisconsin, and particularly the people of Menominee County, are appreciative of your efforts on their behalf. I wish you every success in this important task.

Sincerely yours,

BRONSON C. LA FOLLETTE,
Attorney General.

Enclosures.

STATE OF WISCONSIN

SENATE BILL 323, EFFECTIVE DECEMBER 1, 1965

CHAPTER 395, LAWS OF 1965

AN ACT to create 20.420(1) of the statutes, relating to an appropriation of $300,000 to the State highway commission for an emergency highway work program in Menominee County.

The people of the State of Wisconsin, represented in senate and assembly, do enact as follows:

20.420(1) of the statutes is created to read:

20.420(1) EMERGENCY WORK PROGRAM IN MENOMINEE COUNTY. For the purpose of providing immediate and necessary employment for the Indians residing in Menominee County and for the necessary improvement of county and town highways in said county, there is appropriated from the general fund to the State highway commission $300,000 for such improvement, which is additional to any appropriations otherwise available. The program herein provided shall be administered by the commission. The commission and the county board of Menominee County shall enter into an agreement providing that contractors shall employ Indian residents of Menominee County under this subsection whenever possible. The commission shall be the exclusive authority to cooperate with the Federal Government in programs for highway development or recreational road development in Menominee County. This subsection is emergency legislation and expires June 30, 1967.

REFERENDUM FOR AN AMENDMENT TO STATE CONSTITUTION

The people of Wisconsin will be asked in the April 7 election to vote on a referendum for an amendment of the State constitution to authorize the legislature to increase the tax for forestry purposes from two-tenths to one-fourth of 1 mill of the taxable property of the State.

WHAT DOES THE FORESTRY TWO-TENTHS MILL TAX COST?

On a home assessed at $10,000, for example, presently $2 per year is paid by the owner to support the forestry program. With a favorable vote on the referendum, the homeowner would contribute $2.50 per year, an increase of 50 cents or less than the price of two packs of cigarettes.

WHAT IS THIS FORESTRY MILL TAX MONEY USED FOR?

1. Statewide forest fire protection service (17 million acres).
2. Operate State tree nurseries (30 million trees per year).
3. Operate and develop State forests (one half million acres).
4. Aid to county forests (2¼ million acres).
5. Technical assistance to forest landowners and forest industries.
6. Forestry research, primarily at the University of Wisconsin.

WHY IS ADDITIONAL REVENUE NEEDED?

In recent years, new programs have been implemented to protect, maintain, and develop the State's forest resources in response to public demand. Even though the tax base has been increasing since the mill tax rate was set in 1924, a revised rate is now required to meet the costs of carrying out these responsibilities.

1. Development and operation of additions to the State forests for recreation and timber production.
2. Payment by the State forest lands per acre to the local units of government where State forest lands are located (1963 legislation). This costs an additional $80,000 yearly.
3. Providing forest fire protection to Menominee County and other areas of the State where none was previously available.
4. Revisions in the State-sponsored county forest program will mean about $60,000 per year less income as the State's share in the sale of timber.

5. Other costs have been rising more rapidly than the forestry mill tax income. Tractors, fire towers, shelter houses, and even shovel handles have doubled in costs since 1950.

HOW MUCH MONEY WOULD A "YES" VOTE PROVIDE?

Approximately $900,000. This would merely allow the State forestry program to hold its own, rather than slip backward.

NOTE.—The cigarette-tax-supported outdoor recreation moneys are not available for any of the programs listed above. Cigarette tax money is used primarily for purchase of recreational lands.

Senator NELSON. You may proceed, Senator LaFave.

Mr. LAFAVE. Thank you, Gaylord. Therefore, it seems apparent to officials of the State of Wisconsin that it remains the duty of the Federal Government to assume a responsibility they overlooked prior to final termination.

In closing, as chairman of the Menominee Indian Study Committee, I request your permission to file an extensive report of our committee with you at a future date. The committee staff is currently developing the materials for the final report. The law establishing Menominee County required that such a report be made to the 1965 legislature and again in 1969. In the report, our committee intends to cover the entire history of termination of Federal control over the Menominees and to show in detail the action which the State has taken during the past 10 years. It is our hope that this report will be helpful not only to the Wisconsin Legislature but to the Federal Government and other interested parties in assisting the Menominees to shoulder the burdens thrust upon them by termination.

In order to present the State of Wisconsin's ideas about the Menominee situation and the need for assistance, Senator, I again request of you that we can file a final report with you at a future date.

Senator NELSON. Senator, do you have any idea what date your report will be ready?

Mr. LAFAVE. We feel the report will be ready sometime right after the first of the year, Senator.

Senator NELSON. Your report will be accepted and placed in the record of the hearings which will be printed after the hearings we conduct in Washington. I want to thank you very much for your fine presentation.

Mr. LAFAVE. I thank you for your consideration, Senator.

(Subsequently the report referred to was supplied for the record as follows:)



REPORT OF MENOMINEE INDIAN STUDY COMMITTEE

REPORT

OF THE

WISCONSIN LEGISLATIVE COUNCIL

VOLUME III

REPORT OF MENOMINEE INDIAN STUDY COMMITTEE

SUBMITTED TO THE GOVERNOR
AND THE 1965 LEGISLATURE

April 1966



THE STATE OF WISCONSIN
LEGISLATIVE COUNCIL
STATE CAPITOL
MADISON

April, 1966

To the Honorable,
Governor Warren P. Knowles
and the Members of the
1965 Wisconsin Legislature

This material constitutes the first comprehensive report of events surrounding federal termination of supervision over the Menominee Indian tribe of Wisconsin pursuant to § 231.45, Wis. Stats. It documents the history of Menominee termination; it offers a review of the present situation; and it makes a few projections about the future of Menominee county. As a result, it is hoped that the report offers an enlightened view of the Menominee termination.

Respectfully submitted,

ROBERT T. HUBER,
Chairman.

WISCONSIN LEGISLATIVE COUNCIL

1965–67 Biennium

★

OFFICERS

Chairman
ROBERT T. HUBER
Assembly Member
2228 South 78th Street
West Allis 53219

Vice-Chairman
LELAND S. MCPARLAND
Senate Member
4757 South Packard Avenue
Cudahy 53321

Secretary
PAUL R. ALFONSI
Assembly Member
Minocqua 54548

★

SENATE MEMBERS

ROBERT P. KNOWLES
130 South Main Avenue
New Richmond 54017

GERALD D. LORGE
Bear Creek 54922

JERRIS LEONARD
626 East Wisconsin Avenue
Milwaukee 53201

J. EARL LEVERICH
Route 1
Sparta 54656

FRANK E. PANZER
Route 1
Brownsville 53006

★

ASSEMBLY MEMBERS

J. CURTIS MCKAY
Route 1
Cedarburg 53012

FRANK L. NIKOLAY
Abbotsford 54405

REINO A. PERALA
824 North 22nd Street
Superior 54880

GEORGE MOLINARO
424—44th Street
Kenosha 53140

DAVID D. O'MALLEY
315 West Main Street
Waunakee 53597

FRANK E. SCHAEFFER, JR.
1623 W. Wisconsin Avenue, Apt. 20
Milwaukee 53233

CLETUS VANDERPERREN
Route 5
Green Bay 54301

EARL SACHSE
Executive Secretary

Room 240 North
State Capitol

Madison,
Wisconsin

MENOMINEE INDIAN STUDY COMMITTEE*

1965–67 Biennium

★

OFFICERS

Chairman
**REUBEN LAFAVE
Senate Member
La Veaux Road—Route 1—Box 89A
Oconto 54153

Vice-Chairman
**BRONSON LAFOLLETTE
Attorney General
114 East, Capitol
Madison 53702

Secretary
**JAMES G. FRECHETTE
Public Member
Keshena 54135

★

ASSEMBLY MEMBERS

**HERBERT GROVER
Route 3—Hartman Apts.
Shawano 54166

WILLIAM ROGERS
1317 Hillcrest Drive
Kaukauna 53130

★

PUBLIC MEMBERS

V. L. FIEDLER
663 State Office Building
Madison 53703

JOHN FOSSUM
Neopit 54150

BERNARD GRIGNON
Keshena 54135

H. W. HARDER
1000 State Office Building
Madison 53703

GEORGE M. KEITH
275 State Office Building
Madison 53703

ANGUS B. ROTHWELL
147 N., State Capitol
Madison 53702

ARTHUR H. SCHULTZ
Route 3
Shawano 54166

OSCAR SORENSEN
Oconto 54153

**GEORGE E. SPRECHER
140B Hill Farms Building
Madison 53705

DR. ARTHUR L. VAN DUSER
400 State Office Building
Madison 53703

HILARY WAUKAU
Neopit 54150

DR. G. AUBREY YOUNG
900 State Office Building
Madison 53703

*Committee members from past interims listed in Appendix E.
**Executive committee members.

PREFACE

Supervision of American Indian programs is generally regarded as a function of the federal government through its bureau of Indian affairs. However, Wisconsin has gradually assumed more duties with Indians of the state in fields of education, welfare, health, and criminal jurisdiction. The state's responsibility was expanded to more duties in 1954 with the passage of the Menominee termination act. This Congressional act ended all federal supervision over Indian affairs in the Menominee reservation, and turned such supervision over to the state of Wisconsin.

Consequently, various individuals representing federal, state, and Menominee groups worked together in preparing for termination, which eventually came in 1961, and in putting the plans into action. Coordinating most of the state's programs was the Menominee Indian study committee established as a statutory body of the legislative council. Composed of 16 members, the committee has directed studies, offered legislative proposals, initiated programs, and has now directed the preparation of a comprehensive history of the Menominee termination.

Wisconsin law requires that a review of the Menominee county situation be made for the 1965 legislature. This report constitutes that review. All materials cited in this report are in the files of the Menominee Indian Study Committee, Wisconsin Legislative Council, 240 North, State Capitol, Madison, Wisconsin.

Much appreciation goes to the members of the Menominee Indian study committee for the hours they spent in offering information for the report and in acting as editors of the manuscript. Also, special gratitude is expressed for the invaluable assistance given by various Menominee individuals, as well as to numerous other persons outside of the committee who contributed information and ideas for preparation of the report.

Miss Nakonia (Niki) Smith, who acts as research associate for the committee, compiled the information and wrote the report.

TABLE OF CONTENTS

INTRODUCTION Page

Purpose of Report ---- 11
General Termination Policy ---- 11
Termination of the Menominee: Early Stages ---- 11
Historical Background and Statistics of Tribe ---- 12

CHAPTER I: PERIOD I OF TERMINATION—1954–1961

General Statistics ---- 13
Federal Responsibilities ---- 13
Wisconsin's New Role ---- 13
Menominee Indian Study Committee Duties ---- 14
Menominee's Role ---- 14
Preparation for Termination: Federal ---- 14
Preparation for Termination: Menominee ---- 14
Establishment of Menominee Enterprises, Inc. ---- 15
Establishment of Government ---- 16
The Financial Picture ---- 17
Federal Sharing of Termination Expenses ---- 20
Preparation for Termination: State ---- 21

CHAPTER II: PERIOD II OF TERMINATION—1961–1965

The First Year of Independence ---- 23
A Federal Review in 1964 ---- 24
Menominee Affairs: Corporation and County ---- 24
Menominee Enterprises, Inc.: Appraisal of Operating Performance ---- 24
Modernization and Stabilized Employment ---- 25
Management ---- 26
Future Requirements ---- 26
Demands on Local Government ---- 26
State Assistance ---- 27
Urgent Need of Extraordinary Measures ---- 28
Corporation and County Experience ---- 28
The Menominee People Since Termination ---- 29
Smallest County ---- 29
Low Income ---- 29
High Unemployment ---- 29

Page

Large Families ---- 29
Substandard Education ---- 30
Indian Education ---- 30
Vocational and Technical Education ---- 31
College Scholarship Programs ---- 31
Substandard Housing ---- 31
Health ---- 31
Sanitation ---- 32
Alcoholism ---- 32
Infant Health ---- 32
Dental Health ---- 32
Availability of Medical Care ---- 32
Dependence on Welfare ---- 33
Bonds Pledged to Meet Welfare Needs ---- 34
Menominee Loan Fund ---- 34
Termination and Public Opinion ---- 35
Proposals for Action ---- 36
Industrial Development ---- 36
Development of Recreation ---- 37
Conclusions of Federal Report ---- 38
Present Action Being Taken: Federal ---- 38
Present Action Being Taken: State ---- 41
Present Action Being Taken: Menominee ---- 42

CHAPTER III: SUMMARY

Comparison to Neighboring Counties ---- 44
Conclusions ---- 45
Recommendations ---- 46
General Recommendations ---- 47
Specific Recommendations ---- 47

APPENDICES

A. Pre-Termination History ---- 49
B. History of Federal Legislation ---- 51
C. State Legislation, 1955–1965 ---- 55
D. Miscellaneous Figures ---- 59
E. Menominee Indian Study Committee—Membership and Meetings, 1955–1965 ---- 63
F. Menominee Indian Study Committee—Financial Record, 1957–1965 ---- 75

LIST OF TABLES

		Page
1.	Budget of 1953–54 for Tribe	17
2.	Menominee Enterprises' Comparative Statement of Operations Years Ended Sept. 30	25
3.	1966 Capital Requirements for Mill	26
4.	Effect of Federal School Aids on Increased School Taxes	26
5.	Health and Welfare Expenditures—Menominee County, 1961–66	27
6.	Comparative Tax Levies, Town of Menominee, Menominee County, 1961–1964 Inclusive (Excluding Federal School Aid)	27
7.	Effective Property Tax Rates—Actual and Projected (Including Federal School Aid): Menominee County and Town of Menominee	28
8.	School Enrollment of Menominee County	30
9.	Comparison of Categorical Welfare Aids in 1961 and 1965	34
10.	Status of Bonding Program	34
11.	Real Estate and Personal Property Taxes Paid in to July 31, 1965	35
12.	Projected Tax Situation with Financial Assistance with Senate Bill 1934 (H.R. 8034)	39
13.	Projected Tax Increases	39
14.	Menominee Enterprises, Inc., 5-Year Forecast of Operations Without Proposed Expansion	40
15.	Menominee Enterprises, Inc., 5-Year Forecast of Operations With Proposed Industrial Expansion	40
16.	Projection of Increase in Tax Base by Classes of Property Under Existing Conditions (Town and County)	40
17.	Comparative Property Assessment Data—Town of Menominee, Menominee County—May 1, 1961 through May 1, 1965	41
18.	Comparison Between 1954 (Reservation) and 1964 (County)	43
19.	Menominee County in Comparison with Neighboring Counties, 1964	45
20.	Comparison of Forest, Florence, and Menominee Counties, 1964	45

LIST OF FIGURES IN APPENDIX D

1.	Organization of Menominee Indian Tribal Government, March, 1956	59
2.	Several Advantages and Disadvantages in Forming Local Government on the Menominee Indian Reservation	60
3.	Ownership and Direction of Menominee Enterprises, Inc.	61
4.	Percent of Families in Wisconsin with Income Under $3000 (By County)	62
5.	Federal Expenditures on Road Programs, Menominee Indian Reservation, 1954–1961	62

INTRODUCTION

Purpose of Report

On June 17, 1954, Congress passed PL 83–399, 25 U.S.C. secs. 891–902, which terminated all federal responsibility for the Menominee Indian tribe of Wisconsin. Because of this federal action, the state has assumed increasing responsibilities in developing and coordinating projects concerning Menominee Indians for the past 10 years.

The state legislature approved Joint Resolution No. 72, A., on June 17, 1955, which created the Menominee Indian study committee of the Joint Legislative Council. This 14-member committee was directed by the resolution "to study the (transition) problems and develop specific recommendations and legislative proposals for presentation to the Joint Legislative Council so that it can introduce the necessary bills [at the opening of the 1957 legislature.*]"[1]

By Joint Resolution 119, A., the committee was expanded on Oct. 6, 1955, to 16 members. Chapter 464, Laws of 1957, continued the committee. In assessing its function and responsibility, the committee is now guided by § 13.352, Stats., which provides an apparent legislative mandate to the Menominee Indian study committee: to make specific legislative recommendations and proposals, which may differ from those offered by the tribe.[2] The committee immediately began intensive studies of the many phases of Menominee termination.

In order to report to the 1965 legislature, as required by § 42, Chap. 259, Laws of 1959, these various studies have been consolidated and brought up to date. The purpose for this legislative review is to study past developments and to determine the future role of the state toward the Menominee. Unless repealed by the 1965 legislature, the law creating Menominee county will continue until July 31, 1969. If not repealed then, that law becomes final.

The organization of the report is in chronological order to show the changes and developments as the Menominee reservation was created through state legislation into Wisconsin's 72nd county. Stress is placed on the economic aspects of the situation since many financial problems have fallen to the state and communities surrounding Menominee county. However, attempts have been made to show the interrelating factors that affect the overall economic picture.

* Studies during the 1955–57 interim did not result in any final plans for termination.

[1] "Menominee Indian Study Committee," Legislative Council's *General Report*, Vol. II, 1965, p. 119.

[2] Bowers, John, and Fisher, Burton R. "Report and Recommendations to the Menominee Indian Study Committee," April 20, 1959, p. 13.

General Termination Policy

An understanding of the general termination policy practiced by the federal government is necessary before the specific policy toward the Menominee is reviewed.

The stated fundamental objective of all Indian bureau programs or activities is the social and economic advancement of the Indian people sufficient to remove their need for the supervision and services rendered under the special jurisdiction of the bureau of Indian affairs.[3] Consequently, the trend toward termination was the general policy during the Truman and Eisenhower administrations. Several tribes were terminated during the 1950's, with the Klamath of Oregon and the Menominee of Wisconsin being the 2 largest groups.

The Klamath sold their vast forest lands and each tribal member received about $45,000 as his share of the tribal assets. However, the Menominee voted to remain a tribal entity by establishing a corporation to manage their forest acreage.

Termination of the Menominee: Early Stages

Events leading to the Menominee termination could be said to have started on Sept. 3, 1935. A law (49 Stats. 1085) was enacted allowing the Menominee to bring suit against the federal government for mismanagement of forest and mill operations prior to 1910. On July 13, 1951, a judgment was issued awarding $8.5 million to the Menominee. This increased the amount of tribal funds on deposit in the U. S. Treasury to about $10.5 million which was drawing 4% interest. As a result, a Menominee delegation went to Washington to propose a 3-point program of reservation development and a $1,000 per capita payment. The Menominee asked a Washington representative to introduce legislation that would authorize the per capita distribution to individual tribe members. That bill did not become law. However, another representative was asked to introduce in the following Congress (83rd) a similar bill which was again defeated.

[3] Comptroller General of the United States. *Report to the Congress of the United States: Administration of Withdrawal Activities by the Bureau of Indian Affairs, Dept. of the Interior*, March, 1958, p. 1–2.

This second bill was converted into a more complicated and controversial bill "to provide for termination of Federal supervision over the Menominee Indian tribe of Wisconsin."[4] After a visit from the chairman of the Indian subcommittee of the senate interior and insular affairs committee in July, 1952, the Menominee were convinced that the principle of termination must be accepted by the tribe before they could receive their payments.[5] They voted support of the "idea" of termination on June 20, 1953. The bill (H.R. 2828) was adopted as amended by the senate, but rejected by the house.

For that reason, 2 other bills were introduced early in 1954 on the same subject: S. 2813, and H.R. 7135. Reintroduced was H.R. 2828. Joint hearings were held only on H.R. 2828 before the subcommittees of the senate and house committees on interior and insular affairs on March 10, 11, and 12, 1954. The result was the recommendation for passage of H.R. 2828, and it became law on June 17, 1954 (68 Stats. 250).

[4] Laird, Melvin R. "Plea for Justice for the Menominee People," *Congressional Record-House*, March 30, 1965, p. 6091.

[5] "Termination of Federal Supervision over Certain Tribes of Indians," *Joint Hearings before the Subcommittees of the Committees on Interior and Insular Affairs, Congress of the U.S., 83rd Congress, 2d session; Part 6, Menominee Indians, Wis.* March 10, 11, 12, 1954, Washington, D. C., p. 608.

Historical Background and Statistics of the Tribe

One of 2 native tribes of this area, the Menominee's first contact with Europeans dates from 1671. The tribe entered 10 different treaties with the federal government with the last one being signed May 12, 1854, which assigned them to their present site on the Wolf River (II Kappler 626:10 Stats., 1964). The reservation comprised 233,902 acres of which about 95% was forest land.

A small, private water-powered saw mill was operating at Keshena Falls in 1852 when the tribe moved there. It was purchased for them by the government in 1854. Another saw mill was constructed at Neopit in 1909 after passage of the sustained yield law by act of March 28, 1908 (35 Stats. 51).

The Menominee operated under a constitution adopted Feb. 11, 1928, but accepted the act of June 18, 1934, (48 Stats. 984) which was known as the Indian Reorganization Act. Three days before, on June 15, 1943,[6], the tribe had accepted the Enrollment Act (48 Stats. 965), which closed the tribal rolls and established standards for those who would be included on the rolls.

Between 1935 and passage of the termination act in 1954, the major programs developed for the tribe included the act of April 11, 1940, (54 Stats. 105) which extended provisions of the federal employees compensation act of Sept. 7, 1916 (39 Stats. 750) to employes of the Menominee mills, and the 1951 judgment against the federal government.

[6] Modified by act of July 14, 1939 (53 Stats. 1003).

CHAPTER I

PERIOD I OF TERMINATION: 1954–1961

GENERAL STATISTICS

The hearings of 1954 produced much information on the Menominee situation relating to statistics, problems, and programs conducted in the reservation.[7] As of Jan. 31, 1954, the tribal roll had 3,208 members with 500 families in the reservation, and 103 outside. Of the 233,902 acres, 221,696 were forested under sustained-yield management with about 4,078 acres of water area.

The estimated median annual income of mill employes was $2,300, about 82% of surrounding non-Indian families, with the balance of the population earning $650 annually. The median education for males was 8.5 years and for females, 8.3 years. Birth rates from 1950–54 averaged 36.9 per 1,000 (population) as compared to the state rate of 25.2 Infant mortality rates for the same period were 62.7 per 1,000 (births) compared to 23.5 for the state.

In 1954, fewer than 1/8 of the Menominee received public assistance from welfare as compared to 1/36 of the Wisconsin population as a whole for similar aids. A high ratio of the Menominee also were under supervision of the division of corrections of the state department of public welfare: state rate was 2.0 per 1,000 population; Menominee, 10.8 per 1,000.

The tribe's economy as a whole was centered around the saw mill and its related or subsidiary industries. With an estimated capital investment of $1,544,780 and a replacement value of about $6 million, the estimated total income from the mill operation and miscellaneous collections (utilities, community facilities, and other) amounted to $2,195,000 during fiscal 1953.[8] Total expenditures for that year were $2,860,000. The deficit was eliminated by withdrawing tribal funds from the U. S. Treasury.

Governmentally, the tribe was supervised by a local general council with a quorum of 75. An advisory council, composed of 12 members, acted as an elected body in interim periods when the general council was not in session. However, whatever action was decided by the council had to meet with approval of the federal government's agent stationed with the Menominee Indian agency.

[7] *Ibid.*, for more complete details.
[8] *Ibid.*, page 590.

The Menominee community, broadly speaking, was an integrated combination of industrial, municipal, and human relations activity and endeavor; including community health, education, welfare, credit, law and order factors, all of which functions and activities were sustained or paid for from tribal funds deposited and held in trust in the U. S. Treasury. These funds were subject to use for the above purposes only through appropriation by the Congress.

Although these figures were reviewed at the hearings, the economy and social aspects of the Menominee Indians were not sufficient to sway Congressional minds against termination. Consequently, it was not until studies in depth were initiated by the state that the full significance of the facts and figures became known.

Federal Responsibilities

Federal functions had been to retain general guardianship of the Menominee and their property including general supervision of mill and forestry operation, provision of funds for educational services assumed by Wisconsin, and administration of the reservation highway program. The U. S. public health service provided a sanitarian for the reservation. (See section IV on Pre-termination History at the end of this report for more information on legal relationships between federal government and reservation Indians.)

Wisconsin's New Role

The state had a new role compared to what its duties had been to the Menominee Indians until 1954. For some 100 years, the Menominee people had lived in Wisconsin under uncodified and undefined tribal law supplemented by federal Indian statutes and supervision. Their pattern of life had been that of a comparatively isolated minority group in the social, economic, and government structure of the state and nation.[9] Wisconsin government agencies worked largely through local and county government officials. The department of public instruction engaged in direct supervision of the elementary schools and the university of

[9] "Menominee Indian Study Committee," Legislative Council's *General Report*, Vol. II, 1957, p. 134.

Wisconsin maintained agriculture and home economics agents. (The agriculture agent was paid by the tribe and college of agriculture; the home agent by state and federal funds through the department of public instruction.)

State law and order was not extended to the reservation until 1955.[10]

One other area which required special attention was that of a human relations-action approach to the crucial Menominee transition problem. There was general agreement that the human relations problems were important as well as inseparable from those of government and tribal economy. It was felt that in order to deal with this new problem, it was necessary "to learn as much as possible about the established value systems and patterns of life of the peoples involved in order to make intelligent and practical recommendations for their consideration and to help them in turn accept and implement the final plans for integration into the state."[11]

As well as determining how to help integrate the Menominee into full state responsibilities, the state had to decide what its new duties to the people would entail. Mainly, what would be the future financial impact on the state treasury as a whole, or the specific surrounding communities of the reservation?

Menominee Indian Study Committee Duties

The introduction of this report explained the purpose for establishment of this committee. With the termination act stating that final termination of federal supervision would take place on Dec. 31, 1958, the Menominee Indian study committee assumed its role as the only official state group empowered to conduct studies and surveys to help formulate a termination plan with the Menominee tribe. The committee called upon university and state agency personnel for assistance, and established several subcommittees.

State departments assigned to the committee included taxation, attorney general, public welfare, public instruction, highway commission, conservation commission, board of health, and the governor's commission on human rights. Surveys were commenced in regard to roads, taxation, conservation, public welfare, and education.

[10] Problems of law and order for the state to handle became applicable to the Menominee reservation by PL 661 (68 Stats. 795) on Aug. 24, 1954. This phase was completed in October, 1956. PL 280 in 1953 (67 Stats. 588, 589) resulted in termination of federal civil and criminal jurisdiction over all Wisconsin reservations.

[11] "The Relationship of the Governor's Commission on Human Rights to the Legislative Council's Menominee Indian Study Committee," Oct., 1955, p. 3.

Menominee's Role

For the Menominee, the termination act produced deeper and more complex problems. Limited human and natural resources had great effects on their plans while preparing for final termination. Misunderstanding of the concept of termination and what it produced proved a psychological and sociological burden. Their problems are explained in detail in the following sections.

Preparation for Termination: Federal

Obligations of the federal government involved few programs other than abolishing the bureau of Indian affairs agency at Keshena and fulfilling the normal responsibilities as met in the past: financing road programs, education, and a sanitarian on the reservation. The problems of Menominee Indians were now essentially those of the state of Wisconsin and the reservation leaders.

Preparation for Termination: Menominee

The Menominee's first act, as ordered by PL 83–399, was to close the tribal rolls. The rolls had been closed in 1939 and the tribe voted 74–44 on Jan. 6, 1954, not to have the Congress investigate reenrollment before per capita legislation was passed.[12] Therefore, with the passage of the termination act on June 17, 1954, the tribal rolls were automatically closed. No Menominee child born after that time was eligible for enrollment. The act provided, however, that applicants for enrollment were to have 3 months from the closure date in which to submit their applications, with right of appeal to the secretary of the interior from a tribal denial of applications. The secretary's decision was to be final. That final roll was published in the Federal Register on Dec. 12, 1957. From that date, the rights of the individual members became vested, and were to be represented by certificates of beneficial interest issued to the tribe, distributable according to Wisconsin law, but transferable only under tribal regulations.[13] Enrollment, which entitled each enrolled member the right to share in total tribal assets, has remained a source of conflict even to the present day.

The tribe's second act was to begin formulation of a termination plan required for submission to the secretary of the interior on Dec. 31, 1957, by PL 84–718. However, a Congressional representative was successful in getting PL 399 amended on July 14, 1956, to extend the final termination date to Dec. 31, 1960, and the date for submission of a plan to Feb. 1, 1959.

[12] Donoghue, James R. *County and Local Government Organization on the Menominee Indian Reservation*, Bureau of Government, UW Extension Division, Oct. 1, 1956, p. 16.

[13] "Menominee Indian Study, Chapter 12," Legislative Council's *General Report*, Vol. II, 1965, p. 118.

This plan for future control of the tribal property and service functions included, but was not limited to, health, education, welfare, credit, roads, and law and order. In return, the secretary of the interior was to transfer to the tribe the title to all its property on or before Dec. 31, 1960. Without benefit of proven capacity and experience to organize, to govern, or to manage sizeable corporate property and business, the tribal members had to review and try to absorb the meaning of numerous reports on termination problems, and to find, study and resolve a course of action necessary to comply with the termination act.[14]

A Menominee coordinating and negotiating committee was formed by the general council on Nov. 7, 1957, and organized for business on Jan. 20, 1958. It was their job to draw a termination plan with their lawyers. On Jan. 29, 1959, the work was submitted to the secretary of interior for his approval. It was published in the Federal Register on April 29, 1961.

When writing the plan for their future control, the tribe faced devising a plan assuring self-support economically. The subjects of local government and business organization were closely related for the tribe. By tradition and by necessity, tribal members have been dependent economically upon the forest and concomitant operations of the lumber mill. The forest and mill had comprised their most valuable property, and therefore, had been the paramount objects of consistent and significant consideration. This consideration had been focused in the tribal government. Thus, in the minds of the Menominee, the forest and mill had been linked inseparably with tribal government. The forest and the mill also had provided the major, though sometimes remote, motivation for Menominee activity.[15]

Since the Menominee hoped to achieve self-sufficiency through business development of forest resources, their lawyers developed a business plan in the termination plan. Incorporation was chosen as the most practical solution to the economic problems facing the tribe.

Establishment of Menominee Enterprises, Inc.

Under the articles of incorporation,[16] the corporation has authority to issue 330,000 shares of common stock of the par value of $1 per share. Aside from 3,000 shares which may be used by the corporation in obtaining capital, the remaining 327,000 shares (representing 100 shares for each of the initial 3,270 Menominee stockholders) were transferred by the corporation to 7 voting trustees. In exchange, the voting trustees issued voting trust certificates to enrolled members of the Menominee Indian tribe or to the heirs and lawful transferees of deceased enrolled members. The voting trust agreement, attached to the articles of incorporation and by-laws of the proposed Menominee Enterprises, Inc., continues in effect for 3 consecutive 10-year periods, but empowers the certificate holders to abolish the trust and receive the stock at the end of any 10-year period.

Each stockholder also received from the corporation an income bond due on Dec. 1, 2000, in the amount of $3,000 which draws interest at the rate of 4% annually payable out of the net income of the corporation. This $120 serves in lieu of former individual stumpage payments paid from mill profits.[17]

Absolute restraint on alienation of stock certificates for 5 years was provided in the corporation by-laws partly to prevent a possible rush of individual members to sell out their share of the corporation, and partly to avoid any manipulation by an outsider to get control of the new business by buying up stock. Absolute restraint would apply except in case of death, then standard procedures would be followed as dictated by the laws of Wisconsin.[18]

The tribal lending agency could take a member's stock for a loan in case of an emergency. Only this agency would be allowed to take the stock as collateral.

A single trust was created to handle all of the minors' shares of corporate stock and income earned on those shares after termination, and income bonds owned by the minors, mentally incompetent, or those otherwise in need of assistance in conducting their own affairs. The First Wisconsin Trust company was given the broad powers similar to those of a guardian to make payments during the period of the trust to or for the benefit of the beneficiaries, for such purposes as education, sickness, and business ventures. Assets belonging to minors are held and administered by the trustee and are distributed to minor beneficiaries as they attain the age of 21, and to incompetent beneficiaries upon a court finding that incompetency no longer exists.

[14] Kenote, George. "A Status Report—Menominee Indians in 1960," April 27, 1960, pp. 1–2.

[15] *General Report, op. cit.*, 1955–57, p. 135.

[16] Menominee Enterprises, Inc., received its charter as a Wisconsin corporation on Jan. 7, 1961, from the secretary of state.

[17] The Stumpage Act of 1934 (48 Stats. 964) directed the secretary of the interior to ascertain and fix the fair market stumpage value of the fully matured and ripened green timber cut on the Menominee reservation during each fiscal year. The secretary was directed to pay such amount in equal shares to members of the Menominee tribe after submitting such determinations to the Menominee general council for advance review and approval. Therefore, stumpage payments varied with market values each year.

[18] This restraint was continued for 5 additional years (until 1971) by Chap. 156, Laws of 1965.

The business and other affairs of the corporation are handled by a board of directors. Because successful business management was needed, it was anticipated that people of experience and leadership would man the executive positions, until such time as tribal leaders were able to take over. Tribal members filled the second echelon positions to acquire knowledge of business management and executive leadership. In the early stages, there were 4 Menominee members and 5 non-Indians.[19]

Establishment of Government

On Sept. 9, 1958, the Menominee coordinating and negotiating committee held a mail referendum to determine the sentiment of members on the type of government they wished included in the termination plan. Ballots were mailed to 1,714 (100 were returned unclaimed, leaving 1,614 to participate in voting). A separate county was favored by 86.3% of the returned ballots. (721, or 44.7% returned ballots; 622 of those, or 86.3% favored county).

This decision favoring a separate county was the center of detailed study and discussion by university personnel. Several suggestions had been offered as alternatives to the separate county plan. One was to join the reservation area to Shawano county and the second was to split the reservation among Shawano, Oconto, and Langlade counties. Reasons given for and against joining or splitting the reservation are on page 60. In general, state studies reported that a merger with Shawano would be more advantageous administratively and economically to the Menominee. But the Indians felt a single county would be better for psychological and social reasons.

Because the economic valuation of tribal property had been set between 30 or 40% of appraised valuation, taxation based on appraised valuation seemed unrealistic. (Weyerhauser interests had told Congress that the market value of the forest beneficially owned by the Klamath of Oregon was no more than 40% because of their sustained yield program. The same was considered true for the Menominee by Congress.)[20]

Consequently, a new method of taxation was then proposed by attorneys in the tribal plan: determine the full market value of the forest on the same basis as a forest which has no sustained yield restriction, subtract 3/5 of the full market value, and the difference would be entered on the assessment roll as the taxable value of Menominee property. The result would be lower property taxes and higher state aids. *Objections that this might prove too costly to the state caused a provision to be put in the lawyers' proposal that the 1965 legislature review the situation.*

While there was no legal barrier to the creation of a separate Menominee county by the legislature, certain practical considerations had to be taken into account. The first responsibility of a new county would be to achieve fiscal solvency. Since the forest comprises 6/7 of Menominee total valuation for tax purposes, it must carry 6/7 of the tax costs. "The disproportionate share of government burden borne by the property tax highlights the financial problem of the Menominee,"[21] reported one university study.

Another said, "A comprehensive review of the omnibus plan reveals problems to be solved that no series of necessarily specialized reviews by single departments can encompass. For one example: juxtaposing the economic plan to the government plan reveals that the legislature is being asked to create a 'company county' with one government, one landowner combined with one industrial corporation, and with one dominant ethnic group . . . their powers would be overlapping, not countervailing. Sizable conflicts of interest are latent in this situation . . . Unlike most Wisconsin counties, here would be found neither a pluralistic economy nor a pluralistic society as Wisconsin knows it . . . All eggs are in one basket with this corporate-forest plan."[22]

Fear of the corporation structure was expressed throughout reports because of the broad powers and interrelation of the effects on the government and people. If management policies of the mill or county were poor, the other would be hurt and the state would have to step in.

The new program would present a delicate management problem, in addition to the legal problem involved in new real estate and appraisal operations, for both municipal and corporate officials. Under state law, the governor of Wisconsin had to appoint initial town-county officials. He could not appoint members who would serve on the business management boards because of conflicts of interest. This restriction spread local capabilities quite thinly, but could not be avoided.

The 4 unincorporated villages—Keshena, Neopit, Zoar, and South Branch—and the reservation's leaders were faced with learning the operation and regulations of county and municipal governments. Most difficult was learning the new tax situation. The maximum amount of county taxes assessable was set at 1½% of the total valuation of the county as fixed by the state department of taxation; the maximum in other counties is 1% [§ 70.62 (2), Wis. Stats.] The town of Menominee had a maximum tax rate of ½% rather than the

[19] In 1965, the situation was reversed with Menominee in control, 5–4.

[20] "Menominee Indian Study," Legislative Council's *General Report*, Vol. V, 1959, p. 113.

[21] Donoghue, James R. *Governmental Organization for the Menominee Reservation Area*, Bureau of Govt., U.W. Extension Division, Jan. 12, 1959, p. 28.

[22] Bowers and Fisher, *op. cit.*, p. 11.

64-408 O - 66 - 4

normal 1%. (Menominee county was to consist of a theoretical "town", with the county board of supervisors having the same membership as the town board. None of the villages are incorporated. Town offices and county offices could be combined or made part-time positions with the concurrence of the opposite board; i.e., county offices must be approved by the town board and vice-versa.) The single board consists of 2 members elected at large and one member from each of the county's 5 precincts.

As with most Indian reservations, land had been property tax free with the inhabitants paying only income taxes and other taxes on consumer goods. Revenues for tribal expenditures had come from the tribe's own funds—partially out of earnings from the tribe's mill, partially from interest on their capital in the U. S. treasury, and from that capital itself. There were some service charges for their public utility services, but no property or other local taxes were levied.

Initially, except for personal property, the Menominee corporation would be liable for all general property taxes. Land ownership and use would have to be worked out for the first 2 or 3 years following final termination. Although surveys and some platting were to be done, that would not fix tax liability until land title transfers had been completed and the county tax roll developed accordingly.

Thus, in the early years at least, it was doubtful whether the reservation could meet its own county expenditures through the normal property tax levies. It also should be noted that the property tax would be a new tax for reservation residents with low incomes. All of this suggested that the state and federal governments might aid the reservation in the early years to avoid placing an undue burden upon the reservation or the counties around it.

The Financial Picture

From the 1954 hearings, figures were gathered (Table 1) showing the budget of federal, state, and tribal monies for fiscal 1953–54.

This picture of the Menominee economy shows that little financial assistance was coming from any sources other than their own tribal fund.

Because of their economic structure, which required their paying parochial school costs and all health (or hospital) costs, difficulties were met in preparing expenditure and revenue estimates because there was no pattern to follow as set by other Wisconsin counties or towns. Estimates were prepared with each new study as tribal budgets were planned and as increased costs with depleted treasury reserves were brought into light. Some felt that $291,000 in local revenues would be sufficient

TABLE 1.—BUDGET OF 1953–54

Source	Area	Amount
Federal	School (Johnson–O'Malley)	$ 49,947
	Roads, repairs, etc.	95,000
	Total	$ 144,947
State	Indian Relief ($7,021.58 to Shawano Co.)	$ 65,713
	Total	$ 65,713
Tribal	Roman Catholic parochial schools	$ 56,754
	Indian Relief	40,000
	Agency activities	520,714
	Construction budget	285,000
	Stumpage payments	174,368
	Health ($76,000 to Catholic hospital)	130,000
	Law and order	42,615
	Credit Program	600,000
	Scholarship Program	5,000
	Total	$1,855,042*

*This does not include operation costs of the mill.

to run the county government.[23] Later, the figure of $172,020 for county expenses and $54,750 for town costs was offered.[24] By 1959, costs for government operation had been raised from $374,000 to $388,000 depending on the degree of the combination of county-town offices.[25] Because per capita income was low, property taxes would absorb 65% of the tribal earnings and 46% of anticipated earnings. Property taxes plus bond interest would thus require all of the present earnings and a major portion of anticipated income.

School costs were a large question because of the possible fluctuating pattern after termination. Before final termination, 4/5 of the elementary students were in parochial schools in Neopit and Keshena. High school students attended schools outside the reservation. Those public schools with reservation students received federal funds under the Johnson–O'Malley act. After termination, tribal money could not be spent on parochial education. How many students would then be switched to public schools, and what would be the increased cost to the local government? State funds would not be available for school aids because taxes were not imposed on local sources the first year after termination. Only when sufficient

[23] "Wisconsin Taxpayers' Alliance Report, Termination of Federal Supervision over Certain Tribes of Indians," *Joint Hearings before the Subcommittees of the Committees on Interior and Insular Affairs, Congress of the U.S., 83rd Congress, 2d session; Part 6, Menominee Indians, Wis.*, March 10, 11, 12, 1954, Washington, D.C. p. 720.

[24] "Budgeting Expenditures After Termination," Informational Bulletin, Menominee Indian Adult Education Program, March 19, 1958, Keshena, Wis., p. 1.

[25] Donoghue, *op. cit.*, 1959, p. 15.

local taxes are collected can state funds become available.

Thus, termination resulted in 2 major cost features with reference to public school education: (1) sufficient funds to carry on usual operations during the transitional period, and (2) construction of adequate housing to care for the increase in elementary enrollment.

The result was to join the reservation area to Shawano joint school district no. 8. This was to cut the estimated cost of $900,000 to $375,000 for the 18 month transitional period after termination.

A study on public welfare costs had indicated that in the immediate years after final termination, public assistance would involve expenditures in the reservation area approximating $100,000 per year, of which less than ½ probably would be reimbursable by the federal government.[26]

In fiscal 1956–57, the state spent $21,748.06 for state-at-large TB cases from the reservation. In 1957–58, the cost was $28,906.81. The new county would have to pick up TB costs as other counties do, and would be allowed only 20% of the total cost. Most estimates on future TB care ranged about $5,000 per year. This one area proved to cost an alarming figure after termination.

In later estimates of government costs, assumptions were made that highway expenses would not exceed state aids for such, nor would the hospital be supported by tribal, or public, funds. Capital costs incident to establishment of the new government arrangements were not included. In 1959, one year before final termination, the following figures were published in a bureau of government report:[27]

"Available annual nonproperty tax revenues, apart from general property tax and state aids:

	County	Town	Total
Shared taxes	$2,050	$16,750	$18,800
Other revenue	5,350	1,000	6,350
Licenses, Permits	100	2,700	2,800
Total	$7,500	$20,450	$27,950

"Department of Taxation valuation for property taxes:

Forest Land	$31,253,926
Utilities	551,000
Mill, etc.	3,264,700
Other	272,625
	$35,342,251"

The overriding factor in making estimates of government costs was the lack of a pattern by which to judge the future county's economic problems. Consequently, more problems and figures came to light which the planners were not expecting and thus changed those pre-termination estimates drastically. A report in 1960 discussed these problems as follows:[28]

"Normal tribal operations require about $27,500 per month to finance tribal government and administration, utilities, hospital and welfare services, law and order, some parochial school support, and extension type services. Termination activities and legal services involve extra expense. . . . About $400,000 to $450,000 will have to be advanced by the new corporation as general property taxes to finance the new organization and operation of municipal government for 1961. In addition, the corporation will have to finance new organization, trustee and director expenses, employees compensation insurance, and other new management reorganization costs, totaling at least $150,000 the first year and rounding out to at least $100,000 annually thereafter. This initial impact will reduce (the tribe's) capital funds, assuming they remain at the $1,750,000 level on Dec. 31, 1960, to less than $1,250,000. Another full stumpage payment will be due as of June 30, 1960, in the amount of $400,000 more or less.

"Taxes to support local government and to pay state assessments for the years 1962 and 1963 will doubtless be paid by the corporation almost totally, until the land assignment and ownership problem levels out so taxes can be levied accordingly. These obligations, which are fixed, will leave practically no reserves, and a very small cash capital account.

"The earning history of the mills and forest operations levels out at approximately $550,000 per year for the past 5 years from stumpage and net operating profits combined. Little upward change can be expected in the first several years, if any. In other words, we cannot expect to do more than pay going costs in the initial years. We cannot predict or depend on the probable gross income of the new organization, let alone the net before taxes."

A summary of Menominee expenditures from the termination enactment was also included in the same report:

"On July 1, 1954, the tribe had in excess of $10,437,000 in its several accounts and has had other earnings since that time . . . but there has been a total payout in excess of $12,265,424 since that date. . . . The following developments

[26] *General Report, op. cit.*, 1957, p. 146.
[27] Donoghue, *op. cit.*, 1959, pp. 23 and 26.
[28] Kenote, *op. cit.*, pp. 9–12.

led the Menominees in 6 years to the brink of financial distress, and possibly ruin:

1. In 1954 a $1,500 per capita payment cost	$ 4,881,000
2. Payment of a stumpage reserve account in per capita shares in 1955 cost	2,268,240
3. Full payout of annual stumpage earnings since 1955 amount to about	2,116,184
4. Tribal and federal agency operations during 1954–1959, school construction	2,400,000
5. Hospital renovation and school construction	600,000
Total	$12,265,424

"It should be abundantly clear that the mills and forest funds cannot be appropriated to finance tribal programs, without seriously depleting operational funds for the new corporation, which must succeed if the whole termination venture is to have a reasonable chance."

The report explained that the $1,500 per capita payment wiped out an old treasury 5% fund of $940,000 and the interest earnings which were used to support local government programs. The payout of the $2,268,240 stumpage reserve account[29] and the subsequent payout of the total annual stumpage money in the amount of $2,116,184 were the most disastrous items. They wiped out what amounted to a capital reserve account. The interest earned on it could have kept tribal and agency operations out of deficit financing. It would have provided the new corporation with reorganization and necessary development capital.

Since the financial margin was so slight, the Menominee were not in a position to incur the additional capital and operating costs necessary to bring the reservation up to Wisconsin standards no matter what governmental organization was established.

Thus, having to upgrade the reservation's program and physical assets to state standards produced new hardships on the tribal finances. Roads, the mill, the hospital, and sanitation became the primary targets. To help reach these standards, the federal government agreed to share some expenses for termination costs. For example, on Oct. 16, 1956, the highway dept. gave an exhaustive report[30] on the improvements necessary to attain state standards on the Menominee reservation. The report proposed work on a total of 71.49 miles of county trunk system, 135.24 miles of town road, and 8.49 miles of village streets. It placed an overall cost estimate of $1,078,558 on the project.

However, the tribe felt fewer miles needed to be improved with a cost of about $826,875. The bureau of Indian affairs conducted a new study and decided $689,699 was sufficient for development. As such, the BIA was allocated $700,000 of federal money for roads in Menominee reservation.

Existing structures, facilities, and lot-layouts in the villages of Keshena and Neopit did not in all instances meet requirements of platting statutes and the approval of the Wisconsin state board of health, highway commission and state board of regional planning. The BIA allotted the Menominee Indian agency $35,000 of federal funds to carry on a cadastral survey program.

Federal assistance to place roads and educational programs in acceptable condition for transfer to state systems progressed agreeably, but health and hospital services were not as rapidly resolved. These latter areas were not resolved until after final termination, so they will be discussed in the next section.

Under governmental organization of the reservation, public elementary and secondary education costs had been met principally through federal financing (Johnson–O'Malley). The state of Wisconsin had provided standard transportation aids, and the tribal government supported a hot-lunch program at Neopit. Federal plans were made to help finance school costs for a transition period after final termination. These will be explained in the following section.

Another aspect of education was a Menominee Indian adult education program instituted by the department of public instruction in 1955 at the request of the bureau of Indian affairs. Because there were few specialized jobs on the reservation for those who completed the vocational training courses, most of the young Menominee completing their courses settled in state urban centers. (At the same time, the BIA sponsored its own training and relocation program which generally found Menominee moving to Chicago or California. The numbers of those leaving the reservation, however, are hard to determine since records kept by the Menominee Indian agency are not complete or accurate.[31])

Cost of this educational program planned by the state, but paid through Johnson–O'Malley funds, was $681,938.

[29] On Feb. 9, 1955, the solicitor of the department of the interior concluded that the per capita payments commencing in 1941 based upon the fair market stumpage value had been improperly computed. A recomputation required the disbursement of an additional $2,268,240, unless otherwise directed by the tribe. The department urged the tribe to disburse no more than half of this sum in order to protect the tribe's financial position. The general membership by referendum elected otherwise, and the full payment was made. (From a letter to Mr. Clair Engle, from the assistant secretary of the interior, Feb. 24, 1956.)

[30] Report on Public Highway System—Menominee Indian Reservation," State Highway Commission, Oct. 16, 1956.

[31] Comptroller General, *op. cit.*, pages 35–36.

The tribe also began an information and education program to eliminate, substantially, unwillingness and unpreparedness of the tribe to make major decisions.[32] The program had to hurdle the obstacle of misinformation and the obstacle of tribal attitudes of distrust and suspicion toward "outsiders" and "official interference." It dealt with areas of county and town government responsibilities, the tax structure, the history of public welfare, and so forth.

School construction costs, paid by federal sources, included $99,000 for an addition to the Neopit school (1955) and $612,791 in 1960 for the Keshena grade school, additions to the junior and senior high at Shawano and for one new classroom in Neopit.

A municipal government had to be established and this meant that grounds, buildings, and facilities for government use had to be determined and organized. Buildings were available but had to be transferred, renovated, equipped, and supplied. At least $30,000 was estimated for the project.[33] Supplies and record material accounted for $6,500. This organization problem needed to be completed before the municipal government came into being.

Federal Sharing of Termination Expenses

"The problem of financing, before and after termination, demands serious attention and cannot be sloughed off. Total termination expenses paid by the tribe ought to be repaid in full," said one Menominee report.[34]

Similar feelings had been expressed earlier to a Congressman and the idea was incorporated into an amendment to PL 399. A provision that the federal government reimburse the tribe for termination costs became law on July 14, 1956.[35] However, on July 2, 1958, another amendment was enacted (PL 85–488) affecting termination costs reimbursement. This cut the amount of reimbursement to the tribe.

Efforts to require full federal reimbursement and extension of the termination date were continued by the representative when he introduced H.R. 10450 on Feb. 16, 1960. He also introduced H.R. 10451 to relieve the tribe and successor entity of the necessity to pay federal stamp taxes, and H.R. 11476 to provide a federal loan to assist the tribe or its successor entity in the conduct of its affairs. The House committee agreed to extension of the termination date to July 1, 1961, and to excuse the tribe from paying the federal stamp taxes on transactions required by the termination law.

The Senate, however, shortened the termination date to April 30, 1961, and provided for additional target dates. These were signed into law on Sept. 8, 1960 (PL 86–733).

Immediately prior to termination, H.R. 4130 was introduced Feb. 9, 1961, in the 87th Congress and sought 3 additional amendments. First, a federal loan authorization of $2,500,000; second, appropriation authorization to cover transitional costs; and, third, a further extension of the termination date. The House committee agreed to the first 2 requests but declined the latter "because of the adamant position expressed by the Senate the previous year."[36]

The loan would be for industrial development and plant modernization. The second authorization provided for health, welfare, and educational aids during the next 6 years for $1,674,000. Aids would have been paid to the appropriate state agency on a declining percentage basis during the 6-year period.

The legislation also provided for a grant of $438,000 to complete the work started to bring the sanitation system in the county up to Wisconsin standards. An appropriation of $117,000 had been included in the HEW appropriation bill the previous year to start the program estimated by the U. S. public health service to cost $555,000.

Congress chose to permit termination to proceed on schedule but to provide financial assistance (PL 87–432) for a transitional period of 5 years after April 30, 1961, in a total amount of $660,000 for contributions to joint school costs. The law also authorized expenditures of $438,000 by the public health service, bringing the total amount of assistance to $1,098,000.

From June, 1954, to the close of business on Dec. 31, 1960, approximately $3 million of federal money was made available and spent in tribal and agency operations.[37] Other income was spent for the same purposes. A reasonable accounting was made of the income, but details are lacking as to the expenditures.[38] It was felt by the Menominee that probably ½ of the tribal membership had no benefit from these funds and there should have been an accounting of them.

No provision was made for continuing any degree of federal supervision during the period in which assistance was presumed necessary. No means was made available whereby the bureau of Indian affairs would be kept currently informed of

[32] *General Report, op. cit.*, 1955–57, page 151.
[33] Kenote, *op. cit.*, p. 14.
[34] *Ibid.*, p. 13.
[35] PL 715.
[31] Laird, *op. cit.*, p. 6091.
[37] Orfield, Gary. (Testimony) *Transcript of Menominee County Hearings, Neopit, Wis., Sept. 26, 1964*, State Dept. of Administration, Bureau of Management, Madison, Wis.; page 33.
[38] Kenote, *op. cit.*, page 16.

developments, or enabled to assist the new county and corporation in any way during the admittedly difficult years of transition.[39]

Preparation for Termination: State

The federal termination act made necessary the enactment of state legislation to provide for the orderly transition of control of the Menominee from federal to state and local authority. The state legislative process began on April 12, 1955, with the introduction of Joint Resolution No. 72, A., by the assembly committee on rules. The joint resolution created the Menominee Indian study committee. Provision was made for a 14-member committee, and for payment of the expenses of the members. It was concurred in by the senate on June 17, 1955.

State action was then based on findings of studies and projects which were initiated by the committee.

[39] "The Status of the Termination of the Menominee Indian Tribe," Bureau of Indian Affairs, Department of the Interior, *Congressional Record–House*, March 30, 1965, page 6093.

CHAPTER II

PERIOD II OF TERMINATION: 1961–1965

At midnight on April 30, 1961, the Menominee Indian tribe became a pioneer in a new field of federal legislation affecting American Indians as it represented the first tribe for which termination legislation was enacted. Upon its creation, Menominee county with its population of about 2,600 automatically went to the bottom of the list of Wisconsin counties, in the company of Florence county (with fewer than 5,000 residents) and 6 others with population of fewer than 10,000 each. Its assessed valuation for tax purposes was $16.7 million in 1962, which made it at the time the second lowest county in assessed value.

Because of the state's awareness of these and other related basic disadvantages under which the new county would operate, the legislature created several provisions which, if not without individual precedent, constituted a wholly unique combination. In general, they provided for the combination of county and town boards, for the consolidation of certain town and county officials, and for the inclusion of Menominee county in the court and school systems of adjacent Shawano county.

As was stated earlier, the first and most immediate problem was establishing fiscal solvency. Therefore, most efforts were made in this field with little study of the cultural or social effects of termination on the Menominee people. It is believed that had more attention been paid to the value systems and the social problems of the communities, opposition to state assistance, or "outside interference", might have been reduced and made the transition period of the first few years easier with which to contend. For in spite of the state officials' assistance, "It is accurate and sufficient to say that most of the tribal members do not understand the new scheme of governmental and business organization, and will require some years to gain necessary training and experience."[40]

The First Year of Independence

Menominee county was one of 21 Wisconsin counties declared a depressed area in May, 1961, and eligible for federal money to rehabilitate the county according to its needs.[41]

The former tribe's one large asset is its huge timbered recreational area, the largest stand of mature quality timber in the Great Lakes states. However, natural assets are of little use without development. The longtime dependence on the federal government had not wholly developed management potential, capital, property and individual responsibility and initiative. Added to that was the reluctance of some Menominee to give up the "old ways" with inter-tribal disputes and questions developing.

Programs needed, among many, included establishment of tourist facilities, development of tourist attractions, summer and winter recreation; preservation of wilderness areas; development of wood using industries utilizing the forest products; expansion of present lumber industry and attraction of new industry; discovery of a use for abundant water resources.

Listed as lacking or in short supply in the county were banking services, entrepreneur capital, small business, medical facilities, education, mechanical trades, management and supervisory talent, a community newspaper, public utilities, and housing. Almost 50% of the county's population received surplus commodities. Only 10 homes in the county had an assessed valuation of $6,000 or more, or 1.6% of the total. About 40% had assessed valuation of less than $1,000.

Land development requires capital. The new county was faced with more pressing financial dillemmas which left no excess cash for redevelopment of land resources.

After withdrawing the tribe's money for various payments from the U.S. treasury, nothing was left to earn interest, so that from 1955–1961 everything was a direct drain on the tribe's capital. The only cash in reserve was that for operating costs. On termination day there was actually $1,750,000 in cash on hand. There was also a log inventory of several million board feet and a lumber inventory of about 26 million board feet. New equipment, development of automation, and repairing of equipment would take about $1,500,000 during the next several years. (Because the industrial commission found 132 exceptions within the mill making it unsafe in which to work, the tribe paid about $100,000 to bring it up to state standards.) How-

[40] Kenote, *op. cit.*, page 3.
[41] *Appleton Post-Crescent*, Wis., Sept. 2, 1962.

ever, as a result of the improvements, automation increased the lumber production from 1½ million board feet per month to 3 million.

Like other lumber mills, the Menominee mill had been hit by the cutback in home building that spread across the nation during the first half of 1961. According to estimates, the county needed $576,000 to operate for 1961–1962.[42] Under special state law establishing the county, total taxes that could be levied were only $340,000, plus school taxes.

A sudden upsurge of tuberculosis raised the TB cost to $75,000 for Menominee with active TB. Because of few mill orders and new automation at the mill, men had been laid off from work, boosting social security medical costs when their employes' medical and hospital insurance was suspended. More Menominee on relief and eligible for surplus farm commodities raised the cost of distribution to $12,000. Other unexpected costs were arising as Menominee took over their municipal posts.

What to do about their hospital services, which had formerly been paid out of tribal funds rather than by individual Menominee, had been a bi problem. Financial costs proved prohibitive in maintaining the hospital with county funds. In 1960, it would have required $50,000 for improvement to meet state license standards, plus $150,000–$175,000 for operating equipment. After insuring all residents, and running it for all including the old and welfare patients, the hospital would run $75,000 a year in debt. One major obstacle was licensure of personnel. Also, doctors refused to serve in the hospital because of possible malpractice suits from lack of appropriate facilities.

Consequently, although the tribe had invested three-quarters of a million dollars in hospital and clinical facilities during the 15 years prior to final termination,[43] hospital equipment was sold at a substantial loss because it was becoming more obsolete each year. The hospital building has since served as the county court house.

Another immediate dilemma concerned the tribe's public utilities system. Two hydro electric plants located on the Wolf River, and one steam plant operated in connection with the milling industry at Neopit, had interconnected with the Wisconsin Power and Light Company system in 1955. None of the plants had ever been licensed or regulated by the federal power commission or the Wisconsin public service commission because the plants had been put into operation prior to the enactment of the federal power act. It would cost $40,000 to bring the system up to state standards. It cost Menominee a minimum of $25,000 per year to the WPL, plus overhead expenses of running the plants. Rates from customers fell short of the full costs, to the tribal funds had met the deficit. Rates would have to be raised, but the tribal members could not afford it. Therefore, the system was sold to WPL for $100,000, with water rights leased to the company.

After these initial finances were settled, most actions of the new corporation and county offices revolved around development of the enterprises and a land program.

A Federal Review in 1964

The House committee on appropriations, in its report of March 13, 1964, (88th Congress, 2d session, House report 7237), requested that the bureau of Indian affairs submit a detailed report in connection with the 1966 estimates as to the status of the termination of the Menominee Indian tribe in Wisconsin. That report was submitted in February, 1965, and placed in full in the *Congressional Record–House*, March, 30, 1965.[44]

Because the report is so encompassing for this "second period of termination," it is used as the the basis for this section. Informational changes or additions have been included, however, to bring the report as far up to date as possible.

MENOMINEE AFFAIRS: CORPORATION AND COUNTY

The experience of the Menominee under termination may be examined first of all in terms of the 2 entities established by state law as successors to the Menominee Indian tribe. One of these, a state corporation, was Menominee Enterprises, Inc., to which was conveyed all the tribal land that had comprised the reservation, including the Menominee forest and sawmill upon which the economic future of the Menominee depended. The other was a new county, Wisconsin's 72nd, carved from the 2 counties in which the reservation had been located and with borders identical to those of the reservation.

Menominee Enterprises, Inc.: Appraisal of Operating Performance

Table 2 discloses rather clearly that as an operating business the company has justified the confidence the Menominee leaders had in it. Before payment of interest on the income bonds, net profit has improved each year since 1961. There has been almost a 50% increase in sales, earnings, and production.

Similarly, it must be borne in mind that 92% of the annual taxes levied by Menominee county is paid by the company. These comprise state, county, town, and school district taxes, which in Wiscon-

[42] *Ibid.*
[43] Kenote, *op. cit.*, page 13.
[44] See footnote number 39.

TABLE 2.—MENOMINEE ENTERPRISES COMPARATIVE STATEMENT OF OPERATIONS, YEARS ENDED SEPT. 30*

Years	1965	1964	1963	1962
Net Sales	$3,738,074	$3,184,810	$2,927,834	$2,393,136
Cost of Sales	2,792,635	2,450,134	2,316,765	1,788,240
Gross Operating Profit	$ 945,439	$ 734,676	$ 611,069	$ 604,896
Administrative and Selling Expenses	217,092	181,755	214,188	194,928
Net Operating Profit	$ 728,347	$ 552,921	$ 396,881	$ 409,968
Other Income Less Deductions	108,942	139,095	176,669	170,999
Net Profit Before Property Taxes	$ 837,289	$ 692,016	$ 573,550	$ 580,967
Property Taxes	392,767	332,411	232,821	305,408
Net Profit	$ 444,522	$ 359,605	$ 340,729	$ 275,559
Increase from Preceding Year	+19%	+5%	+19%	
Bond Interest	378,904	381,450	385,560	388,801
Net After Bond Interest	$+ 65,618	$— 21,845	$— 44,831	$—113,242

Source: Clements, Arthur D., "Menominee Enterprises, Inc., Report at Federal Hearing on Senate Bill 1934," Neopit, Wis., Nov. 10, 1965.
*Fiscal Year for Menominee Enterprises runs from Oct. 1 to Sept. 30.

sin are separate items in the total levied and collected by the county. Property taxes increased 68% from 1963–1965, while earnings before taxes increased only 46%. Net profit after property taxes increased $104,000 from 1963–1965, but property taxes increased $160,000 in the same period.

The first full year of operation was the 12-month period ending Sept. 30, 1962. Since then, although adversely affected by market conditions in 1963 and a 6-week shutdown for major repairs in 1964, sales have expanded with the increase in cut of saw-timber and pulpwood. For many years the timber cut had been limited, under the sustained-yield principle, to 22 million board feet per year. Reappraisal of the forest led in 1961 to revision of the limit to 30 million board feet, plus an additional 12.5 million board feet of by-products for a total of 42.5 million board feet.

The real significance of the 4 year log production from 21,711,000′ in 1962 to 30,574,000′ (excluding by-products) in 1965 is basically how the company managed to keep up with increasing property taxes. In other words, the increase in sales, production and earnings since termination has primarily been based on increased volume from the woods.

However, from now on there can be no increase in sales or earnings from volume alone. Property tax increases and other increased costs after 1965 will have to come from other means. The volume of logs that can be taken from the forest has hit a plateau and is possibly even higher than can be maintained, but the costs of running Menominee county have not leveled off and have every prospect of continuing to increase.

The increase of sales and net operating income has been modest but well sustained through the difficult initial years. The result is that despite the heavy burden of local taxation, the need to draw upon surplus to meet bond interest has declined each year from $56,000 in 1962 to $22,000 in 1964 and to none in 1965. These bond charges, totaling $239,000 in 4 years (including $116,000 in 1961) have reduced surplus to $864,000. (This is not actual cash on hand, but a theoretical figure after assets and liabilities of the company are listed.) Despite diminishing deficits since 1962, the prospect for ending this annual drain on surplus must be viewed skeptically in light of recent information that the company's 1965 tax bill is $60,000 higher than for 1964.

Modernization and Stabilized Employment

The new corporation promptly entered upon a program of modernization and capital improvement involving a gross sum of about $1.5 million. The results show in a sharp increase in the asset value (depreciated) of plant and equipment from $498,000 in 1961 to $1,667,000 in 1963 and $1,772,000 in 1965. This increase of nearly $1.3 million in 3 years has been accompanied by regularization of mill employment on 2 shifts at all times. Total employment, including supervisors, is currently about 230 and seasonal variation has been eliminated from employment in the mill itself. Work in the woods—logging of saw-timber and cutting of pulpwood—performed under contract provides additional employment for 65 to 130 according to the season.

Peak employment, about 365, is about 10% less than that of 410 reported before termination. Meanwhile, the minimum hourly wage paid mill employes increased by 13% and the average by 16% (from $1.50 to $1.74) between 1961 and 1964.

TABLE 3.—1966 CAPITAL REQUIREMENTS FOR MILL

Public School Tax 1965–66:	$252,450.00	
Less Federal Aid:	44,000.00	
	$208,450.00 × 92% =	$191,774.00
County Levy: 17 mills on $17,511,633 × 92% =		273,882.00
Town Levy: estimate $52,000 ($51,000 in 1964) × 92% =		47,840.00
		$513,496.00
Less State Refund: estimate ($47,884 in 1964)		—47,884.00
Expected Total Levy on Menominee Enterprises, Inc.		$420,775.00*
Bond Interest Payment Due Dec., 1965		380,000.00
September 1, 1965 Wage Increase (does not include Social Security rise in Jan., 1966) [Wages are expected to be increased again in Sept., 1966.]		26,000.00
TOTAL		$826,775.00*

*The figure presented at the hearing was $465,612, making a total expenditure of $871,612. The figures were changed in January, 1966.[1] The state sales tax refund credit for the county in 1965 was $74,465 of which Menominee Enterprises received $66,893 (compared to $48,639 in 1964). Also, there developed a surplus in the county accounts of about $67,000 ($25,000 from welfare and $42,000 from road funds) which was applied to the assessment for 1965. There will be no surplus in 1966, however. The total levy on the enterprises, payable in 1966, is $12,104 more than in 1964.

[1]Kenote, George. "Letter to Menominee Indian Study Committee," January 21, 1966.

Source: Kenote, George. "A Personal Statement Before the Hearing on Senate Bill 1934," Nov. 10, 1965, Neopit, Wis. page 2.

Annual payroll (including contract logging and pulping) has increased to $1,870,000—about 15% higher than in 1961 and more than this above pre-termination levels. The mill also provides about 95% of the earned income in the county.

Management

Since its establishment in 1961, Menominee Enterprises, Inc., has experienced its share of administrative difficulties, seriously accentuated by the fact that the stockholders, most of them residents and thus eyewitnesses to operations, have for the most part been as unfamiliar with corporation practices as they were accustomed to those long characteristic of the tribal mill enterprise. These early years have been marked, moreover, by 2 changes in top management. The fact that so satisfactory an operating record has been achieved despite such initial difficulties suggests that as a business—the impact of property taxes on profit being recognized as wholly abnormal—the company has been basically well managed.

Future Requirements

The relatively satisfactory current operation of the mill must not be permitted to obscure the fact, looking to the future, that the drain of taxes eliminates the possibility of financing further modernization out of income. Moreover, no further capital improvement can be financed out of cash, which has now been drawn down to minimum operating level. In addition to the lumber operation, the corporation is responsible for the management and development of land in the county except that occupied by homesites. This, too, calls for capital.

A look at the year ahead, 1966, for Menominee Enterprises projects a serious situation, as shown in Table 3.

Demands on Local Government

The burden of local government has also proved as serious as the state legislature had feared and as the department of the interior had indicated as probable. Tables 6 and 7 show the effect of property taxes on the local government.

From termination May 1, 1961, to May 1, 1965, the tax base has increased from $16.3 million to $17.5 million or 7.09%. The net property tax levy increased from $296,814 to $515,176 or 73.57%. This large increase is attributable to the phase out of federal aid for school purposes from $220,000 the first year of termination to $44,000 in 1965. (See Table 4.)

This has helped cause the effective tax rate to jump from $18.15 per $1000 of assessed value to $29.42 in 1965. (The 1964 effective property tax rate for all of Wisconsin was $22.44 compared with the Menominee's $26.51).

A second large increase is that of sanatorium treatment, which has resulted from a high inci-

TABLE 4.—EFFECT ON FEDERAL SCHOOL AIDS ON INCREASED SCHOOL TAXES

	Years				
	1961–62	1962–63	1963–64	1964–65	1965–66
School Tax	$220,884	$220,086	$246,570	$249,038	$252,450
Federal Aid	—220,000	—176,000	—132,000	—88,000	—44,000
Balance School Tax	$ 884	$ 44,086	$114,570	$161,038	$208,450

Source: Harder, Harry. "Report of Wis. Dept. of Taxation at Hearings on Senate Bill 1934," November 10, 1965, Neopit, Wis.

dence of tuberculosis, and an increase in the cost of public assistance in aid to families with dependent children. Table 5 shows the total expenditures for the county.

Charges of a minor nature to the county include costs for government services offered by Shawano county. Menominee pay 1/9 of the cost of operating Shawano county court house and 1/3 of the salaries for the district attorney, family court commissioner, and expenses of county courts 1 and 2. Costs for the court house have averaged more than those for the Menominee court house in Keshena until this year. As well as these expenditures, Menominee county pays an average of $16,000 per year for jail prisoners ($3 per day for boarding) in Shawano.

State Assistance

Under Wisconsin law, state aids reduce the cost to the counties of a number of programs that the counties administer. There are also taxes that the state collects, but shares with the counties according to statutory formula. In addition to these con-

TABLE 5.—HEALTH AND WELFARE EXPENDITURES—MENOMINEE COUNTY, 1961–1966

HEALTH	Years					
	1961	1962	1963	1964	1965	1966*
Patients at State and Other Sanitoria	$12,000.00	$ 2,000.00	$12,422.00	$68,827.00	$76,122.00	$65,202.00
Public Health Nurse	4,510.00	7,880.00	7,790.00	9,560.00	10,269.00	0,049.00
Disease Prevention	825.00	800.00	800.00	400.00	700.00	700.00
TOTALS	$17,335.00	$10,680.00	$21,012.00	$78,787.00	$87,091.00	$74,951.00

WELFARE	Years					
	1961	1962	1963	1964	1965*	1966*
Blind Aid	$ 186.30	$ 179.05	$ 602.98	$ 312.71	$ 102.50	$ 100.00
Aid to Disabled	1,331.22	4,660.72	3,808.20	2,316.67	3,713.95	6,358.00
Old Age Assistance	648.62	22.49	1,403.64	170.57	2,662.31	2,500.00
Aid to Dependent Children	3,886.65	4,787.75	9,286.91	24,123.73	33,856.76	29,660.00
Administration	4,666.18	9,565.22	7,798.47	9,440.63		
SUB-TOTALS					$40,335.52	$38,618.00
State Dependents					250.00	250.00
Administration—Public Assistance					11,300.61	
Administration—Child Welfare					19,722.12	
TOTAL ADMINISTRATION					$31,022.73	$26,000.00
Staff Attorney						1,680.00
Totals	$10,346.37	$18,857.13	$21,694.24	$35,738.89	$71,608.25	$66,548.00

*Projected, or estimated, costs.
Source: Kohls, Leonard. "Town of Menominee Budgets—Welfare", report at Federal Hearing on Senate Bill 1934, Nov. 10, 1965, Neopit, Wis., pages 4–5.

TABLE 6.—COMPARATIVE TAX LEVIES, TOWN OF MENOMINEE, MENOMINEE COUNTY, 1961–1964 INCLUSIVE

(Excluding Federal School Aid)

Type of Levy	1961	1962	1963	1964
State Tax (2/10 of 1 mill)	$ 3,271.02	$ 3,340.07	$ 3,392.17	$ 3,377.26
County Tax	215,792.00	188,631.28	288,310.54	287,052.91
Town Tax	76,905.88	80,437.10	43,775.00	51,175.00
School Tax	220,844.99	220,086.34	246,570.71	249,038.67
Total Levy	516,813.89	492,494.79	582,048.42	590,643.84
Tax Rate Per Thousand	31.60	29.49	34.32	34.98
Average Rate of Taxation in Wisconsin	26.00	27.14	27.33	27.84

Source: Harder, Harry. "Report of Wisconsin Dept. of Taxation at Hearings on Senate Bill 1934," Nov. 10, 1965, Neopit, Wis.

TABLE 7.—EFFECTIVE PROPERTY TAX RATES—ACTUAL AND PROJECTED, TOWN OF MENOMINEE, MENOMINEE COUNY, 1961–1965

(Including Federal School Aid)

	Actual 1961	Actual 1962	Actual 1963	Actual 1964	Actual or Projected 1965
Full value of taxable property (also the assessed value)	$16,354,870	$16,700,400	$16,959,443	$16,885,465	$17,513,778
Property tax levy exclusive of aids or credits	516,814	492,495	582,048	590,644	620,176
Less: aid and credits					
Federal school aid	—220,000	—176,000	—132,000	—88,000	—44,000
Wis. real estate tax relief		— 63,539	— 52,845	—40,949	—45,000*
Wis. personal property tax relief		— 15,399	— 14,453	—14,042	—16,000*
Net property taxes levied	$ 296,814	$ 237,557	$ 382,750	$ 447,653	$ 515,176
Effective tax rate per $1000 of assessed value	$ 18.15	$ 14.22	$ 22.57	$ 26.51	$ 29.42

Property tax growth in Wisconsin—Statewide:
1964 over 1963: 4.59% 1963 over 1962: 8.8% 1962 over 1961: 6.29% 1961 over 1960: 7.68%
It is estimated that the property tax growth in Menominee Town will approximate 5% annually.

*Projected costs.
Source: Harder, Harry. "Report of Wisconsin Dept. of Taxation at Hearings on Senate Bill 1934," Nov. 10, 1965, Neopit, Wis.

tributions to meeting the cost of programs administered by the county, 2 grants were received by Menominee county in 1964. The first of these, in the amount of $17,525, was made under a provision of the statutes (§ 49.39) authorizing the state also to pay the county's share of welfare costs in cases where the county is unable to do so. When, in 1963, Menominee county raised its county tax to the statutory limit, the way was opened to apply for this form of additional state assistance to cover welfare items totaling $34,838.

The other grant was made under a special if not unprecedented appropriation by the legislature. Amounting to $80,000 this grant[45] was justified in terms of the extraordinary level of tuberculosis treatment required for Menominee county residents. Its payment had the immediate effect, however, of increasing the balance in the general fund, in light of which the department of public welfare found itself obligated to withhold payment of welfare costs beyond the $17,525 already paid.

During 1964, Menominee county's general fund balance increased to the point that the department of public welfare denied the county's request for a grant of $76,000 under § 49.39 for the 1965 budget. To fund 1965 requirements, $99,000 was needed in addition to the maximum taxes that could be levied under the statutory limit of 17 mills. This amount was appropriated from the general fund of the county; thus, the balance was reduced to an acceptably modest level by the end of 1965.

A third measure of state appropriations, vastly overshadowing these 2 grants, was one extended to individual Menominee rather than to the county. This is the unprecedented special fund of $1 million for direct grants and loans[46] by the state itself, which is discussed in the following section (Part II).

[45] Chapter 546, Laws of 1963; effective June 3, 1964.

Urgent Need of Extraordinary Measures

Two facts dominate the county's immediate financial outlook. One is the fact that $99,000 of 1965 requirements was financed outside the county tax limit, through drawing the general fund balance down to an operating minimum. The other is the final reduction to $44,000 in federal assistance for school purposes. In combination, these spell additional requirements of about $140,000 as a minimum to be expected in 1966, on top of a tax increase of $60,000 in 1965. Nearly $100,000 of the 1966 increase would have to be financed through the general fund but outside the statutory limit of the county tax. Only part of the amount will represent welfare costs. Thus, even assuming favorable action by the department of public welfare on the county's next application under § 49.39, Wis. Stats., it is apparent that other extraordinary measures will be needed to avert a result disastrous to both Menominee county and Menominee Enterprises, Inc.

Corporation and County Experience

The past section dealing with the administration of Menominee affairs has highlighted the facts about an industrial enterprise that is achieving steady, if modest, success—quite in line with early expectations—although gravely handicapped with respect to future growth. It has described a

[46] Chapter 2, special session Laws of 1963; effective Jan. 7, 1964.

county that has experienced markedly rising demands for the services formerly provided by the federal government, entailing difficulties of precisely the sort foreseen in 1961.

But it should be remembered that Menominee county will probably never become "completely self-sufficient and self-supporting." With the combination of sharply rising costs of services, facilities and administration, increasing demand for services, and pre-emption of sources of revenue by other levels of government, a real concern is developing over the financial plight of many county and local governments, not just Menominee.[47] Reported one Wisconsin columnist, "The brute fact is that only a handful of localities in Wisconsin could survive today if state government suddenly cut O5 its enormous flow of aids, tax shares, and special grants. So, the question recurs: Is there a local government, in the sense of independence and self-reliance?"[48]

However, the initial demands upon the county have brought it to budgets already exceeding its statutory taxing capacity. They have imposed a tax burden upon the business corporation that, without special relief, will become intolerable next year.

THE MENOMINEE PEOPLE SINCE TERMINATION

Menominee county is a "pocket of poverty" even though the mill continues to show higher earnings and better wages. The county has been such a pocket prior to 1961, and unless very substantial assistance is provided, it has no prospect of becoming anything better in the foreseeable future.

Smallest County

It has already been identified as having the smallest population and the second lowest property value of any county in the state. The department of taxation lists the assessed value of the forest land at $12,445,990, which is 40% of the full value of the area, in 1965. The total value of all property for tax purposes in the county is $17,513,778.

It is also at or near the bottom of the list in terms of average income, of housing, of education, and of sanitation and health. However, in terms of unemployment and dependence on public assistance, its people have high percentages compared to the state average.

Low Income

Median income in 1959 of Indians living in the Menominee area was reported by the 1960 census at "less than $1,000." For none of Wisconsin's other 71 counties, including both Oconto and Shawano, within whose boundaries the reservation had lain, was the comparable figure as low as $2,000. Median family income for the state was reported as $5,926 for 1959. The figure for the subdivisions now comprising Menominee county was $2,638 (per family), less than half the state average.

In 1964, a health survey conducted by the state medical society[49] included 382 employes of Menominee Enterprises and 38 of Menominee county (virtually complete coverage in each case). This total of 420 was about 50% of the county labor force and included those with highest incomes.

Only 960 can be classified in the "labor force." Of the 2,526 persons living in the county, 57%, or 1,450, are classified as 19 years old or younger or as incompetents. 5%, or 116 persons, are 65 years or older. This means that only 38% of the people make up a labor force.

Average income of full-time employes (about 250) was $3,760 at the company and $3,700 in county employment. Part-time corporation employes averaged about $1,100. Average income for all 420 employes was $2,677 (about 44% of the state average), a figure that suggests no significant improvement over the 1959 median family income of $2,638 for the total county population. Median family income falling below $3,000—and even further below a level reflecting the needs of the large families that are characteristic of Menominee county—means that more than half the families suffer deprivation and impoverishment.

High Unemployment

Through the period since 1961 unemployment has been very serious, running 3 and 4 times as high, in percentage terms, as in the state as a whole. In 1963 the county rate was 13.6% when the state average was 4.0%. In 1964 the corresponding rates were 18.1% and 3.7%.

Large Families

The state medical society's survey included a total of 2,526 individuals in the 496 families that were identified and interviewed. Large families were found to be the rule, reflecting the birth rate of 43.4 per 1000 population, far above the state average of 25. Total children reported, all ages, were 2,491, an average of 5 per family. Of the 496 families, more than half (311) had 4 or more children and 50 had 10 or more children each. (Plainly, 2,491 children in a population of 2,526 means double counting, children in one family being parents in others.)

[47] LaFave, Sen. Reuben. "The Big Land Grab," speech before hearing on Assembly Bill 874 relating to acquisition of Menominee forest land, June 30, 1965, page 3.

[48] *Ibid.*, page 3.

[49] *Menominee County Health Survey: A Profile of the Health Practices and Problems of the Indian Residents of Menominee County*, by Charitable, Educational, and Scientific Foundation of the State Medical Society of Wisconsin, August 15, 1964.

The population was found to have an unusually high proportion under the age of 20 (57%) and a low proportion aged 65 (5%) and over. The corresponding state proportions in 1960 were 40% and 10%, respectively.

Substandard Education

The 1960 census reported the median years of school completed by the Menominee area Indian population aged 14 and older, as 8.3 years. The corresponding median for the rural non-farm population of Wisconsin was 9.9 years. Among Menominee residents 25 years of age and older, only ¼ had attended school beyond the 8th grade; among all non-farm rural residents of Wisconsin, this proportion was a full ½.

The often-quoted facts concerning dropouts do not encourage hope of future improvement. Of 33 pupils enrolled as high school freshmen in 1950, the health survey found that 17 dropped out before graduation, a dropout rate of 51.5%. The state department of administration reports a finding that of 80 Menominee students who enrolled as freshmen in 1960, 37 dropped out before 1964 graduation—a rate of 46%.

But officials of the department of public instruction point out that such quoted statistics are misleading. For example, whenever a student withdraws from a school, he is considered a "dropout." Whether he transfers into another school system, joins the armed services and continues his schooling, or is sent to one of the juvenile homes (where schooling is also continued) is not kept on record with some schools (as in Shawano). Thus, many students are still "students" technically, but are considered "dropouts." Figures such as those used in the above paragraph are therefore inaccurate.

By using Table 8 it can be seen that of 327 junior and senior high school students, only 17 actually dropped out of school while 38 others left but were still counted as "students." This brings the percentage of "dropouts" down to about 18%, rather than 46%.

For the 4 grade schools located within the county and those public schools in surrounding communities which Menominee attend, the above figures also show the increase in student enrollment from parochial to public schools. It is noticeable that the actual growth in numbers of students has not risen sharply during the past 5 years, but the shift from parochial to public schools is increasing substantially. In 1954, 80% attended parochial grade schools, while in 1964, 48% attended parochial grade schools.

The number of persons categorized in the "birth to 19 years" group has not grown that substantially since 1962 as shown by the Menominee county school census:

June, 1962:	831 males 749 females
TOTAL	1,580
June, 1963:	857 males 795 females
TOTAL	1,652
June, 1964:	875 males 817 females
TOTAL	1,692
June, 1965:	846 males 792 females
TOTAL	1,638

TABLE 8.—SCHOOL ENROLLMENT OF MENOMINEE COUNTY

School	Years			
	1961–62	1962–63	1963–64	1964–65
Keshena Elementary (6 grades+kindergarten)	107	148	188	192
Neopit Elementary (6 grades+kindergarten)	121	114	138	164
Keshena Parochial (8)	180	171	168	147
Neopit Parochial (8)	231	245	191	170
Shawano Junior High	153	136	171	146
Shawano Senior High	115	139	171	181
Antigo Senior High	10	7		
Suring Senior High	4	2		
Lincoln Elementary—Shawano		1	1	
Lena	1			
TOTALS	905	964	1,028	945 +38* +17† 1,000

Source: Waupochick, Antone. "Menominee County School Census, 1961-1965," Keshena, Wis., Sept., 1965.
*Left school but counted as students because of re-entry elsewhere.
†Left school, counted as "dropouts".

Indian Education

Prior to the fall of 1947, the education of Indian students who resided on federally owned nontaxable lands in Wisconsin was a direct responsibility of the federal government under the supervision of the bureau of Indian affairs. The bureau provided educational opportunities in elementary education in federal day schools located on or near Indian reservations. Secondary school programs were provided in public high schools adjacent to the reservation, as well as at Haskell Institute in Lawrence, Kansas, and the Flandreau school in South Dakota.

In 1947, the department of public instruction entered into an agreement with the bureau of Indian affairs under which the department agreed to administer and supervise educational programs for Indians in Wisconsin as provided in the

Johnson O'Malley act of 1934.[50] This act enabled the federal government to contract with the state and state institutions for services to Indians in the fields of education, welfare and health.

The contract provided for the payment of the cost of instruction, hot lunches, and transportation for Indian students with ¼ or more Indian blood and who resided on federal property. This payment was considered in lieu of a property tax payment.

This transfer of the supervision from the bureau to the department caused the closing of the Indian day schools and the transfer of Indian students into the public schools. For the Menominee reservation, it also caused the creation of a common school district comprising the entire reservation area in July, 1948.

The reservation continued under federal trusteeship status and did not have a property tax base for school purposes. Thus, the public elementary school at Neopit and the Shawano, Antigo and Suring high schools received federal funds for the cost of items as provided in the act.

In 1958, Public Law 874 was amended to include Indian students under "School Assistance in Federally Affected Areas." Consequently, federal funds were provided also for Indian education under this act. Public school districts which did not qualify for PL 874 funds continued to receive payments under the Johnson–O'Malley act for their eligible Indian students.

Vocational and Technical Education

In the 1965 legislative session, Chapter 287, Laws of 1965, was enacted which allows Indian persons (Menominee included) scholarships for vocational and technical training. A maximum of $20 per week is allowed for room and board with a total maximum of $800 allowed per student per year. The total appropriation for the 1965–67 biennium is $60,000—$30,000 a year.

Several Menominee have attended vocational schools in recent years with 6 enrolled during the fall, 1965–66, semester. The new scholarship program is expected to increase attendance, however, as many Menominee prefer technical training courses to college programs.

A work-study program is also open to Menominee students in which they can work up to 15 hours a week while attending classes.

Other training programs are available through federal administration such as the Manpower Development Training Act and "on-the-job" programs of the department of labor. Six Menominee used MDTA and 40 were employed by the latter program in 1965.

[50] April 16, 1934 (48 Stat. 596) amended June 4, 1936 (49 Stat. 1458).

College Scholarship Programs

Upon termination, Menominee students became eligible for the receipt of funds from the Wisconsin Indian college scholarship grant program. They were no longer eligible for the scholarship grants which are provided by the bureau of Indian affairs. (Menominee are no longer considered "Indians" by the federal government due to their terminated status.)

In July, 1957, the state scholarship program was enacted under § 39.002 with an appropriation of $14,000 for the 1957–59 biennium ($6,000 for 1957–58 and $8,000 for 1958–59). In 1961, the legislature increased the appropriation to $14,000 annually.

An amendment to § 39.002 was enacted in 1964 to increase the maximum allowable annual grant to any one student from $600 to $900.[51] In 1965, the statutes were again amended (Chapter 285, Laws of 1965) to increase the amount of the annual appropriation from $14,000 to *sum sufficient*.

Since the inception of the state program, the department and the bureau of Indian affairs have coordinated their activities in providing scholarship grants for needy Indian students. During the fall semester, 1965–1966, there were 10 Menominee using state scholarships out of a total number of 47 granted.

An eligible Indian student is one who a.) has ¼ or more Indian blood, b.) is a resident of Wisconsin, c.) has the capacity to profit from appropriate college work, and d.) has completed high school in the upper ⅔ of his class.

Substandard Housing

Housing in 1964, the state medical society found, was extremely poor, with one of the critical problems in the county being characterized by 50% more persons per household than the state average. For each Menominee unit, there is an average of 5.3 persons as compared with 3.6 for the state. The median number of rooms per unit is 3.8; for the state, 5.2.

Average value of the houses in one of the villages is only $4,000; less than ⅓ of all units in the county are in sound condition; ⅓ in deteriorated condition; and ⅓ dilapidated.

Health

After termination, the new county became a part of district number 6 of the state board of health (Green Bay office) and intensive tuberculosis case findings were initiated. The results sent TB costs of the county from $12,422 in 1961 to $65,000 in 1965. The results of a tuberculin testing program in May, 1965, shows that of 2275 Menomi-

[51] Chapter 545, Laws of 1963.

nee tested, 614 were positive reactors. Those suggested to be placed on drug therapy were 425 and those actually placed on therapy are 380. This means 25% of the total population should be on drug therapy. (The reaction rate under age 20 was 5% while 33% of the adults reacted positively.)

Relief will come to the county for the high costs in 1967. At that time, Chap. 419, Laws of 1965, will affect the Menominee budget by helping cut the TB costs substantially. Where the cost would normally be about $70,000, the new legislation will lower the cost to about $8,500. (Chap. 419 is explained in more detail on page 55.)

Other than tuberculosis, diabetes and heart disease occur most frequently. Specific recommendations for health improvement programs are listed in the summary with other proposed programs.

Sanitation

At present, consultation and direct service in the environmental sanitation area are provided through the district office (Green Bay) of the state board of health. As there are 9 counties in the district and staff is extremely limited, services available to Menominee county are minimal.[52] Thus, the sanitation in the county is inadequate. Only about ½ the homes have running water and indoor toilets.

Alcoholism

Workers who are familiar with the families estimate that there are 113 problem drinkers among the 496 families in the county. In 11 of the families, more than one member has a drinking problem. Twenty-one individuals have been committed to institutions repeatedly. A distressing number of the heavy drinking occurs among mothers which makes the problem especially devastating. There is no organized program in the county to combat or alleviate this problem.

Infant Health

There is a high birth rate, almost double for that of the state and a proportionately high infant death rate combined with low economic status in many families. Since pneumonia, upper respiratory infections and gastrointestinal conditions were among the frequent causes, it may be inferred that unfavorable environmental conditions are a contributing factor.

Because the state does not recognize tribal or common law marriages, the illegitimacy rate is high in the county: 18% as compared to 3.2% for the state.

[52] Shinners, Dr. G. M., "Report at Hearing on Senate Bill 1934," State Board of Health, Nov. 10, 1965, Neopit, Wis., page 4.

Dental Health

In May, 1965, the division of dental health did a survey of the dental status of 865 Menominee county children, age 5 to 19. There were 56 of the 865 children totally free of caries leaving 809 children in need of dental care. This is 93.5% of the total needing care. Similar surveys in other areas of the state average approximately 60% in need of care.

The director of the dental division of the state board of health has estimated that $16,000 would be required to establish a dental care program in Menominee county.[53] He also feels that an additional $50,000 would be needed to raise the dental status of the school population to the point where present needs could be provided for and a preventive dental program instituted.

Availability of Medical Care

A rather drastic change in the availability of hospital and medical care occurred when the tribally operated hospital was closed and medical practice in the county was discontinued. At present, medical and hospital care are secured in neighboring communities: Shawano, Gresham, Antigo, and Green Bay. A considerable number of patients are cared for at university hospitals and the veterans' facilities. Menominee county has employed a public health nurse since Feb. 1, 1960, and a second nurse was hired in July, 1965, through new appropriations to the state board of health.

Questions about difficulty in obtaining medical care often gave rise to laments about the closing of the Keshena hospital. In exploring this feeling it appeared that the hospital represented to many persons a sort of security and status symbol and this, more than serious difficulty experienced in obtaining medical care, caused their regrets.

Concerning the matter of financing medical care, the report observed: "As might be expected, the most pressing problems encountered in regard to hospital and medical care has to do with finances. At the time of the survey, 71 out of 496 families reported that they were receiving welfare and 69 families received social security payments. Of the families surveyed, 201 were covered by some type of hospital and medical insurance. The insurance programs do not include medical care outside of the hospital, medicines, and other costs frequently associated with illness."[54]

This outside medical health care has produced another major problem. In addition to tuberculosis costs, the stock of unpaid bills at the Shawano community hospital amounted to $89,000 at the time of final termination, and climbed to $149,000

[53] *Ibid.*, page 5.

[54] See footnote 39.

by the end of 1963. It is estimated this cost will rise $95,000 more in 1965.

A nursing home in Keshena now offers facilities for "personal care,"[55] with a maximum capacity of 19 beds. State health officials recommend that efforts be made to upgrade the home with the possibility of its receiving discharged chronic, non-infectious TB patients from a sanatorium. This would mean a saving of about $2,000 to $6,000 per patient per year for the state.

In order to receive such patients, the nursing home would have to be reclassified as a home of "limited nursing care."[56] This would require hiring a supervising registered nurse (lack of local money prevents this), raising the present minimal standards of the physical facilities, and generally upgrading the care now provided.

Dependence on Welfare

In assessing the situation in Menominee county as to welfare, some historical facts need to be kept in mind. For many years, no federal bureau of Indian affairs funds went into Menominee county for welfare purposes. In the early 1940's, all welfare costs were being paid out of Menominee tribal funds. In 1946, after Congress had reduced the amount of tribal funds that the Menominee could use for welfare, it was found that needy Menominee no longer had sufficient means of support from their tribal funds. The Wisconsin department of public welfare signed an order that initiated payment of categorical aids financed from federal, state, and county funds.

The tribe reimbursed the treasurers of Shawano and Oconto counties for the amount of such aids not paid out of state and federal funds. In other words, this would now be called the "county" share.

Then in 1951 the state initiated a program of relief for needy Indians residing on tax-exempt lands. This included the Menominee until the date of termination.

Today the people of Menominee county receive "public" assistance almost entirely under the social security act through the county welfare department. "General" assistance, provided by the town of Menominee, has continued at less than $20,000 a year through the period.

(Money seems to be no problem to the town of Menominee. The town budget runs less than $51,000 per year and they manage to subsidize sewer and water costs while losing money on this. The town has built up a surplus and investments so that they have never had to tax at the full rate because the full amount is not needed.)

In September, 1965, public assistance in its various forms went into 167 Menominee county homes with a total family membership of 426 persons.[57] Considering that the population of the county is about 2700 persons, it can be seen that 15.8%, or about one out of every 6 persons, were receiving public aid. Comparatively, out of Wisconsin's 4 million population, about 2.5%, or one out of 40 received public assistance of some kind.

The total amount of public assistance granted in Menominee county (not including Kerr–Mills) in September, 1965, was $20,066—roughly $7.43 for each resident. The total expended in Wisconsin in September for all forms of public assistance was $7,395,794 or $1.85 per resident. The average of $7.43 per Menominee was over 4 times the average of the state as a whole.

However, the total amount expended in Menominee county in September, 1965, did not come entirely from county or local funds. The sum was shared approximately as follows:

	Amount	Per Cent
Federal	$10,127.14	50.5%
State	6,402.59	31.9
County & Town	3,535.68	17.6
Grand Total	$20,066.01	100.0%

Source: Keith, George, "Statement Before Subcommittee of U. S. Senate Committee on Labor and Public Welfare," Nov. 10, 1965, Neopit, Wis.

For the fiscal year ending June 30, 1965, net public assistance costs including the county welfare administration were as follows:

	Amount	Per Cent
Federal	$141,399	52.8%
State	77,582	29.0
County & Town	48,677	18.2
Grand Total	$267,658	100.0%

Source: Keith, George, *op. cit.*

It may be said that these data do not establish anything in particular and especially do not establish the existence of any special burden for Menominee county to bear considering the substantial financing provided out of state and federal funds. But Menominee county's share of $48,677, as based on general property tax, results in a rate of 2.78 mills on the dollar to finance the fiscal share of the public assistance burden. The state

[55] "'Home for Personal Care' means a nursing home which is staffed, maintained, and equipped for the accommodation of individuals who are not acutely ill and are not in need of hospital care, skilled nursing care or limited nursing care, but require personal care only." *Nursing Home Rules, Wisconsin Administrative Code,* July 1, 1964, State Board of Health, Madison, Wis., page 76.

[56] "'Limited Nursing Care' is defined as nursing care provided under the supervision of a licensed trained practical nurse and physician." *Ibid.,* page 76.

[57] Keith, George. "Statement before Subcommittee of United States Senate Committee on Labor and Public Welfare," Nov. 10, 1965, Neopit, Wis., page 1.

64-408 O - 66 - 5

TABLE 9.—COMPARISON OF CATEGORICAL AIDS IN 1961 AND 1965

	May, 1961		September, 1965	
	No. of Persons	Amount	No. of Persons	Amount
Aid to Dependent Children	83	$ 2,246.28	258	$10,092.57
Aid to Dependent Children in foster homes	8	380.30	55	2,592.82
Old-Age Assistance	44	3,170.64	43	3,588.37
Aid to Disabled	8	750.52	28	2,938.40
Aid to Blind	3	192.75	5	351.50
General Relief	72	131.79	37	502.35
Grand Total	218	$ 6,872.28	426	$20,066.01

Source: Keith, George. "Statement Before Subcommittee of U. S. Senate Committee on Labor and Public Welfare," Nov. 10, 1965, Neopit, Wis.

as a whole raised a local share of 1.29 mills, or 46% of the rate in Menominee county. Thus, the mill rate for Menominee county was over twice the average rate for the entire state although there is only one principal taxpayer in the county.

Table 9 shows that since May, 1961, the number of persons receiving aid in the county increased by over 95%, while the amount expended for aid increased by more than 190%.[58] (A similar comparison for the state shows that the number of persons aided declined by 10.4% while the cost of aid increased by 10.5%.) One of the largest increases was for aid to dependent children.

It should be noted that increased use of welfare programs has occurred also because the county now has its own welfare office. This makes using the office easier and more convenient than when the Menominee had to leave the reservation area for such assistance in surrounding counties.

Bonds Pledged to Meet Welfare Needs

In December, 1963, at the end of which month the income bonds of Menominee Enterprises, Inc., became negotiable, the Wisconsin legislature established a special fund of $1 million, to be administered by the state department of public welfare, for benefit of the Menominee. Grants and loans for welfare purposes were made from this fund on the basis of pledged Menominee income bonds (worth $3000). The intent of the law was to provide an alternative to selling the bonds for whatever price might be offered and therefore to prevent the bonds from being dissipated among outside interests.

The Menominee income bonds have a par value of $3000, and the outstanding amount held by public welfare is in excess of $1.5 million. Menominee Enterprises, Inc., has first option to buy any that may be offered for sale. The cash position of the company has precluded any purchase since the bonds became negotiable Jan. 1, 1964. The state investment board is empowered to exercise second option, but has decided not to purchase at more than 70% of par value, or $2,100. No bonds have been purchased by the board. As security for the welfare grants or loans, however, the bonds are accepted at par value.

This means, of course, that the neediest Menominee have the privilege of exhausting the full face value of their bonds in meeting extraordinary welfare requirements, while those who are less pressed may retain theirs as a modest source of income. A typical family may have a combined income of $720 or $840 a year from bonds issued to tribal members (each member receives $120 bond payment yearly—4% of $3000), but it is families of this size and larger that are most likely to need additional cash and thus to be forced into pledging their bonds. The status of the bonding program as of Oct. 22, 1965, is shown in Table 10.

Menominee Loan Fund

The Menominee loan fund, which was in existence under tribal government, has continued to operate since final termination. It is the only agency allowed to accept the stock certificates as collateral for loans. When it started in 1961, the fund amounted to $380,000. Many bonds have been pledged to the agency for loans, after which

TABLE 10.—STATUS OF BONDING PROGRAM

No. of assigned bonds in department possession	691
Par Value of assigned bonds	$1,738,052.31
Amount of General Relief repaid	$ 122.72
Amount of notes receivable repaid	229.32
Amount of notes receivable	491,949.90
Amount of relief paid	462,580.32
Total	$ 954,882.26
Appropriation Unexpended (Including $25,000 contingency fund)	45,117.74
Interest received on notes as of Oct. 22, 1965	484.77
Bonds owned by state	23,919.00

Source: Keith, George. *op. cit.*

[58] *Ibid.*, page 5.

Menominee Enterprises pays 6% interest on the bonds to the fund (rather than the 4% as paid the individuals) in order to keep cash coming in. The program is more of a "service" than a business as can be seen in the 1964 figure, which shows the effects of accepting some debit bonds. As of June 30, 1964, the fund had assets of $371,385.[59]

Most bonds are pledged for funds to pay for funerals or sewer hookups. Few substantial loans are possible because $5,500 is the most that can be borrowed by an individual and this must be repaid within 5 years. As a result, a majority of any new homes built are financed by the Farmers Home Administration.

The problem of not being able to build new homes or expand older ones ultimately affects other problem areas, as noted by the assemblyman from that district:

"How can you ever get ahead of the health problems when you have 9 kids and their parents living in 2 or 3 rooms?"[60]

Termination and Public Opinion

The effect of these circumstances and the impact of developments since 1961 on the people of the county cannot be simply characterized. Some Menominee seem to be as demoralized as any poverty-stricken people anywhere. Others, far from demoralized, are highly and vocally indignant, leveling criticism and accusations at all public authorities, federal, state, and local, and at the management of Menominee Enterprises. There is widespread misunderstanding of the nature of corporate ownership; the Menominee view of land ownership is as tribal today as it ever was before termination. Consequently, protests are heard against the need to give up income bonds in payment for homesites that are regarded as already the family's share of tribal land.

(Prior to final termination, homesites were not individually owned in the reservation. Since May 1, 1961, tribally-held homesites in the villages of Neopit, Keshena, and Zoar have been conveyed to 426 Menominee shareholders, largely in exchange for corporation income bonds.[61] Farms, totaling 1,600 acres, also were conveyed to 146 families.) Taxes have been established but often ignored. However, delinquent personal property taxes are down due to 14 cases taken to court this past spring. This delinquency now amounts to about $29,000 and is retained by the town government. The county retains delinquent real estate tax. Table 11 is a summary of all real estate and personal property taxes paid in through July 31, 1965:

[59] Grignon, Bernard. "Menominee Loan Fund Balance Sheets," June, 1964.

[60] See footnote 39.

[61] "Menominee County Hearings Scheduled for Indians to Tell Assistance Need," *Green Bay Press-Gazette*, Sept. 19, 1964.

TABLE 11.—REAL ESTATE AND PERSONAL PROPERTY TAXES PAID IN TO JULY 31, 1965

Real Estate		
Taxes paid in		$404,039.48
Breakdown:		
Jan. to Feb. 1965	$119,509.62	
Mar. to July 1965	284,529.86	
Delinquent taxes to July 31, 1965		14,536.78
Interest Collected		261.44
Personal Property		
Taxes paid in		$ 24,055.97
Breakdown:		
Jan. to Feb. 1965	$ 20,337.97	
Mar. to July 1965	7,053.30	
Interest Collected		45.90

Source: Warrington, Theresa. "Letter to George C. Bowan, County Clerk of Menominee County," Keshena, Wisconsin, Aug. 20, 1965.

Those who are fortunate enough to have steady employment with the company or the county are naturally more optimistic about the future than many others. Prior to termination, before the business functions of the tribe were separated from its service functions, there was a tendency to maximize mill employment rather than profit. Consequently, there is evidence of bitterness among Menominee who, before termination, were on the payroll but since then have been found unqualified for employment. The officials of the company and other leaders close to its operations maintain their basic confidence in the long-term potential but are soberly realistic about short-term hazards.

A sizable number of Menominee persist in the view not only that termination was unwise, but that it was forced upon the tribe without full discussion or understanding, and that it constitutes a gross violation of treaty rights. The highly vocal exponents of these views are few in number but such opinions may be shared by a substantial number who do not attend public discussions or who remain silent. A related viewpoint is that termination may have been technically legal, but that the federal government cut off its services too abruptly and before all appropriate federal investment in community facilities had been completed.

In April 1964 a petition for repeal of the Menominee termination act was addressed to the Congress carrying signatures of 788 persons identifying themselves as Menominee Indians. A duplicate set was sent to the President and receipt was acknowledged by the bureau of Indian affairs. The signatures numbered more than 1/5 the total on the final tribal membership roll.

Strong protests against termination and the way it came about were voiced at meetings held by direction of the Governor in Madison on July 27 and August 6, 1964, and again at hearings conducted by the state department of administration

in Menominee county during the last week in September.

There also remain strong feelings against the regulations on hunting and fishing within the county. Two of the 3 bills for termination provided for preservation of special hunting and fishing rights conferred by custom or judicial decision, but the bill that finally became the termination act did not have this provision, nor did PL 280. This law, enacted in 1953, states in substance that state conservation laws could apply to reservations, except where hunting, fishing, and trapping rights were extended by federal treaty, agreement or statute. The attorney general said there are no such exemptions for Wisconsin Indians in any written form.[62]

The lack of understanding or inability to comprehend problems is no criticism of the Menominee people themselves, or of activities of their leaders and legal advisors; a random selection of well-educated Wisconsin citizens could probably comprehend little better.[63] Statute books are full of laws designed to protect the inexpert, the inexperienced, the ignorant and the uncomprehending. The legislature even acts to protect the comprehending man from the consequences of his own folly.

As early as 1956, there were warnings about the human relations problems resulting from termination.[64] The governor's commission on human rights reported that it was unrealistic to assume that the Menominee compose "one big, happy family," united in their ideas, purposes, and goals. Diversity of opinion among the people was to be expected with a certain amount of intergroup prejudice as a realistic part of the picture. Such prejudice, which is a two-way track between Indians and non-Indians as well, had to be considered in any plans of integration of the Menominee into the life of county and state.

Fostering prejudice was a certain amount of rumor, hearsay, misinformation and lack of information about problems and plans for termination. Such hearsay was found not only among the Menominee but among the people in the surrounding counties, the report said. It was inevitable that frictions and misunderstandings should occur, given the social and economic conditions of Menominee people. They have problems which come from making a transition to "full citizenship" from reservation life and from the sudden assumption, without adequate preparation and education, of government responsibility for welfare and law and order.[65] Establishment of committees in surrounding communities to work with the Menominee on an individual basis could possibly have helped, or now help, eliminate prejudices based on generalizations about the group.

[62] "Limit Ruled in Hunting by Indians," *Milwaukee Journal*, January 2, 1965.

[63] Bowers and Fisher, *op. cit.*, page 5.

[64] "Memorandum Regarding Human Relations: Some Observations and Recommendations," Governor's Commission on Human Rights to Menominee Indian Study Committee, July 31, 1956, page 1.

PROPOSALS FOR ACTION

At a July 27, 1964, meeting, the governor announced a Menominee action program under which each of 13 departments and agencies of the state was assigned responsibility in a general attack on "the severe economic, educational, and health problems of Menominee county."[66] This program represented a broad move by the executive branch to deal with the situation, the seriousness of which had been acknowledged by the legislature in its action in December 1963 establishing the million-dollar Menominee fund.

By mid-September in 1964 the state agencies were able to report a very impressive list of actions taken or planned. Many of the more significant steps would require additional funds and these were included in a request submitted by the state on behalf of Menominee county to the office of economic opportunity, totaling $1,600,000.

Industrial Development

A disappointing aspect of the governor's program lay in the finding by the department of resource development with respect to the prospect for industrial and commercial development in the county apart from the Menominee enterprise itself. The conclusion reached was that such development was most unlikely because of a number of factors:

1. The county lacks a minimum of services to attract industry and commercial enterprises.
2. It is very doubtful if the communities in the county can support even the minimum of commercial enterprises.
3. There are no good housing areas where industry or business management could live without residing outside of the county.
4. Capital from non-government sources is not available.
5. Although there is much evidence to the contrary, the area does not have a good worker dependability reputation. Such a reputation, although unfounded, must be recognized since it tends to adversely affect industrialization.
6. There are not many, if any, available buildings for commercial or industrial development.
7. The established trading centers surrounding the county are close enough to attract the county residents and unless the communities in

[66] *Ibid.*, page 2.

[66] See *Community Action Program*, Wisconsin Dept. of Administration, Fall, 1964.

the county develop a diversity of services and a local buying attitude the services will have difficulty surviving.

8. Local leadership for commercial and industrial development is lacying in enough experience and depth.

A report by a member of the university's bureau of government states that by taking into account natural growth of population, there would seem to be a need for a minimum of 200 to 300 additional industrial jobs over a period of 5 to 10 years, especially for women and the young.[67] Industrial prospects will desire specific information about tax prospects, labor supply, and available sites and materials. If that information is not available, an effort must be made to develop it, he says.

Development of Recreation

Additional industry in the county is probably a questionable prospect under present circumstances, but commercial and recreational development, including the lease-sale of sites for summer and year-round homes, has from the outset been envisaged as an important means of supplementing earnings from the mill, increasing the tax base, and lessening dependence on Menominee Enterprises as virtually sole taxpayer. Through September, 1965, a total of 97 lease-purchase agreements were reported, with about 30 new homes in place at average value of $12,500. (But this additional tax base will not show significantly for 15–20 years.) As a part of such a program, the company has responded with a counter offer to establish a state park in Menominee county rather than a state forest as proposed by the state department of conservation.

Under the company's proposed modification, the park would be limited to about 2,200 of the county's 234,000 acres, rather than the 205,000 acres proposed by the conservation department for use as a state forest. The area described is believed by the company to have a potential developed value of nearly $15 million. Such development is regarded as a 40-year process, however. For use as a state park, the company has proposed a 40-year lease-purchase price of $6.5 million.

The company's proposal would entail establishment of a trust fund into which annual payments under the lease-purchase agreement would be paid, such fund to be used to retire bonds and stock certificates of Menominee Enterprises, Inc.[68] (including possible repurchase of bonds now encumbered by the department of public welfare) and to pay interest and dividends. The park itself, in the company's view, could "complement other development necessary in Menominee county, for the benefit of all concerned."

The land development program under way can be a decided factor in improvement of the economic conditions. However, high costs of engineering, survey and development, licensing and promotion, which to date have involved an expenditure of approximately $135,000, indicate that this land program will result in an adverse cash flow for the next few years.[69] It is estimated it will be at least 5 years before appreciable revenues will develop from this program. In the meantime, additional financing will be needed to keep this land development in progress. Increasing property taxes will also slow down the land development program; hence, the urgency of obtaining tax relief for Menominee county.

Recurrent proposals that part or most of Menominee county be made a state forest area have aroused much vocal opposition. It became apparent at the hearings in September 1964 that there is deep minority opposition to any intrusion by "outsiders" into the "reservation," as such Menominee continue to call the county.

Efforts to establish such a forest were begun by the conservation commission early in 1965, but the bill was defeated in the assembly.[70] During a hearing on the bill, figures were introduced to show the comparison of Menominee county with others that have large forest tracts or a large Indian population. Ranked high in receiving proportionately more state aids and shared taxes for the proportionate amount of taxes they paid were Forest, Florence, Marinette, Ashland, Bayfield, and Washburn. The following percentages show state aids and shared taxes paid to each county in proportion to the taxes collected during 1964:[71]

Menominee: 28%*	Washburn: 280%
Florence: 300%	Forest: 316%
Marinette: 205%	Bayfield: 270%
Ashland: 278%	

* In the tax bulletin showing these figures, Menominee county is actually shown receiving 254%. For a complete discussion of why 28% is used above rather than 254%, see Chapter III, "Comparison of Neighboring Counties."

Loss of the forest as its tax base would have disastrous effects on the county government and people, stated the chairman of the Menominee Indian study committee at the hearing.

[67] Knight, W. D. "Menominee Enterprises, Inc.," April 24, 1965, page 4.

[68] Such funds would allow Menominee persons to leave the corporation by selling their bonds to the Enterprises. This was expressed as a major reason for selling recreation land in a letter to Governor Warren P. Knowles from Enterprise officials, June 4, 1965, page 1.

[69] "Memorandum Report: Menominee Indians —1965—A Local Committee Review," Jan. 20, 1965, page 2.

[70] Bill 874, A., introduced June 8, 1965; defeated July 29, 1965 in assembly.

[71] *Taxes and Aids, 1964*, Bulletin 564, Department of Taxation, Nov., 1964.

CONCLUSIONS OF FEDERAL REPORT

The foregoing review of developments in Menominee county since termination of the federal trust in 1961 makes clear how ill-advised were the terms on which the Menominee were deprived of federal services and supervision. The need for remedial action, by the state or federal government or both, cannot be denied in light of the stark facts concerning the county with its mounting budget, and the corporation with its struggle to finance most of that budget and yet keep its head above water.

The responsibility for initiating action to determine what measures are required to meet the urgent Menominee situation is shared by officials of the state of Wisconsin and Menominee county and officers of Menominee Enterprises.

It is believed by Enterprise officials that attachment to another municipality will not eliminate nor decrease the financial problem, nor relieve the problems of health, education and welfare now existing, the latter including law enforcement demands.[72] Such attachment would add complications, confusion and additional problems. The county must have time for new development to catch up to social and economic demands. This is not a year to make drastic changes, they report, because more time is needed, more training and experience, and imperatively direct financial aid to offset increasing taxes which overburden the mill.

The state of Wisconsin has been generous in its aid to Menominee county. Federal aid was small and was established on a declining basis; it is now approaching the vanishing point. In the bureau of Indian affairs' opinion, federal assistance should be re-established, in such categories and such amounts as are commensurate with Menominee county's needs.

Grants-in-aid could be provided through new authorization and appropriations to the department of the interior for the use and benefits of Menominee county. If this method should be followed, it would require amendment of the Menominee termination act or it would constitute a precedent-setting departure from the principle of trusteeship, which has hitherto governed the conduct of Indian affairs.

The termination act is explicit that, upon termination, members of the Menominee tribe shall not be entitled to any of the services performed by the U. S. for Indians because of their status as Indians; all statutes of the United States which affect Indians because of their status as Indians shall no longer be applicable to the members of the tribe; and the laws of the several states shall apply to the tribe and its members in the same manner as they apply to other citizens or persons within their jurisdiction. (Sec. 10, PL 83–399)

Alternatively, the Congress may authorize and appropriate similar amounts to the department of health, education, and welfare, to be transferred to the state of Wisconsin for aids to Menominee county. (A bill proposing this action is discussed in detail in the following section.)

The department of the interior sees no alternative to combined state and federal support of the county and its people, who are in desperate circumstances. Continuation of the present trend will threaten the existence of the corporation and lead to decline of county services, to the detriment of the Menominee and their non-Indian neighbors in Wisconsin. To stand idly by and watch the further growth of such a pocket of poverty is unthinkable, said the report.

(One state report also concluded: "Even when fully developed, resources of the reservation will provide no more than a reasonable opportunity for the Menominee. Here is an area where the state has a considerable interest in seeing that federal responsibility is not neglected."[73])

Present Action Being Taken: Federal

Pending legislation initiated by Menominee and state legislators in both the state legislature and Congress is the basic hope for Menominee county. The foremost legislative measures are companion bills in Congress which would offer the following:[74]

1. $1,125,000 over a 10-year period for education: $150,000 annually for 5 years and declining amount for 5 additional years.
2. $747,000 over the 10 years for welfare: $100,000 annually for 5 years and a declining amount for 5 additional years.
3. $500,000 for health, especially tuberculosis eradication: $100,000 a year for 5 years.
4. $450,000 for the completion of sanitation connections in Neopit and Keshena.
5. $50,000 for a detailed recreational development study under the direction of the interior department.
6. $25,000 for a detailed study of the possible expansion of the timber industry.
7. $5,000,000 in long-term, low-interest loans to carry out the study recommendations.

The effects of such financial assistance on the county and Enterprises were shown in reports given by a department of taxation official at a federal hearing called by Senator Gaylord Nelson in Neopit, Nov. 10, 1965. (See Tables 12 and 13.)

[72] See report cited in footnote 69.

[73] "Letter to John Reynolds, attorney general," *Materials for Menominee Indian Study Committee*, April, 1959.

[74] H.R. 8034 by Rep. Melvin R. Laird, and S. 1934, by Sen. Gaylord Nelson, May 10, 1965.

TABLE 12.—PROJECTED TAX SITUATION WITH FINANCIAL ASSISTANCE WITH SENATE BILL 1934 (H. R. 8034)

Federal Aids Proposed in S. 1934	1965	1966	1967	1968	1969
School Aids	$150,000	$150,000	$150,000	$150,000	$150,000
Welfare Aids	100,000	100,000	100,000	100,000	100,000
	$250,000	$250,000	$250,000	$250,000	$250,000
Net property tax with aids	$265,176	$339,685	$372,244	$406,431	$442,328
Effective tax rate with aids	$15.14	$18.96	$20.35	$21.79	$23.31

Source: Harder, Harry. "Report of Wisconsin Dept. of Taxation at Hearings on Senate Bill 1934," Nov. 10, 1965, Neopit, Wis.

Unless substantial school and welfare aids are appropriated, the effective tax rate in 1969 will approximate $36.48 per $1000 of assessed value. If such aids are appropriated, as called for in the companion bills, the effective tax rate in 1969 will be about $23.31. This will then be lower than the state average. However, it should be kept in mind that even though the tax rate would be lower, the circumstances within the county make it mandatory that a low tax rate be effective due to housing problems, large families, and lack of appropriate facilities in general.

The important point to note is that even with $250,000 of annual aid from 1965–1969, the effective tax rate rises in the neighborhood of 7% each year. The reason—the slight growth in the tax base.

The present growth in the base is almost all in the residential class of property and is the result of the sale of lots to non-residents on specified lakes in the county and the construction of houses by such persons. This is a very desirable type of tax base as it does not create any school costs in that no additional pupils are added to joint school district number 8. The owners of such property live in other school districts or are taxpayers residing outside or Wisconsin. This growth in base, however, will decrease as the tax rate increases. Also, even under the most favorable tax rate conditions the growth in this class of property will not cover the rapid increase in the tax levy. Other substantial development of industrial base is necessary to create stability. Industrial development in fields of higher value wood products would add substantial tax base, decrease unemployment, generate profits and income tax revenues which in turn would be apportioned back in part to the town and county of Menominee.

Table 14 shows projections of what might be accomplished by the mill with financial assistance for industrial development. Tables 15 and 16 forecast the situation without such financial assistance, and the resulting effects on the mill and tax base of the county. Table 17 reviews the property tax assessment from 1961–1965.

Reports have been made that various federal departments have not cooperated with giving informational statistics needed for support of this legislation, and the outcome of the bills is seen in a rather pessimistic light.

TABLE 13.—PROJECTED TAX INCREASES

	Projections			
	1966	1967	1968	1969
Full value of taxable property (also assessed value)	$17,913,735	$18,291,235	$18,653,735	$18,976,235
Property tax levy exclusive of aids or credits	$ 651,185	$ 683,744	$ 717,931	$ 753,828
Federal school aid	$ 0	$ 0	$ 0	$ 0
Wis. real estate tax relief	44,000	44,000	44,000	44,000
Wis. personal property tax relief	17,500	17,500	17,500	17,500
Net property taxes levied	$ 589,685	$ 622,244	$ 656,431	$ 692,328
Effective tax rate per $1000 of assessed value	$ 32.92	$ 34.02	$ 35.19	$ 36.48

Source: Harder, Harry. "Report of Wisconsin Dept. of Taxation at Hearings on Senate Bill 1934," Nov. 10, 1965, Neopit, Wis.

TABLE 14.—MENOMINEE ENTERPRISES, INC.—FIVE YEAR FORECAST OF OPERATIONS WITHOUT PROPOSED EXPANSION

	1966	1967	1968	1969	1970
Net Sales	$3,525,000	$3,561,000	$3,619,000	$3,619,000	$3,655,000
Cost of Sales	2,613,000	2,640,000	2,667,000	2,667,000	2,693,000
Gross Profit	$ 912,000	$ 921,000	$ 952,000	$ 952,000	$ 962,000
Administrative and Selling Expenses	206,000	214,000	222,000	231,000	238,000
Profit Before Taxes	$ 706,000	$ 707,000	$ 730,000	$ 722,000	$ 724,000
Property Taxes	453,000	468,000	484,000	502,000	520,000
Net Profit	$ 253,000	$ 239,000	$ 246,000	$ 220,000	$ 204,000
Bond Interest	$ 378,000	$ 378,000	$ 378,000	$ 378,000	$ 378,000
Net After Bond Interest	($—125,000)	($—139,000)	($—132,000)	($—158,000)	($—174,000)

Source: Clements, A. D., "Menominee Enterprises, Inc., Report at Federal Hearing on Senate Bill 1934," Neopit, Wis. Nov., 10, 1965.

TABLE 15.—MENOMINEE ENTERPRISES, INC.—FIVE YEAR FORECAST OF OPERATIONS WITH PROPOSED INDUSTRIAL EXPANSION

	1966	1967	1968 [1]	1969 [2]	1970 [3]
Net Sales	$3,525,000	$3,561,000	$4,859,000	$5,613,000	$6,436,000
Cost of Sales	2,613,000	2,640,000	3,650,000	4,316,000	4,930,000
Gross Profit	$ 912,000	$ 921,000	$1,209,000	$1,297,000	$1,506,000
Administrative and Selling Expenses	206,000	214,000	305,000	350,000	415,000
Profit Before Taxes	$ 706,000	$ 707,000	$ 904,000	$ 947,000	$1,091,000
Property Taxes	453,000	468,000	484,000	502,000	520,000
Net Profit	$ 253,000	$ 239,000	$ 420,000	$ 445,000	$ 571,000
Bond Interest	$ 378,000	$ 378,000	$ 378,000	$ 378,000	$ 378,000
Net After Bond Interest	($—125,000)	($—139,000)	$+ 42,000	$+ 67,000	$+193,000

[1] Veneer Mill in full operation.
Cut Stock in full operation.
Charcoal in full operation.
[2] Particle Board Plant in partial operation.
[3] Particle Board Plant in full operation.
Glue-Up in full operation.
Source: Clements, A D., "Menominee Enterprises Report at Federal Hearing on Senate Bill 1934," Nov. 10 1965, Neopit, Wis.

TABLE 16.—PROJECTION OF INCREASE IN TAX BASE BY CLASSES OF PROPERTY UNDER EXISTING CONDITIONS (TOWN AND COUNTY) WITHOUT AID FROM S. B. 1934 AND H. R. 8034

Classes	Projected Increases			
	1966	1967	1968	1969
Real Estate				
Residential	$ 2,495,000	$ 2,870,000	$ 3,230,000	$ 3,550,000
Mercantile	105,930	110,000	110,000	110,000
Manufacturing	1,400,000	1,400,000	1,400,000	1,400,000
Forest Lands	12,445,900	12,445,900	12,445,900	12,445,900
Agriculture	110,000	112,000	114,000	116,000
Personal Property				
Livestock	17,500	18,000	18,500	19,000
Merchants' Stock	19,000	19,000	19,000	19,000
Manufacturers' Stock	925,000	925,000	925,000	925,000
Machinery, furniture, and fixtures	390,000	390,000	390,000	390,000
Public Utility	0	0	0	0
Other Personal Property	1,335	1,335	1,335	1,335
Total Assessed Value	$17,913,735	$18,291,235	$18,653,735	$18,976,235
Growth over Prior Year	2.28%	2.11%	1.98%	1.73%

Source: Harder, Harry. "Report of Wisconsin Dept. of Taxation at Hearings on Senate Bill 1934," Nov. 10, 1965, Neopit, Wis.

TABLE 17.—COMPARATIVE PROPERTY ASSESSMENT DATA—TOWN OF MENOMINEE, MENOMINEE COUNTY
May 1, 1961 through May 1, 1965

Classes	1961	1962	1963	1964	1965
Real Estate					
Residential	$ 1,413,260	$ 1,422,195	$ 1,446,318	$ 1,663,675	$ 2,080,640
Mercantile	69,050	58,635	66,050	69,135	105,930
Manufacturing	830,550	1,130,810	1,416,425	1,434,075	1,401,070
Forest Lands	12,456,315	12,445,900	12,445,900	12,445,900	12,445,900
Agriculture	27,000	59,750	82,550	106,862	107,245
Personal Property					
Livestock	25,685	24,205	19,150	17,548	15,493
Merchants' Stock	10,785	12,195	16,830	13,200	19,195
Manufacturers' Stock	1,113,600	1,007,950	1,053,355	772,130	906,225
Machinery, furniture and fixtures	238,590	371,775	366,080	316,405	385,745
Public Utility	165,000	165,000	45,000	45,000	45,000
Other Personal Property	5,035	1,985	1,785	1,535	1,335
Total Assessed Value (Also the Equalized Value)	$16,354,870	$16,700,400	$16,959,443	$16,885,465	$17,513,778
% Increase All Classes Over Prior Year		2.11	1.55	—0.44	3.72
% Increase in Residential Class over Prior Year		0.63	1.70	15.03	25.06

Source: Harder, Harry. "Report of Wisconsin Dept. of Taxation at Hearings on Senate Bill 1934," Nov. 10, 1965, Neopit, Wis.

The need for such legislation was explained in pre-termination papers:

"In view of (1) the anticipated demands for capital for expansion of the Menominee mill enterprise, (2) the low level of tribal funds, and (3) the limited economic resources of individual members of the tribe, it is unlikely that the funds needed for the greatest development of agriculture and recreation can be had from Menominee sources. The possibility of a long-term loan or an outright grant from federal sources for developmental purposes has a direct bearing on the economic alternatives confronting the tribe."[75]

In other federal action, areas of human resource development are being opened with the introduction of the "anti-poverty program." The Office of Economic Opportunity granted the county $138,295 in May, 1965, for projects involving school programs, VISTA volunteers, and job training centers. It is felt by the department of resource development that it will be more than a year before the poverty program will show any impact on the Menominee people, with no guarantee that increased efforts will bring economic development.

Requests have been made to the Office of Economic Opportunity by the state department of resource development and Shawano's joint school district number 8.

OEO REQUESTS

Total Request, Sept., 1964 ..... $1,600,588

Other funds requested as not part of the OEO program, but sent in the whole package to OEO:

1. Replacement of substandard housing	$2,500,000
2. Lateral hookup of water and sewer lines	470,000
3. Development of 75 miles of private logging roads into public roads	990,000
4. Street improvements in Keshena and Neopit	1,295,000
Total	$5,255,000
Supplemental request to OEO, Oct., 1964: (from jt. school dist. no. 8)	618,130
Grand Total	$5,878,130

OEO funds received in April, 1965:

$ 75,200—development and administration of Community Action Program
18,300—6 VISTA volunteers
42,145—educational services to joint district no. 8
2,650—day nursery for pre-schoolers

$138,295—TOTAL received

Present Action Being Taken: State

In 1965, state legislation involved 5 bills:

1. Bill number 359, A., contained a graduated formula whereby each county is responsible for its TB costs in the amount of $500 per million dollars of the county's assessed valuation, and the state will pay any sanatorium costs over this figure. Based on tuberculosis costs for 1964, this medical bill would have cost $99,000, and Menominee county would have received $67,000 of this figure. The bill would amend § 50.04 (7) (b) and create § 50.04 (7) (d), Wis. Stats. It became Chapter 419, Laws of 1965, effective Dec. 8, 1965.

2. Bill number 725, A., would amend the same sections as 359 A., but with one restriction: that such payments go to counties with only one town. This would make Menominee county the sole beneficiary of such legislation at the present time. This

[75] Loomer, C. W. "Making the Budget," *Informational Bulletin* of Menominee Adult Education Program, May 15, 1958, vol. 1, no. 7, page 5.

bill also passed the assembly but was laid on the table for reconsideration after passage of 359, A.

3. Bill number 323, S., would provide $300,000 to use in employing Indians in Menominee county while improving county and town highways. This emergency legislation, which would lapse on June 30, 1967, has a chance of receiving 100% matching funds from the Area Redevelopment Authority. It became Chapter 395, Laws of 1965, effective Dec. 1, 1965.

4. Bill number 918, A., is an act to create § 176.05 (21) (e), Wis. Stats., relating to the liquor license quota of the town of Menominee. Introduced on July 9, 1965, the bill had a public hearing on July 20, with no further action taken.

5. Bill number 905, A., is an act to amend § 59.475, Wis Stats., to permit the electors of Menominee county to vote for the district attorney of Shawano county when he also serves as district attorney for Menominee county. (Menominee county now pays ⅓ of the Shawano county district attorney's salary.) The bill was passed by the assembly Oct. 8, 1965, and sent to the senate. It was referred to the senate committee on judiciary Oct. 21.

Other areas of state action include the hiring of a second county "consultant"[76] by the Menominee Indian study committee, and new programs being developed by the university of Wisconsin.

Working on a part-time basis, the new consultant is available to Menominee county officials when problems of local government arise and advice is needed from a more experienced individual in government affairs.

The Northern Wisconsin Development Project was established by the departments of engineering and commerce of the university's extension division with grants from the federal Area Redevelopment Authority (ARA) and U. S. department of commerce. Located in Wausau at the Marathon county center of UW, the office has been told that $20,000 is available from ARA for feasibility studies on possible economic development in Menominee county. A meeting of the office representatives and Menominee officials was held in Shawano in late December, 1965, to discuss early steps in organizing the studies.

The Wisconsin department of resource development has continued to work for prospects of economic development by searching for new industries interested in moving into Menominee county.

Present Action Being Taken: Menominee

The biggest project involves implementing programs and funds approved by the Office of Economic Opportunity. The program director reports that most of the projects affect the very young and school children.

Under the OEO program of community action (CAP), the Menominee have established a neighborhood youth corps (work projects), educational and recreational programs, and helped develop a county library (with 7000 volumes) and a county chamber of commerce.

More active interest is beginning to show among the Indians in community affairs such as with the Parent–Teachers Association and the advisory board of the Community Action Program (CAP). (The PTA had 41 members in 1964 and 130 in 1965, and it is now raising money for scholarships for Menominee students.)

Special programs under the CAP direction are "Operation Headstart," remedial reading classes for elementary students, a visiting teacher, a youth counselor, and after-school study centers with college students from Stevens Point working 3 nights a week conducting the study sessions in the county.

The business program of the county is reflected in the increasing use of available federal resources such as the Farm Home Administration (FHA) and Small Business Administration (SBA). During the past few years, 12 loans for development of small businesses were granted; the locally organized small business development center has also loaned funds to 4 individuals.

Loans amounting to more than $365,000 (for a total of 47) have been received from FHA for housing, plus $12,000 more (12 loans) for home improvement. Also, FHA has granted 8 loans for a total of $17,000 for the development of small businesses.

Other business activities include the growth of a strong labor union for the mill and highway employes.

Menominee attend numerous other meetings and consultations which are scheduled by state, federal, or private groups. In fact, such meetings—which are often uncoordinated among the many groups—take up a good deal of time for all concerned, yet these are a necessity if ideas are to be shared and explored.

Legislatively, Enterprise officials and county board members work to promote improvements through federal and state legislation. They appear at hearings with documented facts about the area's conditions and stay in contact with the Menominee Indian study committee, which is the constituted body to initiate state legislative action.

There are several projects being programmed for Menominee county by its leaders with outside help from state and federal officials, and there are programs in action now. In most cases, these outside interests offer the programs and funds, as well as technical assistance, if the Menominee will implement the plans.

[76] The first consultant was hired in 1963. He died in 1964 and the position was vacant until November, 1965.

CHAPTER III

SUMMARY

Although this report reveals many serious problems and deficiencies in Menominee county, substantial progress since termination has been made by the Menominee. They have expanded and modernized their lumber operation, organized local government, and established a lake development program with important tax potential. Also, Menominee Enterprises' acreage has been designated officially as a "tree farm," the largest in the state.[77]

Nevertheless, the mill's progress has been largely absorbed by increasing costs of government; the land program won't show income for several years, and thus the progress is not plainly "visible" to many Indians and those working with them.

Consequently, conditions in the county are reflected in "statistical" data which are sometimes used by the mass media to show the negative aspects of the county. Unfortunately, statistics can be used to show any side of a situation. In order to prepare an objective report of the Menominee situation, it is imperative that as many facts as possible be used to show all sides of the story. In the Menominee's case, however, most available reports covering the past 10 years show the negative viewpoints because these are the problems for which special efforts must be made by Menominee and state officials. At the same time, conflicting data are often found in reports. Therefore, it is somewhat understandable that negative aspects of the Menominee termination are the most widely publicized and known.

On the one hand, for example, by reviewing a chart of comparative costs and facts about Menominee county, little progress can be seen during the past 10-year period. In some areas, the situation looks worse today. Most noticeable is the large number of those on public welfare, of infant mortality rates, an exceptionally high tuberculosis rate, and a decrease in available full-time jobs in the area. (Table 18)

Meanwhile, there are added government costs each year with property taxes increasing and depleting the improved profits of the mill. The gradual shifting of elementary students from parochial to public schools means more expense will be incurred during the coming years, especially as federal aid for school purposes will end this school year (1965–1966).

Education is often considered the panacea for problems such as those facing the Menominee. It is one answer to their many worries, but it is not the panacea for the situation. With education, young Menominee must leave the county in order to find employment. This is a direct drain on the county's future human resources and draws competent young persons away who might have been able to take over some civic duties. As the older leaders reach the stage of having to advise, rather than be active themselves, they will discover a severe shortage among educated people willing to assume civic responsibilities.

A general feeling seems to prevail among many that by getting educated Menominee away from the county, this relocation will help those individual Menominee integrate into society and become

TABLE 18.—COMPARISON BETWEEN 1954 AND 1964

	1954 (Reservation Status)	1964 (County Status)
Population (non-census)	2677	2526
Median Income (400 employed families)	$2,300	$2,677
Median Education	8.4 years	8.4 years
% Attending Parochial Schools	80%	52%
% Attending Public Schools	20%	48%
Total Students	722	1028
Birth Rate	36.9 (per 1000)	43.4 (per 1000)
Infant Mortality Rates	62.7 (per 1000)	63.1 (per 1000)
Number of Jobs Available	717	420
% on Welfare	33%	14%
% Under 18	52%*	57.4%
% Over 65	4%	5%
% Unemployment	Not Available	18.1%
Net Profits of Mill	$326,000	$692,000

* Approximation: In 1950, 48% were 14 or younger.

Sources: *Menominee County Health Survey: A Profile of the Health Practices and Problems of the Indian Residents of Menominee County*, by the Charitable, Educational, and Scientific Foundation of the State Medical Society of Wisconsin, Aug. 15, 1964.

Termination of Federal Supervision over Certain Tribes of Indians, Joint Hearings Before the Subcommittees of the Committees on Interior and Insular Affairs, Congress of the U.S., 83rd Congress, 2d session, Part 6, Menominee Indians, Wis., March 10, 11, and 12, 1954, Washington.

Wisconsin Legislative Council's General Reports, 1957–1965.

[77] *Menominee Enterprise, Inc., Annual Report, 1965*, Neopit, Wis., page 3.

more productive. This may be true for those specific individuals, but the county suffers badly in the process. People are the common denominator of resource development, and therefore, population trends and their implications play an important role in the development of the area. A report of the Wolf River Basin Regional Planning Commission said:

"A changing and declining population can result in a shrinking tax base. A high percentage of population, retired and living on social security or pension funds, results in a reduction in median family income. This results in a reduction in revenue accruing to the area from state income tax. A generally decreasing population can also reduce the attractiveness of the area for new investment, or re-investment, that could strengthen the tax base."[78]

Therefore, while education plays a large part in the Menominee development, so does economic growth of the county. Without such growth, the former reservation members will have little hope for improvement in the economic or governmental structure of the county during future generations.

And after 10 years, the Menominee are the objects of continuous publicity, are still fighting for federal legislation to help them solve their problems, and are still explaining the results of "termination" to many of their own people.

It would seem there is a national interest involved in the success of Menominee county. If Menominee termination is a failure, then the self-confidence of other tribes in moving toward "full citizenship" will be injured, and the cost to taxpayers, and Indians, will prove to be an increasing burden. Consequently, active and aggressive state participation is in the interests of the Menominee as well as other Wisconsinites. It should be remembered, too, that after 1969 the latitude available to the state legislature to deal with the problem will be reduced, because the provisional status of the county will end and the county will become a permanent governmental unit unless Chapter 259, Laws of 1959, is repealed.

Previous studies have shown great concern about the structure of Menominee Enterprises, Inc., and its interrelation with the county's governmental organization. However, the basic fears expressed seem to have been unwarranted since the corporation has improved economically and thus helped sustain the county. Much of what is done within the county is based on the corporation's finances, but the government structure itself has remained, and continues to grow, as a separate entity. The continuing problem with the Enterprises and the Menominee people is obtaining capital to buy income bonds from those individuals not wishing to remain in the corporation. Much vocal opposition to the corporation is heard from this segment of Menominee, as well as from those who lost their jobs when the mills became more automated after termination.

On the other hand, the economic future of Menominee county is as dependent on the general economy of northern Wisconsin as it is on its own private development. Although the county faces serious financial problems, counties of non-Indian population have similar problems. The differences between Menominee county and other northern areas are that the county does have a vast resource base that other counties do not have, and the former reservation is considered "rural non-farm" and can even be classified as "urban" according to the U. S. census definitions.[79] Therefore, the county is often compared to more urban areas and falls short in many ways, especially where statistics are involved.

Comparison to Neighboring Counties

There is one particular figure used in Tables 19 and 20 which requires detailed explanation because of the confusion it can cause in relation to Menominee welfare costs. According to a bulletin published by the department of taxation,[80] Menominee county received $573,213 in "aids to county government" during fiscal 1964. However, of that amount, $505,256 was granted in return for Menominee Indian securities ($3000 income bonds) which were used by individual Menominee as collateral for the welfare department loans. (These loans were available from that special $1 million appropriation to be distributed by the department of public welfare as discussed in Chapter II.) Therefore, this portion of the $573,213 cannot be classified as true "county government aids." This means that $67,957 were actual aids.

Similarly, "welfare aids" were actually $37,836 rather than the $543,092 figure listed in the bulletin.

With these figures in mind, new computation must be made as to the true percentage reflecting the state aids and shared taxes paid to the county in comparison with their tax work performed. If the tax bulletin is used, Menominee county is shown receiving a high percentage of 254%. But if the actual aids and taxes are computed, excluding the Indian securities, the percentage is only 28% and therefore quite low.

There is one point to this situation that will remain obscured, however. What would the actual

[78] "Wolf River Basin Regional Planning Commission and Soil and Water Conservation District Supervisors Field Tour, July 9, 1964," Agriculture Extension Service, Antigo, Wis.

[79] "Low Income in Wisconsin: An Analysis of 1960 Census Data by County," Wisconsin Industrial Commission, May, 1964, page 1.

[80] *Taxes and Aids, 1964*, Wis. Dept. of Taxation, Bulletin No. 564, Nov., 1964.

TABLE 19.—MENOMINEE COUNTY IN COMPARISON WITH NEIGHBORING COUNTIES, 1964

	Shawano	Oconto	Langlade	Menominee
Land area in square miles	899	1,006	858	362
Population (1960)	34,351	25,110	19,916	2,606
% (familes) under $3000 (1960)	34.1%	34.3%	30.6%	74%*
Income rank in state	52nd	53rd	43rd	72nd (bottom)
1964 equalized valuation	$132,515,835	$101,174,295	$71,855,835	$16,886,280
Equalized real estate	$109,699,300	$ 83,360,600	$59,863,100	$15,378,000
Equalized personal property	$ 22,816,535	$ 17,713,695	$11,992,735	$ 1,507,480
Aids to local governments	$ 476,675	$ 499,567	$ 282,912	$ 25,483
Aids to county governments	$ 540,295	$ 529,603	$ 483,372	$ 67,957 ($573,213)†
Educational aids	$ 1,226,040	$ 1,807,640	$ 1,098,547	$ 11
Welfare aids	$ 269,247	$ 246,469	$ 251,541	$ 37,836 ($543,092)†
County TB sanatorium	$ 5,773	$ 8,574	$ 3,895	$ 19,094
Total aids and shared taxes received	$ 2,839,139	$ 2,561,241	$ 2,182,438	$ 112,900 ($618,156)†
State aids and shared taxes paid compared with tax work performed	186%	164%	197%	28% (254%)†

* Approximation, since 26% in 1964 earned more than $3000 (of total work force).
† $505,256 of Menominee income bonds included in figure in parentheses.
Sources: "Low Income in Wisconsin," Industrial Commission, Wis. State Employment Service, May, 1964.
Taxes and Aids, 1964, Wisconsin Dept. of Taxation, Bulletin 564, Nov., 1964.
The Wisconsin Blue Book, Wisconsin Legislative Reference Bureau, State Capitol, Madison, Wis., 1964.

percentage have been in fiscal 1964 had the bonding program (special loan fund) not existed? Most of the special fund went to individuals for personal needs rather than for business projects. Therefore, areas which may have normally required welfare aids were satisfied with these special loans. With no such loans in the future, the accurate percentage of returned state aids and shared taxes to Menominee county will be more revealing of the situation.

Table 20 shows Menominee county's position as compared to counties with statistics similar to the Indians' area. Forest and Florence counties have often been used as a measuring stick for the Menominee. It is shown here that except for tubercular costs and income, Menominee county is better off financially than Florence. The Indians have less land area but higher property valuations. With the new figures inserted for county and welfare aids, Menominee county appears better off economically than either of the other two counties.

CONCLUSIONS

Progress of Menominee Enterprises, Inc., to date provides the necessary foundation for further development (required to solve the basic poverty

TABLE 20.—COMPARISON OF FOREST, FLORENCE AND MENOMINEE COUNTIES, 1964

	Forest	Florence	Menominee
Land area (square miles)	1,010	489	362
Population (1960)	7,542	3,437	2,606
% Under $3000	34%	30%	74%
1964 equalized valuation	$22,885,715	$12,706,650	$16,886,280
Real Estate	$20,320,400	$11,636,500	$15,378,800
Personal Property	$ 2,565,315	$ 1,070,150	$ 1,507,480
Aids to local governments	$ 232,757	$ 112,130	$ 25,483
Aids to county governments	$ 357,398	$ 163,557	$ 67,957 ($573,213)*
Educational aids	$ 569,273	$ 221,627	$ 11
Welfare aids	$ 228,444	$ 93,028	$ 37,836 ($543,092)*
County TB sanatorium	$ 1,338	$ 1,029	$ 19,094
Total aids and shared taxes	$ 1,249,287	$ 568,935	$ 112,900 ($618,156)*
State aids and shared taxes paid compared with tax effort performed	316%	300%	28% (254%)*

* $505,256 of Menominee income bonds included in figure in parentheses.
Sources: *Menominee County Health Survey: A Profile of the Health Practices and Problems of the Indian Residents of Menominee County*, by the Charitable, Educational, and Scientific Foundation of the State Medical Society of Wisconsin, Aug. 15, 1964.
Termination of Federal Supervision over Certain Tribes of Indians, Joint Hearings Before the Subcommittees of the Committees on Interior and Insular Affairs, Congress of the U.S., 83rd Congress, 2d session, Part 6, Menominee Indians, Wis., March 10, 11, and 12, 1954, Washington.
Wisconsin Legislative Council's General Reports, 1957–1965.

problem) but the devices used to date, especially in relation to expanding lumber income, will not suffice in the years ahead. The essential conditions for the type of future development needed are precisely, (1) the relief from further substantial increases in property taxes on mill expansion funds, and (2) the necessary means for industrial, recreational and commercial developments outside of mill and lumber operations.[81]

The state and the Menominee still have a basic question to answer. Who should pay the price of bringing the Menominee area up to acceptable state standards? This question was asked in 1959 in a university report. The answer given was as follows:

"If the Menominee cannot finance the full cost of acceptable levels of service, neighboring communities and the state, directly or indirectly, will be expected to assume the financial burdens.[82] For example, lower health, welfare, and law enforcement standards will affect neighboring communities. Welfare and educational costs will be reflected in state aids or in state institutional costs.

"In taking the reservation into Wisconsin's government structure, the state's choice may not be whether financial assistance is to be given, but when it is to be given. A strong case can be made that the federal government has an obligation to bring standards of government facilities and services up to an acceptable state standard. The federal government is turning what amounts to a deficit area over to the state. The argument is that had federal programs been adequate in terms of Wisconsin standards, there would not be such large needs now. The question at that time is whether federal concern should not be extended farther than highway and education. If the argument can be made that people surrounding the Menominee should not have the unusual costs of termination as their burdens, the state of Wisconsin ought not be expected to bear them entirely, either."[83]

This summary has included several quotations from studies prior to termination. Volumes of material may be found from 1955–1959 on the future problems facing the Menominee Indian tribe after final termination. Predictions in several of those reports have proved to be remarkably accurate.

After coordinating and condensing the material in such reports, it is apparent that the knowledge, or information, about problem areas existed, but there were few long-range actions established to meet the transitional problems on both a federal and state level. The immediacy of the termination process caused an immediacy in state programs to the point that many things which "should" have been done were pushed aside for those things that "had" to be done. Preparing the Menominee socially and psychologically for their new situation could not be a major goal before 1961. There was too much to do preparing them governmentally and economically.

Immediacy has always been the crux of the problems for Menominee people during the past 10 years. The problem, evidently, has not changed today. There is an immediate need for capital, industry, jobs, and government leadership. The state's and federal government's roles now are to help satisfy that immediate need—but on a long-range basis.

Emergency legislation is definitely needed. However, the real answer to the Menominee crisis is having the chance to plan for more than one year at a time with enough capital to support those plans.

This report has attempted to review the termination of Menominee Indians. The 6-year struggle before termination and the 4-year struggle following it can be seen in statistics and reports. Reviewing the situation will be of no use, however, if this report is filed and forgotten. As with previous studies, specific proposals must be offered as a result of the reported material. It is hoped by the Menominee Indian study committee that this report will be the basis for recommendations for immediate action based on long-range goals, rather than the beginning of new studies.

RECOMMENDATIONS

It is assumed that while efforts must be made by state and federal governments to assist the Menominee, the county's people must also work harder to improve their situation. Otherwise, a dependent status will continue to remain as programs and plans are developed by government officials rather than by the Menominee themselves. Only with increased responsibilities can independence from "wardship" be accomplished. However, in attaining this responsibility, common understandings and mutual goals must be established. These must be reached by the Menominee since they are the ones closest to the situation and should be able to understand the problem areas more thoroughly.

The following recommendations are offered for consideration to the 1965 Wisconsin legislature, but they are also offered for review by various Menominee and government officials in planning possible application of programs to the county.

[81] Knight, *op. cit.* page 1.

[82] The state has appropriated $410,000 for specific use in establishing and helping maintain the new county. (Menominee Indian Study Committee—$30,000; tuberculosis—$80,000; highways—$300,000) Although Menominee bonds were received for the special $1 million administered by the department of public welfare, that amount can still be added to the appropriations made by the state for Menominee county's exclusive use. This makes a total of about $1.5 million appropriated by the state.

[83] Donoghue, 1959, *op. cit.*, page 34.

GENERAL RECOMMENDATIONS

1. Continuance of county status.
2. Active support of federal legislation beneficial to the county.
3. Encourage young persons to become active in local government and to learn the processes of governing units by establishing a "training" program especially geared to them. Invite them to various state meetings and consultations.
4. Investigate possibilities of receiving more assistance from the Office of Economic Opportunity.
5. Develop a long-range plan extending over a period of 10 years or more, in terms of which all of the various phases of economic development could be related to each other and to the basic goal of developing a higher standard of living.
6. Develop a "human relations" program to help the Menominee people to realize that, at the present time, the welfare of the Menominee depends essentially on the expansion and development of the Enterprises, and of other industrial and commercial enterprises within the county.
7. Establishment of a state park, if held to proportions not threatening the mill or tax-base considerations, might provide a nucleus around which a number of recreational activities could be developed.
8. Request a feasibility study by the U. S. department of commerce on the amount of money required to develop the timber resource to its highest level and to expand the present mill operations.
9. In general, plan a many-faceted program covering health, education, welfare, and economic aspects in the county, rather than concentrating on one specific area at a time, such as education, while other areas lack in programs.

SPECIFIC RECOMMENDATIONS

1. Industrial prospects who might be interested in locating in the county will desire specific information about tax prospects, labor supply, and available sites and materials. Therefore, factual materials reporting this information should be developed and published in printed form for distribution.
2. In 1967, the tuberculosis clinic now in Keshena will be closed. In view of this, the employment of a health aide in the county health service is necessary in a long-term control program. Generally, the aide would provide clerical and administrative assistance to the nursing services in all aspects of the program.
3. Investigate the possibility of improving the nursing home as discussed on page 33.
4. Develop self-help "urban renewal" projects in which sanitation is a prime target and individual health programs are developed.

APPENDICES

APPENDIX A—Pre-Termination History

APPENDIX B—History of Federal Legislation

APPENDIX C—State Legislation, 1955–1965

APPENDIX D—Miscellaneous Figures

APPENDIX E—Menominee Indian Study Committee—Membership and Meetings, 1955–1965

APPENDIX F—Menominee Indian Study Committee—Financial Record, 1957–1965

APPENDIX A

PRE-TERMINATION HISTORY

(The following is from the Legislative Council's *General Report, 1965,* Vol. II, pp. 117–118.)

The termination act closed a history of the legal relation between the Menominees as a reservation people and the United States, which began with the treaty of May 12, 1854.[1] On that date, the United States gave to the Menominees "to be held as Indian lands are held" a tract of land consisting of 12 townships (24 by 18 miles) on the Wolf river, which became the Menominee Indian reservation. In exchange, the Menominees ceded to the United States all of their lands west of the Mississippi river which had been given to them under a prior treaty of October 18, 1848.[2]

During the first years of the reservation's existence, the Menominees were subject solely to the "outside" law of the federal government and to their own tribal laws. The United States supreme court had held in 1832 that an Indian reservation was, in effect, a distinct nation within whose boundaries state law could not penetrate.[3] Hence, the Menominees as a tribal reservation people were actually a separate, self-governing entity except only as their tribal laws might be modified by federal regulation. This situation was not peculiar to the Menominees; it applied in general to all Indian tribes established on reservations.[4] The United States supreme court was careful to distinguish between the applicability of federal laws within a reservation as against the non-applicability of state laws, recognizing that "plenary authority over the tribal relations of the Indians has been exercised by Congress from the beginning,"[5] and that this authority could not be limited by treaty.[6]

In 1871, Congress prohibited the making of any further Indian treaties.[7] By 1880, the United States supreme court no longer considered Indian reservations to be separate nations as against the states; on the contrary, the reservations were held in many cases to be subject to state jurisdiction except as otherwise provided by federal law.[8]

In Wisconsin, the courts recognized generally that Indians on reservations were outside the effective scope of state criminal law. In a 1931 case, the Wisconsin supreme court reviewed thoroughly the pertinent federal statutes and court decisions, concluding that the Wisconsin courts were without jurisdiction to try an Indian for any offense committed by him while on a reservation.[9] However, the court had held in 1898 that a civil action by a white trader against a Menominee Indian for goods sold and delivered on the Menominee reservation was triable in the Wisconsin courts.[10]

In general, then, the Menominees were not subject to Wisconsin criminal law for offenses committed on non-patented lands within the reservation, but could be sued for civil liabilities. Their governmental relations and restrictions, other than those self-imposed, were therefore more with federal rather than state authority.

Such was the situation when legislation was introduced in Congress to terminate federal control over the Menominees.

---

[1] 10 Stats. p. 1064. This treaty was the first to establish an Indian reservation in Wisconsin.

[2] Stats. p. 952. No actual reservation was established by this treaty, although its intention was to relocate the Menominees on a large tract of ceded land in Minnesota. A Menominee "inspection committee" viewed the tract later, and reported that it was prairie land, not suitable for a woodland people. Consequently, the tribe asked to be allowed to remain in Wisconsin; hence, the 1854 treaty.

[3] *Worcester v. Georgia* (1832), 6 Pet. 515.

[4] Federal Indian Law, USID, p. 402 (1958). In *Ex Parte Crow Dog* (1883), 109 U. S. 556, which was a case involving the murder of one Indian by another Indian while on a reservation, the U. S. supreme court held that only the tribe could punish the murderer, because Congress had not at any time conferred jurisdiction upon any court to try the offense. This decision was abrogated for future cases by sec. 328, U. S. Rev. Stats. (1885).

[5] *Lone Wolf v. Hitchcock* (1903), 187 U. S. 553, 565.

[6] *Anderson v. Gladden* (9th Cir., 1961), 293 Fed. (2d) 463.

[7] 25 USC sec. 71.

[8] *Organized Village of Kake v. Egan* (1962), 369 U. S. 60.

[9] *State v. Rufus* (1931), 205 Wis. 317, overruling *State v. Doxtater* (1b79), 47 Wis. 2,8, which had held to the contrary. Cf. *State v. Johnson* (1933), 212 Wis. 301, holding that an enrolled tribal Indian hunting deer out of season upon fully patented land was subject to the state conservation laws, even though the patented land was situated within the boundaries of an Indian reservation, and the defendant resided therein. The reason is evident. If land within the reservation is "fully patented", i.e., completely alienable, it is no longer reserved for exclusive Indian use and occupancy, and is therefore legally not a part of the reservation. In order to constitute a "reservation" the land must be set apart by the federal government for exclusive Indian use and occupancy. See *Ward v. Race Horse* (1896), 163 U.S. 504, cited in *State v. Morrin* (1908), 136 Wis. 552.

[10] *Stacy v. LaBelle* (1898), 99 Wis. 520. LaBelle was an enrolled Menominee, and defended upon the ground that since he was an enrollee and the cause of action arose within the Menominee reservation, he was immune from suit in a state court. The Wisconsin supreme court observed that there appeared to be no federal statute or decision forbidding the exercise of state civil jurisdiction in the case. Cf. *Organized Village of Kake v. Egan*, supra, at p. 72.

64-408 O - 66 - 6

APPENDIX B

A HISTORY OF FEDERAL LEGISLATION[11]

Treaties Between the Menominee Tribe and the United States

Prior to 1817, the Menominee Indian Tribe occupied approximately 9,500,000 acres of land in Wisconsin and upper Michigan. The tribe entered into its first treaty with the United States at St. Louis on March 30, 1817. This was merely a treaty of peace and amity, but was followed by the treaties of Feb. 8, 1831 (7 Stat. 342), Oct. 27, 1832 (7 Stat. 405), Sept. 3, 1836 (7 Stat. 506), Oct. 18, 1848 (9 Stat. 952), May 12, 1854, (10 Stat. 1064)[12] and Feb. 11, 1856 (11 Stat. 679). By the treaty of 1854 and preceding ones, the Menominee tribe conveyed all except 12 townships of the original 9,500,000 acres. By the treaty of Feb. 11, 1856, the Menominee conveyed to the United States 2 townships to be used by the United States for the relocation of the Stockbridge–Munsee Indians and such others of the New York Indians as the U. S. might desire to remove to that location.

Acts of Congress Affecting the Menominee Indians

Forest Preservation: Act of June 12, 1890 (26 Stat. 146)

The act of June 12, 1890 (26 Stat. 146) represents the first legislation enacted by Congress relating to the Menominee tribe subsequent to the treaty of 1856. This act authorized the following:

1. Menominee Indians were employed by the agent to cut all or any portion of timber on the Menominee lands, scale and advertise it, and sell to the highest bidder, all under the direction of the agent and subject to approval by the secretary of interior.

2. Not to exceed 20 million board-feet of timber was to be logged and sold in any one year.

3. The United States advanced $75,000 for the expense of cutting, banking, scaling, running, advertising and selling, and for the pay of the superintendent and other employes. The United States was to be reimbursed from the first proceeds.

4. One-fifth of the net proceeds was to be deposited in the United States Treasury to the credit of the Menominee tribe, the remainder to be paid per capita or expended for the benefit of the tribe.

Act of March 28, 1908 (35 Stat. 51)

The act of March 28, 1908 (35 Stat. 51), provided:

1. The secretary of the interior was directed to cut and manufacture dead and down timber and fully matured and ripened green timber on the Menominee reservation.

2. The cut was not to exceed 20 million board-feet in any one year, except to care for dead and down timber in one designated section.

3. The secretary was directed to build, equip, and operate suitable sawmills for manufacturing lumber.

4. The lumber was to be sold to the highest bidder, the net proceeds to be deposited in the United States treasury at 4% interest, said interest to be used for the benefit of the Menominee tribe as prescribed by the secretary.

5. Necessary expenses of the lumber operations were to be paid from tribal funds.

Stumpage: Act of June 15, 1934 (48 Stat. 964)

This is an amendment to the act of March 28, 1908, and is known as the Stumpage Act. It directed the secretary of the interior to ascertain and fix the fair market stumpage value of the fully matured and ripened green timber cut on the Menominee reservation during each fiscal year. The secretary was directed to pay such amount in equal shares to members of the Menominee tribe after submitting such determinations to the Menominee General Council for advance review and approval.

[11] Sources: "Statement by Glen A. Wilkinson, attorney for Menominee tribe on H.R. 7135 and S 2813, *Termination of Federal Supervision over Certain Tribes of Indians, Joint Hearings before the Subcommittees of the Committees on Interior and Insular Affairs*, 83rd Congress, 2d session, March 10, 11, 12, 1954, Washington, D.C., pages 694–696.

Wisconsin Legislative Council's *General Reports*, 1957 through 1965.

[12] This treaty was the first to establish an Indian reservation in Wisconsin.

Indian Reorganization Act of June 18, 1934

Although the Menominee tribe voted to accept the Indian Reorganization Act, it never organized under the provisions of that act and has never operated pursuant to it.

Menominee Enrollment: Act of June 15, 1934 (48 Stat. 965), and Amendment Thereto

On June 15, 1934, Congress enacted a law providing for the enrollment of members of the Menominee tribe (48 Stat. 965). That act provided:

1. The secretary of the interior was directed to prepare a certified roll of members of the tribe, said roll to constitute the official roll.
2. Said roll was to automatically include the names of all persons then on the Menominee rolls and the secretary thereafter was to add names of those entitled to enrollment.
3. Any person not on the roll on June 15, 1934, was permitted to apply to the secretary for enrollment.
4. The secretary was, at the end of each fiscal year, to compile a list of all persons who had applied for enrollment during such fiscal year and was to certify such list to the general council of the Menominee tribe.
5. The Menominee tribe was authorized to investigate such applications and had 1 year to take action; thereafter, the secretary could take action.
6. No person was thereafter eligible for enrollment unless:
   (a) He possessed at least one-fourth Menominee Indian blood.
   (b) He was born of parents residing on the Menominee reservation, at least one of whom was an enrolled member by right or adoption.
   (c) Blood quantum of one-fourth or more was derived from persons who did not participate in the "halfbreed payment of 1849."[13]
7. Any applicant denied enrollment by the secretary had a right of appeal to the Federal district court.
8. The statute repealed any conflicting tribal enrollment customs.

The act of June 15, 1934, was amended by the act of July 14, 1939 (53 Stat. 1003). Whereas the act of June 15, 1934, had excluded descendants of those receiving "halfbreed" payments in 1849, this amendment made descendants of such persons eligible for enrollment. It also directed the secretary of the interior to determine the quantum of Menominee Indian blood of those on the basic roll approved Dec. 27, 1935, such determination to be final and conclusive.

Court of Claims: Act of Sept. 3, 1935 (49 Stat. 1085)

This act, as amended, constitutes the jurisdictional act which allowed the Menominee tribe to bring suit against the United States in the Court of Claims. Pursuant to this act, a number of suits were brought and resulted in a stipulated judgment for $8,500,000 entered on July 13, 1951.

Indian Claims Commission: Act of Aug. 13, 1946 (60 Stat. 1049)

This act authorized the Menominee tribe, like other tribes, to bring suit before the Indian claims commission on claims not already pending under the special Menominee jurisdictional act of 1935. Under this act, the Menominee tribe instituted suit to obtain just compensation for land taken for allegedly unconscionable consideration. This claim was dismissed as a part of the stipulated judgment of July 13, 1951.

Federal Employees' Compensation: Act of April 11, 1940 (54 Stat. 105)

This act extended the provisions of the Federal Employees' Compensation Act of Sept. 7, 1916 (39 Stat. 750) to employees of the Menominee Indian mills.

Withdrawal Bills

During the 82d Congress (1952), bills providing for payment of $1,000 to each enrolled member of the Menominee tribe were introduced. After a minor amendment, the bill introduced in the House was passed by the House, but there were no hearings and no action in the Senate.

Early in the 83d Congress, H.R. 2828, a bill to provide a per capita payment of $1,500 to each enrolled member of the Menominee tribe, was introduced. Hearings, at which representatives of the tribe were heard, occurred during March, 1953. On May 7, 1953, the secretary of the interior rendered a favorable report and soon thereafter H.R. 2828 was passed by the House.

Representatives of the Menominee tribe thereafter approached Sen. Arthur Watkins, chairman of the Senate Indian subcommittee, in an effort to obtain action in the Senate. Such representatives were advised by Sen. Watkins that he would not arrange for action on the bill until he obtained a commitment that the tribe would agree to withdrawal of federal supervision. The Menominee del-

[13] In the late 1840's a general policy was established allowing Indians to choose between tribal affiliation or becoming U. S. citizens. The Indians received payments as their share of tribal assets, settled complaints, and relinquished all rights to their tribal interest. In 1849, a group of Menominee composed predominantly of mixed parentage chose to accept the payments and become citizens. Thus, it was called the "half-breed" payment.

egates informed Sen. Watkins that they had no authority to commit the tribe to such legislation and invited the senator to visit the Menominee reservation to explain his attitude to the Menominee tribe. He accepted the invitation, attended a general council meeting on June 20, 1953, and, following his departure, the tribe adopted the June 20, 1953, resolution (for the "idea" of termination).

Thereafter, H.R. 2828 was amended by the Senate committee, passed the Senate and, as amended, was adopted by the conference committee. The conference report was adopted by the Senate but rejected by the House.

H.R. 7135 and S. 2813 were introduced by Sen. Joe McCarthy and Congressman Melvin Laird during the 84th Congress.

Menominee Termination Act: PL 83–399

H.R. 2828 resulted in PL 83–399 (25 USC, secs. 891–902) which provided for a per capita distribution of Menominee tribal funds and authorized the withdrawal of the Menominee tribe from federal jurisdiction. It also directed the tribe to prepare a plan for termination of federal supervision to be submitted to the secretary of the interior by Dec. 31, 1957.

Law and Order Jurisdiction: PL 83–280

Federal civil and criminal jurisdiction was changed by PL 83–280 (67 Stats., 588–589) which extended jurisdiction over Indian reservations to the state. The law became applicable to the Menominee reservation by PL 661 (68 Stats. 795) on Aug. 24, 1954 (18 USC 1162). This was not completed until October, 1956, however.

Amendment to the Stumpage Act: PL 84–721

PL 84–721, approved July 14, 1956, amended sec. 1 of the Stumpage Act to allow 22 million board feet of cutting rather than the 20 million as provided in the 1908 legislation.

Amendment to the Termination Act: PL 84–718

Sections 7 and 8 of the June 17, 1954, termination act were amended to read that protection of the Menominee forest on a sustained yield basis would be provided, and that transfer of title to all tribal lands and assets would be granted to a corporation or organization established by the tribe. This law, PL 84–718 (70 Stats., 549), was approved July 14, 1956.

Reimbursement for Termination Costs: PL 84–715

Also amending the termination act, PL 84–715 authorized payment by the federal government for costs of making certain studies necessary to assist the tribe in preparing for termination. [approved July 14, 1956 (72 Stats., 290)]

Termination Date Delayed: PL 85–488

PL 83–399 was further amended on July 2, 1958, by PL 85–488 (74 Stats., 867). This provided that dates for submission of a plan for future control of property and transfer of the tribe's property be delayed. Feb. 1, 1959, was set for the plan submission; Dec. 31, 1960, for final termination. The amendment also read that management specialists be hired by the tribe. A provision for reimbursement to the tribe for this activity stated that all expenditures incurred prior to Feb. 1, 1959, would be reimbursed with one-half of the expenses reimbursed thereafter. However, a maximum sum of $275,000 was set for total reimbursement.

Submission of Termination Plan: Jan. 26, 1959

Pursuant to sec. 896, Title 25, USC (sec. 7, PL 83–399), a plan was submitted by the tribe on Jan. 26, 1959, to the secretary of the interior and approved by him on July 31, 1959. As required by the termination act, it was published in the Federal Register on April 29, 1961—one day before final termination. (26 F. R. 3727–3755)

Federal Financial Aids: PL 87–432

Further efforts were made to extend the termination date and to obtain more financial assistance to the tribe during the transitional period following termination. PL 87–432 provided that termination would proceed at midnight on April 30, 1961, and that financial assistance be given for a transitional period of 5 years. A total amount of $660,000 was granted for contributions to joint school costs and $438,000 was authorized for construction of sanitation facilities being completed by the U.S. Public Health service.

Economic Opportunity Act

Although the Economic Opportunity Act, or poverty program, was not enacted specifically for the Menominee, it is federal legislation affecting the former tribe. About $6 million has been requested by the department of resource development and Shawano's joint school district number 8, of which $138,295 has been granted to the county. (A detailed chart of the request and grant is in section III of this report under "Present Action Being Taken.")

Federal Legislation Now Pending

H.R. 8034 and S. 1934, otherwise known as the Laird–Nelson companion bills, would provide the Menominee approximately $8 million in aids and loans. More details of this bill are also found under "Present Action Being Taken: Federal" in Chapter III of this report.

APPENDIX C

STATE LEGISLATION 1955–1965

1955 Legislature

Joint Resolution No. 72, A., on June 17, 1955, created the Menominee Indian Study Committee of the Joint Legislative Council. A 14-member committee was directed "to study the (transition) problems and develop specific recommendations and legislative proposals for presentation to the Joint Legislative Council so that it can introduce the necessary bills [at the opening of the 1957 legislature]."

Bill No. 775, A., relating to the supervision by the banking department of "the loan funds of any Indian tribe which are transferred to the custody of such tribe by the United States" was introduced on May 19, 1955, by the assembly committee on rules, and was published as Ch. 525, Laws of 1955, on August 9, 1955.

Bill No. 801, A., appropriated $5,000 to the study committee; it was introduced on June 10, 1955, by the assembly committee on rules, and was published as Ch. 596, Laws of 1955, on Aug. 24, 1955.

Joint Resolution No. 119, A., was introduced on October 5, 1955, by the assembly committee on rules to change the study committee membership from 14 to 16 by adding 1 member each from the state board of health and the governor's commission on human rights. It was concurred in by the senate on Oct. 6, 1955.

1957 Legislature

Bill No. 798, A., continuing the study committee, was introduced on May 29, 1957, by the joint committee on finance at the request of the legislative council. It was published as Ch. 464, Laws of 1957, on August 6, 1957. This became § 13.352, Wis. Stats.

Bill No. 543, S., introduced on May 2, 1957, would have created a division of Indian affairs within the state department of public welfare to co-ordinate the programs of health, education and welfare of Wisconsin Indians. It was indefinitely postponed by the senate on June 28, 1957.

1959 Legislature

Bill No. 598, S., creating Menominee county upon termination becoming final, was introduced by the legislative council on May 21, 1959, and was published as Ch. 259, Laws of 1959, on Aug. 7, 1959. This act also authorized a 5-year restriction on transfer of Menominee Enterprises' stock certificates by their Menominee owners (§ 231.45, Wis. Stats.)

Joint Resolution No. 62, S., memorializing Congress relating to termination of federal control over the Menominee tribe, was introduced on May 21, 1959, by the legislative council, and was enrolled as Joint Resolution 31 on June 18, 1959. Joint Resolution No. 80, A., also memorializing Congress relating to federal control termination, was introduced on May 27, 1959 by the legislative council, and was enrolled as J.R. 40, June 18, 1959.

Bill No. 891, A., a companion bill to No. 598, S., relating to the creation of Menominee county, was introduced on May 27, 1959, by the legislative council. It was indefinitely postponed by the assembly on July 25, 1959, due to the enactment of Bill No. 598, S.

Bill No. 892, A., providing a new method of taxation of Menominee forest lands required by the federal termination act to be operated on a sustained yield basis, was introduced on May 27, 1959, by the legislative council, and was published as Ch. 258, Laws of 1959, on August 6, 1959.

Bill No. 893, A., relating to shared taxes held in escrow for the Menominee Indian reservation, was introduced by the legislative council on May 27, 1959, and was published as Ch. 260, Laws of 1959, on August 7, 1959.

Bill No. 599, S., a companion bill to No. 892, A., relating to the method of taxation of the sustained yield forest, had been introduced by the legislative council on May 21, 1959. It was indefinitely postponed by the senate on July 25, 1959, due to the enactment of Bill No. 892, A.

Bill No. 600, S., a companion bill to No. 893, A., had also been introduced by the legislative council on May 21, 1959. It related, as did Bill No. 893, A., to shared taxes held in escrow for the Menominees. It was indefinitely postponed by the senate on July 25, 1959, due to enactment of Bill No. 893, A.

Joint Resolution No. 65, S., introduced on June 3, 1959, would have directed the Menominee Indian study committee to make an interim study with respect to the adoption of a policy relative to public access to the Menominee reservation. It was re-

called from the joint committee on finance and rejected by the senate on June 18, 1959.

On June 22, 1959, Joint Resolution No. 76, S., was introduced by the senate committee on legislative procedure memorializing Congress to repeal the federal termination act. While the resolution was pending in the senate committee on labor, taxation, insurance and banking, Joint Resolution No. 79, S., a companion to Joint Resolution No. 76, S., was introduced on July 2, 1959, and was enrolled on July 23, 1959. Consequently, Joint Resolution No. 76, S., was recalled from the senate committee and rejected by the senate on July 25 1959.

1961 Legislature

The 1961 session saw a small reduction in pertinent proposals for consideration. Bill No. 53, S., creating § 224.10 (1) (c), Wis. Stats., relative to the administration of the Menominee Indian tribe loan fund after termination, was introduced on January 24, 1961, by the legislative council, and was published as Ch. 83, Laws of 1961, on May 27, 1961.

Bill No. 54, S., to renumber § 20.520 (5) and to create § 20.520 (5) (b), Wis. Stats., relative to an appropriation to assist the Menominees in the establishment of the Menominee county government, was introduced on January 24, 1961, by the legislative council, and was published as Ch. 6, Laws of 1961, on March 8, 1961.

Bill No. 52, S., to amend § 70.057, Wis. Stats., relating to federal control over the Menominees, was introduced on January 24, 1961, by the legislative council and was published as Ch. 46, Laws of 1961, on May 9, 1961.

Bill No. 153, S., relating to the computation of the first highway allotments for Menominee county and town, was introduced on February 9, 1961, by the senate committee on highways, and was published as Ch. 115, Laws of 1961, on June 13, 1961.

Resolution No. 19, A., relating to the birth of Menominee county as Wisconsin's 72d county, was introduced on May 3, 1961, by the entire membership of the assembly, and was adopted on the same day.

Joint Resolution No. 117, A., urging the congressional conference committee on H.R. 4130 to adopt the provisions of the house bill, was introduced on July 17, 1961, by the assembly committee on rules, and was concurred in by the senate on July 24, 1961. Its distribution was held up on July 28, 1961, for Joint Resolution No. 93, S., which was a companion to Joint Resolution No. 117, A. No. 93, S. had been introduced on July 27 1961, and became enrolled on August 7, 1961, as Joint Resolution 67.

1963 Legislature

In the 1963 session, there was an increase in Menominee proposals. Bill No. 34, A., to create § 65.90 (7), Wis. Stats., relating to the anticipation of revenues by the town of Menominee under the budget provisions in § 65.90 (1) and (2), was introduced on January 15, 1963, by the legislative council and was published as Ch. 38, Laws of 1963, on April 30, 1963.

Bill No. 356, A., relating to the selection of supervisors in counties containing a single town, was introduced on February 28, 1963, and was published as Ch. 375, Laws of 1963, on October 8, 1963.

Bill No. 526, S., relating to the hunting and fishing rights of the Menominee tribe, was introduced on April 25, 1963, at the request of the trustees of Menominee Enterprises. It was indefinitely postponed by the senate on August 2, 1963.

Joint Resolution No. 50, S., was introduced on April 25, 1963, at the request of the trustees of Menominee Enterprises. It authorized the state investment board to purchase $3 million of Menominee Enterprises' bonds. It was concurred in by the assembly on July 23, 1963.

Bill No. 2, S., to create § 20.670 (5) and 49.70, Wis. Stats., relating to a welfare program for the owners of Menominee Enterprises securities by authorizing the state department of public welfare to lend up to $1 million to Menominee for welfare purposes on the security of their income bonds to that amount, was introduced on December 11, 1963, at the request of the governor. It was enacted and published as Ch. 2 of special session Laws of 1963, Jan. 7, 1964.

Bill No. 888, A., to create § 20.550 (9), Wis. Stats., appropriating $80,000 to Menominee county to assist in paying for operating costs because of an unexpected high level in active TB cases, was introduced on April 16, 1964, by the joint committee on finance at the request of the governor. It was published as Ch. 546, Laws of 1963, on June 2, 1964, effective June 3, 1964.

Bill No. 858, A., directing the state investment board to purchase bonds of the Menominee corporation from the general fund in an amount not exceeding $3 million in the aggregate.

On Jan. 1, 1964, the income bonds of Menominee Enterprises, Inc., held by members of the Menominee tribe became freely transferable. The statutes [§ 231.45, Wis. Stats.] contained the provision that when the options on the bonds came up, the corporation would have the first option to buy them, and if not purchased by the corporation, the option would be assigned to the state and could be purchased by the state investment board.

It was reported to the Menominee Indian study committee by Mr. Frederick Sammond, attorney for Menominee Enterprises, Inc., that the corporation was not in a position to buy back the bonds

and was interested in assigning its options to the state.

The committee unanimously approved the proposal to direct the investment board to purchase the income bonds in an amount not exceeding $3 million. This recommendation was introduced as Bill No. 858, A., in the November session of the 1963 legislature by an assembly member of the MISC. The bill passed both houses of the legislature, but was vetoed by the governor because Ch. 2, Laws of 1963 special session, related to a similar problem and could be used by the Menominee.

Bill No. 890, A., establishing representation of Menominee county on the Menominee Indian study committee. Ch. 522, Laws of 1963, provides that the committee include a member named by the Menominee county board and any expenses incurred by Indian representatives in performing their functions on the committee. The expenses may be paid by the legislative council from appropriate funds under its administration.

Bill No. 891, A., raising the annual maximum limit on Indian scholarships granted by the department of public instruction. Chap. 545, Laws of 1963.

Scholarships to Wisconsin institutions of higher education for Indians living on taxable lands are supplied through matched state and federal funds and administered by the department of public instruction. The money for this program amounts to $14,000 each year from the federal government, matched by the state, or $28,000. The maximum amount that could be given to an applicant was $600 per year.

The committee unanimously supported raising the maximum limit per student to $900 annually and Bill No. 891, A., containing the committee's recommendations, was introduced at the 1964 session of the 1963 legislature.

Bill No. 892, A., making an additional appropriation of $5,000 as a nonlapsible sum to the legislative council for its activities in behalf of the Menominee Indians. Ch. 547, Laws of 1963.

The funds were for compensation for a consultant to Menominee county.

1965 Legislature

Bill No. 300, S., restraining the alienation of any bond, stock, certificate of interest, voting trust certificate or other security issued by the Menominee corporation for a period not to exceed 10 years. Menominee Enterprises, Inc., securities become negotiable on Jan. 1, 1966. Consequently, officials of the corporation issued ballots for the Menominee people to vote on extending this negotiable date for 5 additional years. Of the 327,000 shares among the Menominee, 214,540 voted for the extension. (Each enrolled Menominee owns 100 shares.) Only "yes" votes were requested with the assumption that non-returned ballots represented "no" votes.

The proposal to restrict security sales was approved by the study committee and was introduced amending § 231.45, Wis. Stats. It became Ch. 156, Laws of 1965.

Although restraining the sale of the corporation's securities until 1971, the bill does not prohibit the transfer by will or operation or law upon the death of the owner of any such security, but may provide for an option to the Menominee corporation upon such transfer. If the corporation fails to purchase the security, the state of Wisconsin investment board will be given the same purchasing option.

Bill No. 323, S., relating to an appropriation of $300,000 to the state highway commission for an emergency highway work program in Menominee county. It became Ch. 395, Laws of 1965.

Bill No. 359, A., relating to state aid to tuberculosis sanatoria. Approved by the MISC, this measure would pay any sanatorium costs over the total amount paid by the county based on a graduated formula. Each county is responsible for its TB costs in the amount of $500 per million dollars of the county's assessed valuation and the state will pay costs over this figure. Based on tuberculosis costs for 1964, this medical bill would have cost $99,000, and Menominee county would have received $67,000 of this figure. It is primarily a bill for the benefit of Menominee county, but it may benefit about 6 other counties as well.

The bill amends § 50.40 (7) (b), Wis. Stats., and creates § 50.40 (7) (d), Wis. Stats. It became Ch. 419, Laws of 1965, on Dec. 1, 1965.

Bill No. 595, A., became Ch. 287, Laws of 1965, on Sept. 29 1965. This measure provides for the vocational education of Indian students, the aid not to exceed $800 per individual student. This would be administered by the state board of vocational and adult education. The purpose of the bill is to provide approximately $20 per week for room and board for the Indian student while he attends school.

Bill No. 914, A., amends § 20.650 (2) by changing the total amount for Indian college scholarships from $14,000 per year (from state funds) to *sum sufficient*. The bill became Ch. 285, Laws of 1965, on Sept. 29, 1965.

Bill No. 725, A., would amend the same sections as 359, A., but with one restriction: that such payments go to counties with only one town. This

would make Menominee county the sole beneficiary of such legislation at the present time. This bill also passed the assembly but was laid on the table for reconsideration after passage of 359, A.

Bill No. 918, A., is an act to create § 176.05 (21) (e), Wis. Stats., relating to the liquor license quota of the town of Menominee. Introduced on July 9, 1965, the bill had a public hearing on July 20 with no further action taken.

Bill No. 905, A., is an act to amend § 59.475, Wis. Stats., to permit the electors of Menominee county to vote for the district attorney of Shawano county when he also serves as district attorney for Menominee county. (Menominee county now pays ⅓ of the Shawano county district attorney's salary.) The bill was passed by the assembly Oct. 8, 1965, and sent to the senate. It was referred to the senate committee on judiciary Oct. 21.

APPENDIX D

MISCELLANEOUS FIGURES

FIGURE 1.—ORGANIZATION OF MENOMINEE INDIAN TRIBAL GOVERNMENT, MARCH, 1956

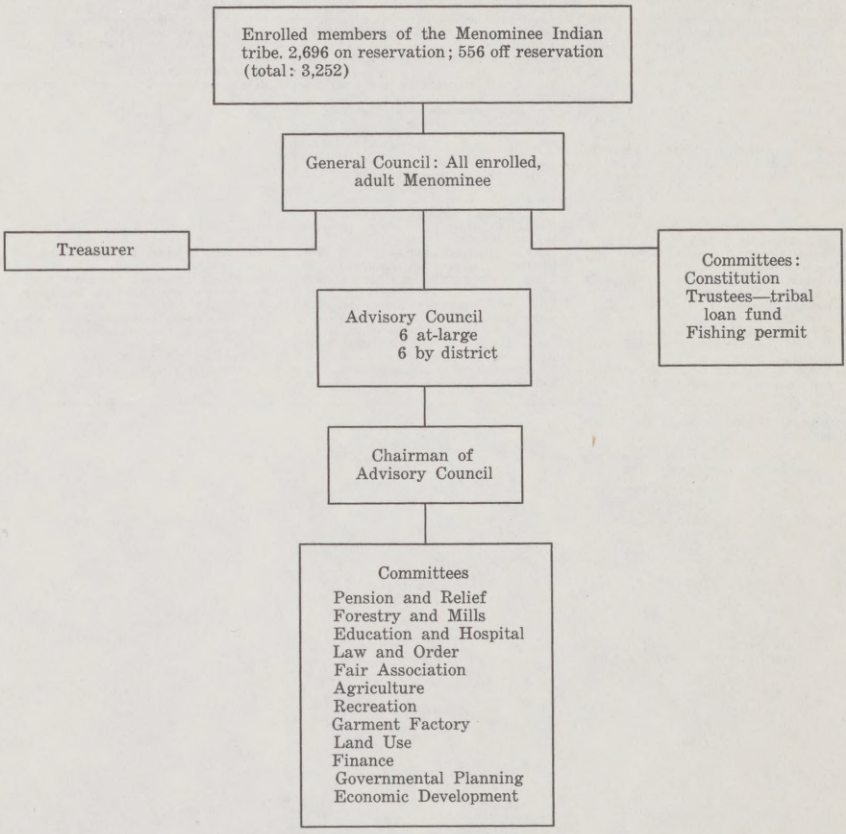


FIGURE 2.—SEVERAL ADVANTAGES AND DISADVANTAGES IN FORMING LOCAL GOVERNMENT ON THE MENOMINEE INDIAN RESERVATION

ADVANTAGES

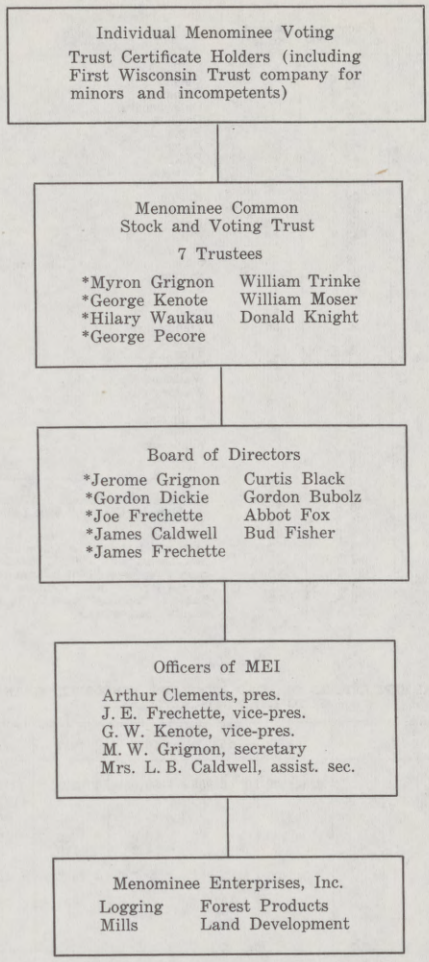
Of Forming One County	Attaching to Another County	Remaining in Oconto and Shawano
1. Better control of local taxes 2. Better protection of tribal assets 3. Avoid unequal representation in County Government 4. Years of experience would provide better understanding of local problems 5. Possibly avoid competing interests (agriculture v. forest affairs) 6. Possible representation in State assembly (legislation needed) 7. No split of responsibility in County Government 8. Control of county ordinances (zoning, etc.) 9. One administration of tax kick-backs from state	1. Government structures, including facilities, already established 2. Availability of trained personnel, including lawyers, social workers, etc. 3. Avoid responsibility of working out school problems (districting etc. by county school committee) 4. Relieve ourselves of responsibility of governing 5. No split of responsibility in County government 6. Probably less expensive than having our own county	1. No need for legislative action to form county or counties 2. Government structures, including facilities, already established 3. Availability of trained personnel, including lawyers, social workers, etc. 4. Avoid responsibility of working out school problems (school districting by county school committee, etc.) 5. Relieve ourselves of responsibility of governing

DISADVANTAGES

1. Lack of experienced personnel to begin with, especially lawyers 2. School districting problem to work out, alone or with other counties 3. Capital investment in setting up plant for County Government 4. Assume responsibility for County Government 5. Responsibility for collection of taxes 6. Probably more expensive than belonging to another county 7. Need for legislative action to establish one county by state legislature	1. Need for action by state legislature to establish authority. 2. Need for referendum in county to which we propose to join (outcome unknown) 3. Unequal representation in County Government 4. Little voice in control of county and school district taxing 5. Possible disinterest in forest affairs 6. No local control of zoning and districting 7. No control of county ordinance making 8. No local control of administration of tax kick-backs from State	1. Unequal representation in County Government 2. Little voice in control of County and school district taxing 3. Possible disinterest in forest affairs 4. No local control of zoning and districting 5. No control of county ordinance making 6. Split in county Government may affect local planning and administration in all affairs 7. No local control of administration of tax kick-backs from State

Source: Menominee News, May 9, 1958.

FIGURE 3.—OWNERSHIP AND DIRECTION OF MENOMINEE ENTERPRISES, INC.



Source; *Menominee News*, vol. 1, #5, MEI, Oct. 10, 1961, pp. 3–4. Revised names for 1965 from *Menominee News*, MEI, Sept. 24, 1965, page 5. MEI *Annual Report*, 1965, Neopit, Wis.

* Menominee members.

FIGURE 4.—PERCENT AND RANK OF ALL FAMILIES INCOME UNDER $3000, BY COUNTY

County	Percentage under $3000	Rank in State
Adams	44.0%	33
Ashland	27.4	38
Barron	32.7	28
Bayfield	38.0	11
Brown	12.6	67
Buffalo	35.4	18
Burnett	48.2	2
Calumet	19.3	54
Chippewa	24.8	42
Clark	39.8	9
Columbia	24.1	45
Crawford	36.9	14
Dane	12.8	66
Dodge	20.1	51
Door	28.3	35
Douglas	20.3	50
Dunn	35.1	19
Eau Claire	17.1	57
Florence	30.0	32
Fond du Lac	18.1	56
Forest	34.0	23
Grant	33.5	25
Green	23.8	47
Green Lake	23.8	46
Iowa	36.0	16
Iron	23.3	48
Jackson	42.0	7
Jefferson	19.8	53
Juneau	32.7	29
Kenosha	10.3	69
Kewaunee	25.4	41
La Crosse	16.7	58
Lafayette	31.4	30
Langlade	30.6	31
Lincoln	24.6	43
Manitowoc	13.6	62
Marathon	20.0	52
Marinette	27.5	36
Marquette	37.7	12
MENOMINEE*	74.0*	1
Milwaukee	9.8	70
Monroe	27.5	37
Oconto	34.3	21
Oneida	22.4	49
Outagamie	13.0	65
Ozaukee	8.8	71
Pepin	34.6	20
Pierce	27.3	39
Polk	33.4	26
Portage	24.6	44
Price	36.4	15
Racine	10.7	68
Richland	37.5	13
Rock	14.0	61
Rusk	35.7	17
St. Croix	25.8	40
Sauk	29.4	33
Sawyer	42.8	4
Shawano	34.1	22
Sheboygan	14.5	60
Taylor	42.2	5
Trempealeau	34.0	24
Vernon	42.1	6
Vilas	33.1	27
Walworth	19.2	55
Washburn	38.5	10
Washington	13.3	63
Waukesha	8.7	72
Waupaca	28.7	34
Waushara	40.2	8
Winnebago	13.3	64
Wood	16.0	59

Source: "Low Income in Wisconsin: An Analysis of 1960 Census Data by County," Wis. Industrial Commission, May, 1964.

*Menominee county was not included in the 1960 U. S. census upon which the above figures are based because the county was not formed until 1961. Therefore, the figure for Menominee county represents 1964 information and it should be noted that figures for the other counties may have changed since 1960. Table 21 "Sources" were the bases for determining Menominee county's percentage.

FIGURE 5.—FEDERAL EXPENDITURES ON ROAD PROGRAMS, MENOMINEE INDIAN RESERVATION, 1954 TO 1961, BY FISCAL YEARS

	1954	1955	1956	1957	1958	1959	1960
Construction	$ 34,832	$ 55,985	$ 86,501	$103,574	$111,422	$ 93,976	$171,511
Bridge, Feet					126	160	264
Grade and Drain, Miles	1.4	3.2	3.1	4.3	5.7	4.1	5.6
Surface, Miles	6.7		2.0	7.2	6.1	3.2	10.3
Survey and Plans, Miles		5.4	8.2	11.2	8.0	5.5	12.3
Maintenance	$ 34,436	$ 30,962	$ 32,729	$ 45,268	$ 40,224	$ 66,575	$ 41,105
Regular, Miles	102	102	94	90	90	83	88
Occasional, Miles	96	96	99	96	96	96	90
Heavy, Miles	2	2	4	3	2		

Note: A similar breakdown of state expenditures on road programs is difficult to show, since money was paid to the counties of which the reservation was a part. According to a formula worked out by the state highway commission, state expenditures for the reservation from 1954–1961 totaled $233,710.97. (Letter to the Menominee Indian Study Committee, Aug., 1965.)

Source: Letter to Menominee Indian Study Committee, Bureau of Indian Affairs, Dept. of the Interior, Washington, D. C., Aug., 1965.

APPENDIX E

MENOMINEE INDIAN STUDY COMMITTEE —MEMBERSHIP AND MEETINGS 1955–1965

MENOMINEE INDIAN STUDY COMMITTEE

1955–57 Biennium

OFFICERS

Chairman
VERNON W. THOMPSON
Attorney General
Madison

Vice-Chairman
Senator HUGH M. JONES
Wausau

Secretary
JAMES G. FRECHETTE
Menominee Indian Advisory Council
Keshena

LEGISLATIVE MEMBERS

Assemblyman REUBEN LAFAVE
Oconto

Assemblyman ROBERT G. MAROTZ
Shawano

PUBLIC MEMBERS

CHARLES W. AHNER
State Highway Commission
Madison

MRS. REBECCA C. BARTON
Governor's Commission on Human Rights
Madison

DR. ALLAN FILEK
State Board of Health
Madison

BERNARD GRIGNON
Menominee Indian Advisory Council
Keshena

H. W. HARDER
State Department of Taxation
Madison

GEORGE M. KEITH
State Department of Public Welfare
Madison

ARTHUR H. SCHULTZ
Shawano County Board
Shawano

OSCAR SORENSEN
Oconto County Board
Oconto

GEORGE E. SPRECHER
State Conservation Commission
Madison

GEORGE E. WATSON
State Supt. of Public Instruction
Madison

HILARY WAUKAU
Menominee Indian Advisory Council
Keshena

63

JUL 25 1966
MANHATTAN, KANSAS

MENOMINEE INDIAN STUDY COMMITTEE—Advisory Groups

1955–57 Biennium

UNIVERSITY OF WISCONSIN ADVISORY COMMITTEE

Chairman
BURTON FISHER
Department of Sociology
Madison

JAMES R. DONOGHUE
Department of Political Science
Madison

BURTON W. KREITLOW
Department of Education
Madison

LOUISE A. YOUNG
Home Economic Extension
Madison

TRIBAL ECONOMIC STUDY GROUP

RAY A. BROWN
Law School
Madison

W. D. KNIGHT
School of Commerce
Madison

CHARLES W. LOOMER
College of Agriculture
Madison

COUNTY AND LOCAL GOVERNMENT STUDY GROUP

JAMES R. DONOGHUE
Department of Political Science
Madison

LLOYD W. WOODRUFF
Bureau of Government,
Extension Division

Note: All of the above committee members called upon their colleagues in the various departments of the university for assistance as needed.

BUSINESS ADVISORY GROUP

C. H. BLANCHAR
Roddis Plywood Corporation
Marshfield

R. W. DICKINSON, Manager
Menominee Indian Mills
Neopit

F. J. DVORAK
Marathon Corporation
Menasha

W. D. KNIGHT
School of Commerce
University of Wisconsin
Madison

CHARLES W. LOOMER
College of Agriculture
University of Wisconsin
Madison

A. E. SWANKE
Tigerton Lumber Company
Tigerton

ARLIE TOOLE
Lake States Forest
Experiment Station
University of Minnesota
St. Paul

LAW AND ORDER GROUP

JOHN H. BOWERS
Law Examiner
Attorney General's Office
Madison

ROBERT CARNES
State Department of
Public Welfare
Madison

LLOYD WOODRUFF
Bureau of Government
Extension Division
University of Wisconsin
Madison

MENOMINEE INDIAN STUDY COMMITTEE

1955–57 Biennium

OFFICERS

Chairman

STEWART HONECK
Public Member
Attorney General
Madison

Vice-Chairman

HUGH M. JONES
Senate Member
Oconto

JAMES G. FRECHETTE
Public Member
Menominee Indian
Advisory Council
Keshena

ASSEMBLY MEMBERS

REUBEN LAFAVE
Oconto

ROBERT G. MAROTZ
Shawano

PUBLIC MEMBERS

CHARLES W. AHNER
Highway Commission
Madison

ARTHUR H. SCHULTZ
Shawano County Board
Shawano

MRS. REBECCA C. BARTON
Governor's Commission on
Human Rights
Madison

OSCAR SORENSEN
Oconto County Board
Oconto

BERNARD GRIGNON
Menominee Indian
Advisory Council
Keshena

GEORGE E. SPRECHER
Conservation Commission
Madison

H. W. HARDER
Department of Taxation
Madison

DR. ARTHUR L. VAN DUSER
State Board of Health
Madison

GEORGE M. KEITH
Department of Public Welfare
Madison

GEORGE E. WATSON
Supt. of Public Instruction
Madison

HILARY WAUKAU
Menominee Indian
Advisory Council
Neopit

Note: The November, 1958 election effected several changes in committee membership. Attorney General Stewart Honeck and Senator Hugh M. Jones were not re-elected, Robert G. Marotz, the former speaker of the assembly, retired from public office and Assemblyman Reuben LaFave was elected to the senate. Assmblymen Theodore Abrahamson and John R. Gray were added to the committee. At the January 23, 1959 meeting John W. Reynolds, the new attorney general, was elected chairman, and Senator LaFave was elected vice-chairman.

MENOMINEE INDIAN STUDY COMMITTEE—Advisory Groups

1957–59 Biennium

UNIVERSITY OF WISCONSIN ADVISORY COMMITTEE

Chairman
BURTON R. FISHER
Professor of Sociology

DAVID W. AMES
Assistant Professor
of Anthropology

RAY A. BROWN
Professor of Law

JAMES R. DONOGHUE
Director
Bureau of Government

W. DONALD KNIGHT
Director
Business Research

BURTON W. KREITLOW
Professor of Education

CHARLES W. LOOMER
Associate Professor of
Agricultural Economics

BUSINESS ADVISORY GROUP

C. L. BLANCHAR
Roddis Plywood Corp.
Marshfield

R. W. DICKINSON
Menominee Indian Mills
Neopit

W. D. KNIGHT
School of Commerce
University of Wisconsin
Madison

CHARLES W. LOOMER
College of Agriculture
University of Wisconsin
Madison

JOHN D. MYLREA
Wausau

HOWARD PALMQUIST
Marathon Division of
American Can Company
Menasha

A. E. SWANKE
Tigerton Lumber Company
Tigerton

ARLIE TOOLE
Lake States Forest
Experiment Station
University of Minnesota
St. Paul, Minnesota

64-408 O - 66 - 7

MENOMINEE INDIAN STUDY COMMITTEE

1959–61 Biennium

OFFICERS

Chairman
JOHN W. REYNOLDS
Public Member
Madison

Vice-Chairman
REUBEN LAFAVE
Senate Member
Oconto

Secretary
JAMES G. FRECHETTE
Public Member
Keshena

ASSEMBLY MEMBERS

THEODORE ABRAHAMSON
Tigerton

JOHN R. GRAY
Antigo

PUBLIC MEMBERS

MRS. REBECCA C. BARTON
Governor's Commission on Human Rights
Madison

V. L. FIEDLER
Highway Commission
Madison

BERNARD GRIGNON
Menominee Indian Advisory Council
Keshena

H. W. HARDER
Department of Taxation
Madison

GEORGE M. KEITH
Department of Public Welfare
Madison

ARTHUR H. SCHULTZ
Shawano County Board
Shawano

OSCAR SORENSEN
Oconto County Board
Oconto

GEORGE E. SPRECHER
Conservation Commission
Madison

DR. ARTHUR L. VAN DUSER
State Board of Health
Madison

GEORGE E. WATSON
State Superintendent of Public Instruction
Madison

HILARY WAUKAU
Menominee Indian Advisory Council
Neopit

MENOMINEE INDIAN STUDY COMMITTEE—Advisory Groups

1959–61 Biennium

COMMITTEE ON PUBLIC ACCESS

LEGISLATIVE MEMBERS

REUBEN LAFAVE
Senate Member
Oconto

JOHN R. GRAY
Assembly Member
Antigo

PUBLIC MEMBERS

LLOYD G. ANDREWS
Attorney for Menominee Indian Tribe
Shawano

JAMES G. FRECHETTE
Menominee Indian Advisory Council
Keshena

JOHN BOWERS
Assistant Attorney General
Madison

BERNARD GRIGNON
Menominee Indian Advisory Council
Keshena

E. J. VANDERWALL
Conservation Commission
Madison

MENOMINEE INDIAN STUDY COMMITTEE

1961–63 Biennium

OFFICERS

Chairman
JOHN W. REYNOLDS
Attorney General
Public Member
Madison

Vice-Chairman
REUBEN LAFAVE
Senate Member
Oconto

Secretary
JAMES G. FRECHETTE
Public Member
Keshena

ASSEMBLY MEMBERS

THEODORE ABRAHAMSON
Tigerton

JOHN R. GRAY
Antigo

PUBLIC MEMBERS

MRS. REBECCA C. BARTON
Governor's Commission on Human Rights
Madison

V. L. FIEDLER
Highway Commission
Madison

BERNARD GRIGNON
Menominee Enterprises Corp.
Keshena

H. W. HARDER
Department of Taxation
Madison

GEORGE M. KEITH
Department of Public Welfare
Madison

ANGUS B. ROTHWELL
State Superintendent of Public Instruction
Madison

ARTHUR H. SCHULTZ
Shawano County Board
Shawano

OSCAR SORENSEN
Oconto County Board
Oconto

GEORGE E. SPRECHER
Conservation Commission
Madison

DR. ARTHUR L. VAN DUSER
State Board of Health
Madison

HILARY WAUKAU
Menominee Enterprises Corp.
Neopit

MENOMINEE INDIAN STUDY COMMITTEE

1963–65 Biennium

OFFICERS

Chairman
GEORGE THOMPSON
Attorney General
Madison

Vice-Chairman
REUBEN LAFAVE
Senate Member
Oconto

Secretary
JAMES G. FRECHETTE
Menominee Representative
Keshena

ASSEMBLY MEMBERS

THEODORE ABRAHAMSON
Tigerton

LLOYD BAUMGART
Lena

PUBLIC MEMBERS

V. L. FIEDLER
Highway Commission
Madison

BERNARD GRIGNON
Menominee Representative
Keshena

H. W. HARDER
Department of Taxation
Madison

GEORGE M. KEITH
Department of Public Welfare
Madison

ANGUS B. ROTHWELL
State Superintendent of Public Instruction
Madison

ARTHUR H. SCHULTZ
Shawano County Board
Shawano

OSCAR SORENSEN
Oconto County Board
Oconto

GEORGE E. SPRECHER
Conservation Commission
Madison

DR. ARTHUR L. VAN DUSER
State Board of Health
Madison

HILARY WAUKAU
Menominee Representative
Neopit

DR. G. AUBREY YOUNG
Governor's Commission on Human Rights
Madison

Note: New officers and committee members were named to the Menominee Indian Study Committee after the 1964 general election. On January 22, 1965, Senator Reuben LaFave was elected chairman of the committee with the attorney general becoming vice-chairman. Mr. Bronson LaFollette replaced Mr. George Thompson as attorney general, Mr. Herbert Grover replaced Mr. Theodore Abrahamson as an assembly member and Mr. Willis Hutnik replaced Mr. Lloyd Baumgart as an assembly member.

SPECIAL ADVISORY COMMITTEE TO THE ATTORNEY GENERAL

1963–65 Biennium

Chairman
VERE L. FIEDLER
Secretary of the State
Highway Commission
Madison

THEODORE ABRAHAMSON
Assemblyman
Tigerton

JAMES DICK
County Highway Commissioner
of Menominee County
Keshena

ROBERT FEY
Carl C. Crane, Inc.
Madison

G. E. SPRECHER
Conservation Department
Madison

MEETINGS

of the

MENOMINEE INDIAN STUDY COMMITTEE

1955

August 4 ---------- Madison
August 18 ---------- Madison
September 21 ---------- Madison

1956

February 7 ---------- Madison
May 4 ---------- Madison
July 31 ---------- Madison
October 24 ---------- Madison

1957

March 12 ---------- Neopit
April 25 ---------- Madison
December 6 ---------- Madison

1958

March 19 ---------- Madison
September 16 ---------- Madison
December 12 (executive) ---------- Madison

1959

January 23 ---------- Madison
April 18 ---------- Madison
April 20 (public hearing) ---------- Madison
April 21–24 ---------- Madison

1960

April 18 ---------- Madison
November 23 ---------- Madison

1961

March 16 ---------- Madison

1962

none

1963

March 15 ---------- Madison
October 17 ---------- Madison

1964

March 10 ---------- Madison
March 25 ---------- Madison

1965

January 22 (executive) ---------- Madison
February 15 ---------- Madison
March 1 ---------- Madison
April 23 (executive) ---------- Madison
May 21 (executive) ---------- Madison
June 28 ---------- Madison
August 17 ---------- Madison
October 19 ---------- Madison
October 29 ---------- Madison

APPENDIX F

MENOMINEE INDIAN STUDY COMMITTEE FINANCIAL RECORD—1957–65

Fiscal Year	Title	Appropriations		Balances
		Tribal	State	
1957 [1]	Legislative Study		$ 5,000.00 [2]	$ 1,593.68
	General Research	$20,000.00 [3]		11,372.93
	Forest Survey	20,000.00		19,957.09
	TOTAL	$40,000.00	$ 5,000.00	$32,923.70
1958	Legislative Study		$ 1,593.68	$ 1,593.68
	General Research	$11,372.93		6,232.17
	Forest Survey	19,957.09		3,052.50
	TOTAL	$31,330.02	$ 1,593.68	$10,878.35
1959	Legislative Study		$ 1,593.68	$ 1,456.78
	General Research	$ 6,232.17		1,644.99
	Forest Survey	---------- [4]		3,052.50
	TOTAL	$ 9,284.67	$ 1,593.68	$ 6,154.27
1960	Legislative Study		$ 1,456.78	$ 1,402.23
	General Research	$ 1,644.99		1,402.10
	Forest Survey	----------		3,052.50
	TOTAL	$ 1,644.99	$ 1,456.78	$ 5,856.83
1961	Legislative Study		$ 1,402.23	$ 1,260.48
	Legislative Study		15,000.00 [5]	11,761.54
	General Research	$ 1,402.10		1,402.10
	Forest Survey	----------		3,052.50
	TOTAL	$ 1,402.10	$16,402.23	$17,476.62
1962	Legislative Study		$ 1,260.48	$ 1,260.48
	Legislative Study		11,761.54	5,102.17
	General Research	$ 1,402.10		414.17
	Forest Survey	----------		3,052.50
	TOTAL	$ 1,402.10	$13,022.02	$ 9,829.32
1963	Legislative Study		$ 1,260.48	$ 1,260.48
	Legislative Study		5,102.17	2,294.05
	General Research	$ 3,466.67 [6]		3,466.67
	TOTAL	$ 3,466.67	$ 6,362.65	$ 7,021.20
1964	Legislative Study		$ 1,260.48	$ 1,132.84
	Legislative Study		2,294.05	----------
	General Research	$ 3,466.67		3,466.67
	TOTAL	$ 3,466.67	$ 3,554.53	$ 4,599.51
1965	Legislative Study		$11,132.84 [7]	$11,132.84
	General Research	$ 3,466.67 [8]		3,466.67
	TOTAL	$ 3,466.67	$11,132.84	$14,599.51
	GRAND TOTAL: (from 1957–1965)	$30,000.00	$30,000.00	

[1] This includes appropriations from 1955 to 1957.
[2] Ch. 596, Laws of 1955.
[3] $10,000 granted tribe by federal government as shared termination expenses.
[4] Forest survey completed; remaining balance no longer listed as "appropriation" for that expenditure.
[5] Ch. 6, Laws of 1961; for administrative consultant.
[6] General research balance combined with forest survey balance.
[7] $10,000 appropriated by Ch. 547, Laws of 1963. ($5,000 for legislative study; $5,000 for consultant services).
[8] Reappropriated by Ch. 522, Laws of 1963.

Senator NELSON. I will now call on Assemblyman Herbert J. Grover, of Shawano County.

STATEMENT OF HERBERT J. GROVER, ASSEMBLYMAN, REPRESENTING MENOMINEE AND SHAWANO COUNTIES IN THE WISCONSIN STATE LEGISLATURE

Mr. GROVER. Senator Nelson, as a representative of Shawano and Menominee Counties in the State legislature, I am appearing here today. I am also appearing as a member of the Menominee Indian Study Committee.

Basically, I think it would be a waste of your time and mine if I went into the details of the situation Menominee County faces at any great length because we do have experts from the various State agencies that are going to testify in detail in this regard.

I do want to second what Senator LaFave has said. As a member of this Menominee Indian Study Committee, I do feel that the State of Wisconsin has always assumed its responsibility with regard to Menominee County, as evidenced by past legislative action.

I feel that the Federal Government has neglected its duty toward Menominee County and we are faced with a situation where the leadership of Menominee County has about worn out its moccasins in running to Washington trying to secure some form of aid.

I think that with this bill you have proposed before the Federal Congress, that many of the needs that were neglected at the time of the termination will have been met.

Certainly, you only need to travel in Menominee County to see the absence of sewer and water, curb and gutter, the absence of adequate health and education facilities, and because this situation was in existence at the time of the termination, to some degree the Federal Government has neglected its responsibility to the Menominee people. Thank you.

Senator NELSON. Assemblyman Grover, I want to thank you for appearing. I meant to observe that the point made earlier by Senator LaFave and by you that the Federal Government at the time of termination did not provide adequate funds to provide the facilities for education and health and sanitation that should have been provided is the reason that Congressman Laird and I have introduced this bill.

I appreciate very much your appearance here this morning.

Mr. GROVER. Thank you.

Senator NELSON. I will now call upon Attorney John Bowers, the deputy attorney general, who has a long and distinguished record as a lawyer and who has spent a number of years studying the issues involving this county before and after termination. I appreciate very much your appearance here today.

STATEMENT OF JOHN H. BOWERS, DEPUTY ATTORNEY GENERAL, STATE OF WISCONSIN

Mr. BOWERS. Thank you, Senator. Senator Nelson, I wish to enter the appearance of Bronson C. LaFollette, represented by myself, John H. Bowers, deputy attorney general, in support of Senate bill 1934.

I am privileged and pleased to appear here today in support of this much-needed legislation. I think an appropriate point of departure for my statement would be to refer back to a letter of transmittal which accompanied a report prepared by Professor Fisher of the University of Wisconsin and myself and submitted to the Menominee Indian Study Committee, to the Honorable John W. Reynolds, who was the attorney general and chairman of that committee, on April 17, 1959, in which we set forth what we conceived to be the general objectives of a termination plan.

We said that those objectives should be to bring the Menominee people to responsible, full citizenship, to preserve and improve the community, to preserve the forest as a continuous source of livelihood and services to the community, to stabilize and develop the economy, to protect the rights of individuals either to leave the economic entity or to continue in it and in the community on a fair basis, to establish transitional and long-term mechanisms in government and economy to accomplish these objectives.

In my opinion, the economic situation in Menominee County today makes it clear that remedial legislation, and specifically the proposals contained in Senate bill 1934, is essential to the successful conclusion of the Federal termination program for the Menominee people and to the achievement of the goals which I have stated above.

The State has acted with vigor and decisiveness in meeting its responsibilities under the impact of a divestiture of the Federal trust. The Federal Government, it is true, has also provided assistance.

It is submitted, however, that there exists a continuing Federal responsibility to provide financial aid to this community and to its people. The job is not done. Such assistance is essential to provide some reasonable assurance that the long-range goals of a Federal termination program may be achieved with some success. We are pleased to support Senate bill 1934.

In conclusion, I want to say, Senator, that the Attorney General will be happy to provide to you and to the committee any information, briefs, or other assistance which we can to assist in these matters.

Senator NELSON. Are you submitting for the record the letter written by the attorney general, John Reynolds, at the time in 1959?

Mr. BOWERS. I had not intended to do that. I would be happy to.

Senator NELSON. I think it would be an important part of the record if you would submit to the stenographer here that letter from 1959.

Mr. BOWERS. Do you want the entire letter, Senator? It is quite extensive.

Senator NELSON. Yes.

Mr. BOWERS. Or just the outline of the points I made?

Senator NELSON. I would like to have the letter in the record if you can submit it to the stenographer.

Mr. BOWERS. Very well, Senator, I will do that.

Senator NELSON. We may have at a subsequent date some questions to propound to the attorney general's office. I take it from your statement you would be prepared to respond to that letter for purposes of the printed record at the time?

Mr. BOWERS. Yes, indeed, Senator, I would be happy to provide any assistance we can.

Senator NELSON. I thank you very much for appearing and thank the attorney general for me.

Mr. BOWERS. Thank you, Senator. Senator, may I submit this to the reporter following the hearings?

Senator NELSON. Yes, you may submit it to the reporter following the hearings or send it to us in Washington, but I would like to have the letter part of the record because I think it is important to make the historical record of the termination from the beginning to today.

Mr. BOWERS. Very good, Senator.

(The letter referred to including attachements follows:)

LETTER FROM THE CHAIRMAN OF THE MENOMINEE INDIAN STUDY COMMITTEE, WISCONSIN ATTORNEY GENERAL JOHN W. REYNOLDS, TO THE MEMBERS OF THE JOINT LEGISLATIVE COUNCIL, STATE CAPITAL, MADISON, WIS., APRIL 30, 1959, WITH ATTACHMENTS

APRIL 30, 1959.

The Honorable Members of the Joint Legislative Council, State Capitol, Madison, Wis.

GENTLEMEN: It is a pleasure to present to you the report of the Menominee Indian Study Committee. This is an unanimous report approved by the members of the committee at the conclusion of 4 full days of continuous sessions. These sessions followed 2 days of public hearings on the Menominee Indian Reservation and in Madison.

Federal supervision over the property and affairs of the Menominee Indian Tribe will cease, at the latest, by December 31, 1960. The committee, since its inception 4 years ago, has made general studies and has also commissioned a series of specialized studies, to help the State and the tribe plan for the transition of the Menominees and the reservation area from Federal control.

On January 23, 1959, the tribe presented its economic and governmental plans, referred to as the omnibus plan, to the Menominee Indian Study Committee. These proposals included drafts of legislation for action by the 1959 legislature, and a plan for control of tribal property on which the Secretary of the Interior will act. It is these proposals which the committee has reviewed laborously in recent months. This letter along with the attached documents constitutes our report to you.

1. MENOMINEE COUNTY AND L.R.L. 330

The committee recommends the creation of "Menominee County," as an experiment in the Wisconsin tradition, with evaluation of this experiment by the legislature in 1965 and 1969.

It recommends the enactment of L.R.L. 330 in the revised version presently before you.

The committee was faced with a difficult choice. As the staff report points out, there is no obviously "good" alternative; the difficult problem of choice was in the selection of the "least imperfect" alternative. Each alternative would require safeguards, and the committee's recommendation of the separate county is predicated upon the establishment of certain built-in safeguards in governmental and economic plans.

L.R.L. 330 would establish a class of one-town counties, create "Menominee Town" and "Menominee County" out of the current reservation area in Shawano and Oconto Counties, and provide for the organization, administration and services of these units of government. Some sections (5, 11, 12, 25, 26, 27, 32, 42) are specifically related to economic aspects of transition from Federal trusteeship.

I should particularly like to draw your attention to the following features of L.R.L. 330:

a. Sections 10, 16, and 30, providing for attachment of "Menominee County" to Shawano County for county and municipal court purposes and for the office of the district attorney.

b. Section 11, which would waive the State's claims against assets received on termination for relief, old-age assistance and the value of maintenance that enrolled members of the tribe may have received prior to the termination date.

c. Section 23, which provides for simultaneous assessment and levy of property taxes on the date "Menominee County" would come into being.

d. Section 26, which would create section 189.07(23), Statutes, and require the tribe to file such instruments as the Wisconsin department of securities might require to enable it to review certain aspects of the tribe's economic plan for future control of its property. The statute would confer authority upon the department to exempt the securities of the proposed tribal corporation from registration, thereby avoiding conflict with the action of the Secretary of the Interior. At the same time, the department would insure that the securities contain adequate protection for the members of the tribe and public, with sufficient flexibility to meet the peculiarities of this case.

e. Section 35, which would merge Common School District No. 1, Menominee Indian Reservation, with Joint School District No. 8 in Shawano County.

f. Section 43, providing for an explicit legislative declaration of intention and reservation of authority to review in 1965 and 1969 the operation of the county and to dissolve the county if it is not functioning well.

2. L.R.L. 331

The committee recommends the enactment of L.R.L. 331. This proposed bill has been drafted and revised in a long series of conferences between State agencies and trbal representatives. It would value the Menominee forest at 40 percent of full market value for tax purposes, and would provide audit and enforcement procedures for assuring sustained yield operation of the forest.

The effectiveness of this legislation to assure continued sustained yield management of the forest is predicated upon inclusion of a sustained yield covenant in the deed of conveyance from the United States to the corporation to be established by the tribe. The tribal representatives have agreed to inclusion of such a covenant in the deed, which would be binding upon it and its successors in ownership, subject to the will of Congress to release the owners from the sustained yield requirement. Under L.R.L. 331, withdrawal of lands from sustained yield operation is regulated by Wisconsin until a release by Congress.

Long-term preservation of the forest is essential to the Menominee future. It means a continued source of livelihood to the people of the community; it means a property tax base for services by local government; and it is the foundation for future industrial and recreational development in the area. With the inclusion of the covenant in the deed for sustained yield and the enactment of L.R.L. 331, an effective means of enforcing sustained yield operation of the forest is provided, subject to the will of Congress to release the owner from the requirement.

3. L.R.L. 332

The committee recommends the enactment of L.R.L. 332, which is intended to make disposition of shared taxes now held in escrow with the State treasurer for the Menominee Indian Reservation area.

4. FEDERAL SHARING OF TRADITIONAL COSTS

The committee recommends that the legislature be asked to memorialize the Congress, along lines suggested in the attached resolutions, to make available funds for health, education, roads and developmental capital. The Bureau of Indian Affairs is requested to conduct a cadastral survey.

5. THE ECONOMIC PLAN

Several of those who reviewed the tribe's economic plans as submitted to the Secretary of the Interior noted certain omissions they regarded as important. These were raised specifically in the staff report, which deemed them especially serious in view of the fact that the proposed separate county would be coterminous with the tribal industrial corporation, which would simultaneously have been the single large employer and the sole landowner. In the course of last week's meetings, agreement was reached with tribal representatives on the inclusion in the economic plan of residence and employment rights for enrolled members of the tribe and their families, and provisions for public facilities and health services. The committee unanimously passed a resolution recommending that appointive posts in "Menominee County" be staffed under merit system procedures. The committee also took note of potential conflicts of interest for officials of the county inherent in the one county-one corporation arrangement. The minutes record the details of these matters.

The committee took no action on the economic plan as such but specifically reserved a continuing interest in the plan, unanimously approving enactment of section 26 of L.R.L. 330 which will give the Wisconsin State Department of Securities jurisdiction to provide protection for the investors. It is my own position that continued State participation in the development of the economic plan with the tribal representatives and the U.S. Department of Interior, Bureau of Indian Affairs is essential.

6. THE MENOMINEE INDIAN STUDY COMMITTEE

The committee has voted to continue its work on Menominee problems after submission of this interim report. The committee's functions will be:

(*a*) To advise further on the tribe's economic plan.

(*b*) To provide guidance and assistance in the installation and operation of post-termination county and local government.

(*c*) To maintain liaison with the U.S. Department of the Interior and the tribe.

(*d*) To report to the legislature in 1965 and 1969 on the progress of the economy and government of the present reservation area.

I am deeply impressed with the hard work, wisdom, and dedication of the members of this committee. They have well and ably served the citizens of Wisconsin, among whom we number the Menominee Indians.

Respectfully submitted.

JOHN W. REYNOLDS,
Attorney General, Chairman, Menominee Indian Study Committee.

REPORT AND RECOMMENDATIONS TO MENOMINEE INDIAN STUDY COMMITTEE

APRIL 17, 1959.

Hon. JOHN W. REYNOLDS, *Attorney General,*
Chairman, Menominee Indian Study Committee,
Wisconsin State Capitol, Madison, Wis.

LETTER OF TRANSMITTAL AND PREFACE

DEAR MR. REYNOLDS: Transmitted herewith is the report on the Menominee omnibus plan. In conjunction with this report and set of recommendations, we believe that a review of our activities and some general observations are pertinent. We must warn you that this will be a long letter; to paraphrase a member of your staff, we have not had time to write a short one.

I. AIMS

We started with the assumption that the State of Wisconsin was wise in encouraging and assisting the Menominees to formulate and promulgate their own plan to meet termination. We viewed the general objectives of the plan to be:

To bring the Menominee people to responsible "full citizenship";

To preserve and improve the community;

To preserve the forest as a continuous source of livelihood and services to the community;

To stabilize and develop the economy;

To protect the rights of individuals either to leave the economic entity or to continue in it and in the community on a fair basis;

To establish transitional and long-term mechanisms in government and economy to accomplish the above.

The review which you initiated was designed, we felt, to perfect the means of achieving these joint objectives of the Menominee people and of the State, by pointing up desirable and undesirable consequences of those measures and by suggesting constructive alternative means where necessary.

We two are obviously not experts in forestry, taxation, corporate finance, public administration, etc. We have organized and participated in this review, but the bulk of the work has been done by members of State departments and of the university. The "Materials for Menominee Indian Study Committee; April 1959" reflect their reviews; we feel that the overwhelming majority of their points are extremely well taken, and commend them to those who will be revising legislative and economic organization proposals. We have studied these reviews carefully in thinking through our report.

We have engaged in many long conferences, exchanges of views and information, and negotiations with representatives of the tribe, of the Federal Bureau of Indian Affairs, of numerous State agencies and of local groups in the reservation area. Where face-to-face meetings for these purposes were impractical, we distributed and solicited information and views by extensive correspondence through the mails. On the whole, we agreed heartily with Professor Knight's observation that "* * * informal consultations and discussions * * * would advance the cause more than learned studies which might gather dust in the library."

We believe that when a legitimate criticism of any phase of the omnibus plan exists, when it poses administrative or legal problems, when it could lead to substantial evils neither desired by nor desirable for the Menominee people, representatives of the State have the duty to point out these defects. We must confess frankly our assumption that in this matter the prime public interest, the major corporate interest of the people of Wisconsin, lies not in saving the State's money as such nor in fostering special interests—whether among the Menominees on the reservation or among those who live around it.

We assume that the public interest lies in devising realistic and equitable governmental and business means for accomplishing the general objectives cited above. These means will not be diminished, but augmented in realism and equity if they are required to conform to the dictates of other sound public policies.

In reviewing the omnibus plan, in trying to devise the best means to generally agreed ends, we and others have encountered a series of basic dilemmas. We believe that they are worthy of note. Foremost among them are the dilemmas posed by Public Law 399.

II. THE DILEMMAS OF PUBLIC LAW 399

a. The cart before the horse

"Termination of Federal supervision" is a phrase of divestiture of responsibility which accents the short-range Federal interest, rather than any tribal and State interests, and well expresses the act's underlying philosophy. "Termination" is an ominous and ill-chosen word. We say this because there would be good occasion for the lapse of Federal supervision only when the Menominees had achieved the individual, social, and economic preconditions for successfully managing their own affairs, thereby rendering Federal supervision superfluous. We have in mind not just education, income, health habits, and job skills, but such matters as a more highly developed economy, a financially sound health program and services, and adequate public facilities.

We recognize the validity of the argument and deadlines and imposed responsibilities motivate action, by tribe and State; we recognize that in many ways the present peculiar status of Indians and their property slows down the Indian's own progress; we recognize that Menominees are often reluctant to lose the financial advantages and the psychological ease which come with Federal dependency; but more orderly withdrawal or rather "preparation for responsibility" could be achieved in phases, and with advance preparations. As a former chairman of the MISC wrote on July 15, 1957 to Congressman Haley (chairman of the House Subcommittee on Indian Affairs):

"To use an old analogy: Before a child can run, it must learn to walk; before it can walk, it must learn to take a step. The parents need patience and must offer encouragement and motivation. The Menominees are learning to take their first steps; they need time and assistance; they perhaps need spurring in their efforts—but they need encouragement, too. They will need to learn and to decide, step by step.

"It may very well be that Public Law 399, the basic Menominee Termination Act, should be amended in a variety of respects other than the deadline for a total plan to be submitted to the Secretary of the Interior and the date for total termination. It may, further, be desirable to state explicity how matters are to be decided should the tribe not submit plans by the designated date or dates or should the Secretary not approve such plans, and to make certain provisions for 'cushioning' the potentially deleterious effects of some aspects of the change-over by continuing for limited periods existing Federal assistance to Indians * * *.

"The facts of private economic organization, land tenure, and local government are novel and strange to these longtime wards of the Federal guardian. The

facts lie in a confusing multitude of areas * * *. A variety of choices must be made almost simultaneously, by a people not experienced in this choice process."

Public Law 399 puts the cart before the horse and, as that law seems to be interpreted, the trustee of a century's duration may lay down the burden without even doing as little as counseling his wards on his opinions of the plan devised for them. The studies currently and previously undertaken by and for the tribe, the very plans themselves, their review by State and Nation, might much more sensibly have preceded the enactment of "termination" legislation than followed it. This is the very source of our specific dilemmas.

b. Private or public responsibility?

It is a simple fact that the Menominees are not ready each to take full control of his property and collectively to manage their own economic affairs—regardless of Congress' assumptions in passing Public Law 399. The tribal plan itself recognizes this by establishing a series of essentially private substitutes for the Bureau of Indian Affairs. Indeed, under the corporate plan, members of the tribe would have far less to say about forest and mill than they do now. Under the plan, the agents of the First Wisconsin Trust Co. would stand far more in loco parentis to Menominee children than does the Bureau at present. These are the kinds of transitional arrangements that should never have been necessary.

We believe that the interests and rights of Menominee individuals and groups must be as reasonably protected as possible, and that the State's officers have an obligation to see to this as far as they are able to do so. As often as we are told by the tribe's attorneys that under Public Law 399 the economic plans are the tribe's private matter; as much as we must recognize that two Congresses rejected urgent requests by the Menominee Indian Study Committee for a State role in the approval of economic plans for the tribe's future; still we feel that persuasive and unquestionable arguments exist for a public interest in the economic plans. Active and aggressive State participation in termination decisions is in the interests of the Menominees themselves.

The concern and obligation of the State arises in the first instance because the overwhelming majority of the enrolled members of the tribe do not and cannot understand the full content, intricacies and implications of the huge and complex governmental and economic plan presented to them. Even were explanation complete, what would be the probability of comprehension? A reading of the minutes of open tribal meetings and general councils provides ample evidence for our point.

This is no criticism of the Menominee people themselves, or of the activities of their leaders and legal advisers; a random selection of well-educated Wisconsin citizens could probably comprehend little better. Our statute books are full of laws designed to protect the inexpert, the inexperienced, the ignorant, and the uncomprehending. The legislature even acts to protect the comprehending man from the consequences of his own folly.

It therefore seems clear that it is not fairly meeting this argument to say that full explanations and important details were furnished in the Menominee News and at meetings, that under the Menominee constitution a general council of 75 adult voters (out of some 1,600 to 1,700 who might be located by mail) can legally give assent to an action binding on all, and that a majority of 91 out of 107 voting in general council did so. Precisely what did these 91 people agree to? It was more to submit a plan, than this plan.

It is not fairly meeting this argument to say that under Public Law 399 tribal assent validates the economic plan, for better or worse, and that the Secretary of the Interior will subject it to searching scrutiny before approving it. To this very day, 2½ months after the plan's submission, we are still not sure what role the Secretary will play, how searching his scrutiny will be, what standards he will use in acting on the economic plan, or even whether a valid submission of the plan has occurred. As to the governmental plan so closely integrated with the economic plan—as the tribe's representatives have reiterated again and again—can anyone question that par excellence this is Wisconsin's business?

We are in sympathy with the manifest aims of the omnibus plan; the broad outlines of its economic phases, based as they are on studies commissioned by the MISC, are hardly likely to be disowned by us; many features of the governmental plan come from alternatives suggested in committee studies. But in its specifics, and in certain omissions, we must frankly say that the omnibus plan contains a number of dangers to its success, which need remedy.

The coordinating and negotiating committee, with the tribe's attorneys, fashioned a detailed plan. However, neither they nor we, nor any representative

of the State, can claim to be the font of infallible wisdom and foresight, or exclusive guardians of the Menominees' interests. All of us can try to be reasonable men, with a reasonable respect for facts and for each other. Where there can be no agreement, we can at least agree to disagree, and separately present our proposals and arguments to the legislature, to the Secretary of the Interior, and to the Congress, if need be.

c. How "reasonable" and how "equitable"?

Section 7 of Public Law 399, as amended reads:

"The Secretary shall accept such tribal plan as the basis for the conveyance of the tribal property if he finds that it will treat with reasonable equity all members on the final roll of the tribe * * * and that it conforms to applicable Federal and State law. In the event the tribe fails to submit a plan approvable under sections 891–901 of this title by February 1, 1959, the Secretary shall cause such a plan to be prepared and submitted to the tribe within three months thereafter."

The tribe has been informed by the Department of the Interior that the Secretary will not concern himself with the proposed Wisconsin legislation included in the omnibus plan, and that insofar as the general council's resolution of January 17, 1959 gave approval to the economic plan contingent upon the actions of the Wisconsin Legislature, it was questionable whether a plan "approvable" under 25 U.S.C., 891–901 had been submitted by February 1, 1959.

It has been stated by representatives of the Department that the Secretary might have to declare the tribe "in technical default." In that case, we have been given to understand that the Secretary would resubmit to the tribe such portions of the original plan as he desired to make his own, after modifying these in terms of their merits, as he saw them.

If he does not hold the tribe to be in default, upon the evidence we have we sense a disposition on the part of the Department of the Interior not to examine the submitted economic plan on its substantive merits, in terms of its augury for the Menominee future and its implications for different groups of Menominees. As we understand it, "reasonable equity" would be narrowly interpreted to mean that any plan which gave each enrolled Menominee an equal share in the tribal estate would be considered "reasonably equitable," as long as it conformed to Federal and State law.

The Securities and Exchange Commission does not object to nonregistration with it of the contemplated securities issues. Thus, whatever scrutiny occurs of the substance rather than the form of equity involved in the issuance of the corporation's securities may be made solely by the State's department of securities, under chapter 189 of the Wisconsin statutes. It is noted in this connection that L.R.L. 330 (first draft, third revision, April 3, 1959, section 26) asks the legislature to waive for 2 years registration under chapter 189.

Thus, if each Menominee started off with an equal share of property, the plan could be deemed by the Secretary to "treat with reasonable equity all members on the final roll of the tribe" and to conform "to applicable * * * State law." This might be deemed so regardless of the relative ability or inability of each Menominee to manage his securities, and regardless of the extent to which the plan fails to make allowance for the differences. We refer you to the "Materials" for the Wisconsin Department of Securities position on the merits of the securities issue.

Let us face some realities. No one but the Congress, which met in 1954, seems to believe that the bulk of the Menominee adults are or have been prepared to handle these securities. The Menominees themselves are the first to cite this consideration. "Technical default" or not, at the time he examines the economic plan, in its securities and other phases, the Secretary is a trustee, with a trustee's and Secretary's responsibilities.

There is a national interest to be served in the sheer workableness and fairness of arrangements made for the descendants of this Nation's aboriginal inhabitants, as well as a responsibility to Federal and State taxpayers of the future. If Menominee termination is a failure, then the self-confidence of other tribes in moving toward "full citizenship" will be injured.

The fact is that the cart having been put before the horse, transitional economic and governmental arrangements are required to even give minimum assurance of success. The issue here, in part, is protection of the many less sophisticated Menominees from their own lack of preparation in habit and knowledge for handling their securities wisely. The plan does not, in its present

form, provide the needed protection. For example, under presently contemplated circumstances, the corporation could buy back income bonds and certificates of beneficial interest at highly discounted values, and then sell them to the small group of more affluent and more acculturated Menominees, or to non-Menominees. We believe that these discounted values would also deprive the thoroughly competent Menominees, who might not view the corporation's prospects optimistically and might desire to make other business and securities investments, of their fair shares of the tribal estate.

In this situation it makes little sense merely to preserve the corporation regardless of the preservation of the Menominees stake in it, and regardless of what sums the voluntarily "withdrawing" Menominee would get for his securities. The Menominees are not a homogeneous group in many respects. Even apart from reservation factional and religious differences, Menominees differ in their degree of acculturation, in money handling and using habits, in their incomes and assets, in residence on and off of the current reservation area, and in their intentions to stay or leave the reservation community and the economic unit. The poorer Menominee and the improvident one will be under pressure to sell, and what price he gets, what he does with his money, and what the consequences are to his own self-reliance, should make a difference not only to public welfare authorities in the future, but to governmental and economic planners in the present.

Absolute equity for each and all is an impossibility, and even given fair skills and fair opportunity, some will do better than others—and why not? The dilemma here is one of balancing during a transitional period the needs of the more able, of the less able, of those who wish to retain all or part of their stakes in the corporation, and of those who wish to withdraw from the corporation. The balance in the corporate plan as we see it, is against the less able Menominees, and the most able who seek to pursue an independent course; these constitute a high proportion of the adults. It is not a reasonable balance.

d. Sustaining the forest's yield

Section 7 of Public Law 399, as amended, contains these sentences:

"The plan shall contain provision for protection of the forest on a sustained yield basis and for the protection of the water, soil, fish and wildlife. To the extent necessary, the plan shall provide for such terms of transfer pursuant to section 897 of this title, by trust or otherwise, as shall insure the continued fulfillment of the plan."

In the long-term preservation of the forest resource lies one key to the Menominee future. Almost all of their eggs are in that one basket. It means continued income and jobs for the members of the community. It means a continued property tax base for services by local government. It is the foundation upon which industrial and recreational development can be based to increase income, jobs, and services. A substantially cutover or high-graded forest provides no wood fiber for manufacture, no unique environment for recreational industry.

A sizable segment of Wisconsin's prime forest land is encompassed in the Menominee Forest. The legislature has not seen fit to require sustained-yield operation of private forests, but it encourages this via the forest crop law and forest fire-protection statutes. The statutes providing for county zoning ordinances and for county forests, for State parks and forests, and the acts enabling national forests express State policy in fostering sustained yield forest management.

Without the assurance of sustained yield forestry to preserve the current reservation area's tax base, a separate county is meaningless. Without it, "Menominee Enterprise, Inc.," has no presently foreseeable future. Without it, important conservation values are threatened. And finally, without the assurance of long-term sustained yield forest management by the corporation or its successors in ownership, the basis on which the tribal plan seeks lower property valuation now via L.R.L. 331, and the basis on which it values the securities to be issued to the Menominees initially, are in question. It will not suffice to say that the present living Menominees want sustained yield, for they may not always control the forest.

Will Public Law 399 serve to preserve the Menominee Forest? We will comment on this matter in detail in our report; but suffice it to say now that we agree with one Federal official, familiar with its legislative history, that the sustained yield provision of Public Law 399 might not of itself be a requirement but merely a pious expression of hope and acquiescence to Menominee and State wishes. There are no Federal sanctions specified in Public Law 399 to en-

force post termination sustained yield forestry, and no Federal procedure for observation and audit. If it is to be assured at all, the requirement of sustained yield must be placed in the plan itself, and confirmed in appropriate State legislation. In this connection, the words of Secretary of the Interior Frederick A. Seaton at a session of the American Forestry Association in Madison on October 1, 1957, are of interest:

"Just 120 miles from here is the Menominee Indian Forest, containing the Lake States' most outstanding area of white pine and northern hardwoods. Since the turn of the century, when Wisconsin's Senator Robert M. LaFollette, Sr., initiated Federal legislation prohibiting the cutting of more than 20 million board feet a year, this forest has been under sustained yield management.

"The legislation terminating Federal trusteeship over the affairs of the Menominee Tribe has been of real concern to me as Secretary of the Interior. Let me assure you that the Department has two explicit policies: First, to see that the members of the tribe are accorded the same rights as other American citizens; second, to cooperate in assuring that the plans for future management of the Menominee Forest make adequate provision for sensible conservation of that matchless asset.

* * * * * * *

"In any case, neither the Federal Government, the State of Wisconsin, nor this association can afford to sit by supinely and see the forest butchered into oblivion."

We feel obliged to run up this danger signal to the M.I.S.C., to the legislature, to Wisconsin's National legislators and to conservation-minded groups throughout Wisconsin who have acted in the past to influence the Congress and the State on behalf of the Menominees. The State can act within limits only to encourage sustained yield; no false expectation should exist that the omnibus, or Public Law 399 alone, or any Wisconsin statute can or will assure it. We feel that the committee and the legislature should give great weight to this matter in reaching a decision on a separate county, whose major property base could be denuded in a short space of years.

e. Wisconsin must act.

Despite the dilemma and the inadequacies of Public Law 399, Wisconsin must take positive action to help work out a fair arrangement for the tribe's immediate future. Inaction would serve no useful purpose. We do not believe that the Secretary of the Interior will ignore his trustee's responsibility and approve of an economic plan which does not carry in it the substance as well as the form of reasonable equity for all of the Menominees, and of protection for tribal resources. We believe that Federal-State-tribal cooperation can be achieved in hammering out a fair and workable arrangement for the tribe's immediate future.

If the necessary cooperation cannot be achieved, we recommend that Wisconsin go it alone, and seek Federal assistance or revision of law only where all means within the power of the State fail, or where the justice and need of joint State and Federal financial aid are patent. We believe that the State has a strong responsibility for human welfare and for conservation of resources for people. We are faced with Public Law 399. It is an open question whether the Menominees would ever advance socially, economically, and politically to full citizenship and all it implies, under their present relations with the Bureau of Indian Affairs. We cannot turn back the clock.

II. THE ROLE OF THE M.I.S.C.

a. Imputed responsibility without authority

Regardless of what the statutory responsibilities of the M.I.S.C. may be, there are an important and informal set of expectations as to what the committee was supposed to do existing among citizens of the State, members of the legislature, and individuals in State agencies. Time and again in our work, we have come across these expectations. The committee was expected to come up with a governmental and economic plan of which it would say: "This is best." It was expected to have made a "complete and detailed study * * * of the entire program," as one departmental letter put it. Yet under Public Law 399 it had no direct authority, jointly with the Federal Government, to act on the economic plan which is so closely integrated with the government plan. These expectations made the committee responsible, but it was a responsibility which it was

without authority or staff to execute. Yet after termination, if contemplated economic and governmental arrangements work poorly, it all becomes a Wisconsin problem; "then it will be the agony of the State of Wisconsin," as one observer puts it.

A comprehensive review of the omnibus plan reveals problems to be solved that no series of necessarily specialized reviews by single departments can encompass. For one example: juxtaposing the economic plan to the governmental plan reveals that the legislature is being asked to create a "company county," with one government, one landowner combined with one corporation, and with one ethnic group dominant. Their boundaries would be exactly the same; their powers would be overlapping, not countervailing. Sizable conflicts of interest are latent in this situation, all of which call for the erection of safeguards by the legislature—upon recommendation of the committee.

The July 28, 1958, Menominee News referred to "* * * the tribe, operating as a municipal-county and business organization * * *." It is not the uniqueness of the combination that may concern us—but the problems potential in it. Unlike most other Wisconsin counties, here would be found neither a pluralistic economy nor a pluralistic society as Wisconsin knows it.

Although the corporate organization is explicitly designed to protect decisionmaking and administrative power from the effects of tribal factionalism, politics, and divisions, the single governmental unit could become even more the channel for expression of these differences. Equally unpleasant to contemplate would be strife between a county government dominated by those at odds with the corporation, or a situation where the same Menominee faction or clique is strongly influential in both county government and the corporation and thereby fully controls jobs, land tenure, and residence rights. The goals of efficient county and local government and efficient business organization seem to lead to considerably high concentrations of power, in both cases.

b. "Approval" or "no objection"?

Unless the members of the MISC explicitly tell the legislative council and the legislature what specific role they have assumed while evaluating the interrelated governmental and economic plans, these legislative bodies may be under a misapprehension as to the meaning of any MISC action. The following present themselves as possible alternatives:

The MISC member can hold that he is "not objecting" although he is not necessarily "approving" a given phase of the omnibus economic and governmental plan, nor making a judgment that in his opinion it is best, although in some instances he may wish to do so and will do so. He can confine his role to saying: "if that is what the tribe wants, and it has used a reasonable process in arriving at that conclusion, from the viewpoint of public policy, as I read it, there is not any objection I can discern."

Before reaching such a conclusion he would consider the facts, the logic of their use, and the State policies involved, but the tribal committee's own recommendations and judgment would provide the basic frame of reference for the MISC.

The MISC members may want to take, and some already have taken, a somewhat more active role. Recognizing the right and duty of the tribe's own elected committee to take the lead in formulating draft plans, the MISC can view itself as the only official State group which so far has intensively studied many phases of Menominee termination, and is in a position to advise the legislature as to what it considers desirable from the viewpoint of the people of Wisconsin. It may feel that its obligation to the people of the State includes an obligation to consider and to advise the tribe's members, who, too, are citizens of Wisconsin and centrally involved in this matter. It can recommend and propose to the legislative bodies, the tribe, and to the Secretary of the Interior with respect to the matters within their respective decisionmaking powers, after considering the interrelated economic plans which Public Law 399 puts for decision into the hands of the tribe and the Federal Government.

By their searching, detailed, and constructive critique of various phases of the omnibus plan, by raising questions of fact, policy, and possible consequences to the State and to the Menominees, MISC members have already helped to frame more mutually desirable draft legislation and plans. As well, they have helped to frame explicitly some of the issues and implications so that all of the ultimate policymakers will be more fully aware of them.

In assessing its function and responsibility, the committee must be guided by the specific language of Joint Resolution No. 72A (now sec. 13.352, statutes) which provides as follows, in part:

"Resolved by the assembly, the senate concurring, that a committee is created to *study the problems and develop specific recommendations and legislative proposals for presentation* to the joint legislative council so that it can introduce the necesary bills at the opening of the 1957 legislature * * *." [Emphasis added.]

This appears to be a legislative mandate to the MISC to make specific legislative recommendations and proposals, which may differ from those offered by the tribe.

III. THE DILEMMA OF TIME

On the one hand, the tribe's attorneys, with good reason, urge speedy action upon us and upon the committee. They understandingly desire to introduce legislation as rapidly as possible. It will have been approximately 3 months ago that the committee first say all of the documents of the omnibus plan and last met.

On the other hand, the committee will be under pressure to reach decisions during the week of April 20, often in the absence of the complete data necessary for such decisions. We see no barrier to action where a substantial body of information, however, imperfect, is available. But as of the date we write we have difficulty anticipating what the position of the Secretary of the Interior will be, although we are pleased to report excellent liaison with and cooperation from the Bureau of Indian Affairs since our work began in February.

A letter from the tribal attorneys, dated April 17, 1959, indicates what appears to be a shift in policy by the Secretary of the Interior. This will need to be explained and understood. Furthermore, although we could have presented a report to the committee in mid-February, all we could have said then was that too many departmental studies were still underway and too many issues unresolved to do other than suggest postponement. Even now, much work remains to be done.

The omnibus plan is large and complex, the issues and problems many. With all the expert counsel we have received, we must frankly confess to have done little better than to have skimmed the surface of these problems. Our comments on the documents of the economic plan will be made with broad brush strokes, for this reason.

We would have preferred a method whereby tribe, State, and Federal agencies conferred and negotiated differences in informal sessions, point by point. We would have preferred not "agreements in principle" as much as documents and details embodying and implementing those supposed "agreements." Documents and the detailed written words are important. This committee was wise in our opinion, to await and examine the documents of the omnibus plan, rather than to act on verbal sketches and articles in the Menominee News. Nevertheless, we recognize that a good purpose is served by committee action now. We believe that in most but not all areas of the governmental phase of the plan enough information is available to act now.

We cannot but believe that the time available since January 23 and the delay in committee action at that time has been helpful to the tribal representatives and attorneys. A sizable number of changes in the documents of the omnibus plan have already been made by them. More answers to more questions that the legislature will probably pose are now available. But we must say frankly that both more changes and more answers are likely to be needed, for all of the pertinent questions have not yet been exhausted; every scrutiny of the omnibus plan, if our past experience is any guide, will reveal new questions. Detailed legislation and detailed representations to the tribe and to the Federal Government remain to be drafted, embodying the conclusions reached during the week of April 20 and perhaps thereafter, by the committee.

Accordingly, we recommend that the committee make no final, but only an interim report to the legislative council in April, and continue in being as a forum and as a deliberative and reporting group. Work remains to be done by all concerned. If the committee does not desire to continue, we recommend that the Governor be requested to form an ad hoc committee of State agencies for these purposes, unless the legislature makes other provisions.

You have asked us for analyses and recommendations. We have made both in our report. We have sought and accepted the best specialized advice we could get. As we see it, the underlying realities of Menominee society behind the surface assumptions of Public Law 399, require the development by all concerned of two plans for a transitional period—one plan in the governmental sphere, the other in the economic sphere. In any of the plans that might have been proposed

in either sphere, there are positive values to be promoted and potential dangers against which safeguards should be erected. We have attempted to point out some of the safeguards we feel are needed. Some of these we regard as essential, and if they are not constructed, the basic proposition to which they refer should not be accepted by the committee, in our opinion.

Respectfully submitted.

JOHN H. BOWERS,
Assistant Attorney General, State of Wisconsin.
BURTON R. FISHER,
Professor of Sociology, University of Wisconsin.

REPORT AND RECOMMENDATIONS SUBMITTED TO HON. JOHN W. REYNOLDS, ATTORNEY GENERAL, AND CHAIRMAN, MENOMINEE INDIAN STUDY COMMITTEE, JOINT LEGISLATIVE COUNCIL, STATE OF WISCONSIN

APRIL 20, 1959.

You have asked us to engage in a comprehensive study and to report and recommend to your committee. In our letter of transmittal we referred to the questionable assumptions underlying Public Law 399, and to the lack of paced advance construction of certain institutions and individual competences needed for the substance of "full citizenship." Hence, it seems reasonable to consider appropriate transitional political and economic institutions, which might develop later into new and more permanent forms. Thus, this report is divided into three major segments—governmental transitional arrangements, economic transitional arrangements, and State and Federal responsibilities during this period. Only on the first of these segments will we comment at any length.

LOCAL GOVERNMENT IN THE TRANSITIONAL PERIOD

We do not interpret our function to be to review the "whys" and "wherefores," the pros and cons of all possible county and local governmental alternatives, nor to present draft legislation (if any) for each one. We do not rehearse the variety of factors to be weighed, for the committee has had them ably presented to it in reports by university people, including the bureau of government, university extension division, and in studies directed by committee members themselves.

I. MENOMINEE COUNTY

In writing and in personal conversation, we have tried to obtain a sense of how members of this committee feel. Our impression is that the consensus lies toward a separate county, with certain definite provisos. Our own "on balance" conclusion, independently arrived at, is the same, and we so recommend; but our basic recommendation stands or falls on the enactment of these provisos. There is no obviously "good" alternative, as these present themselves; the hardest problem of choice always occurs in the selection of the "least imperfect" alternative among a number closely matched. Your committee has indeed been faced with a difficult choice.

The bureau of government's reports have been persuasive, but not persuasive enough apparently, in support of a merger with Shawano County. Given the assurance of continuous sustained yield management of the forest and their entry under L.R.L. 331 (if passed), this arrangement would hardly be catastrophic for the Menominees or for Shawano County. Certain major objections of both sides would be removed. But at the moment we are not "given" these things; this alternative has been rejected by both groups; and neither group has shown a tendency to follow Professor Donoghue's suggestion to negotiate under State auspices on county board representation, land use zoning and other ordinances, access roads to forest lakes and stream, taxation, policing of the current reservation area, etc.—and then to seek statutory confirmation of novel arrangements where necessary. Nor is there any assurance that these negotiations would produce agreements, although Menominee and Shawano County officials have achieved some mutuality of understanding in working out cooperative arrangements—e.g., judicial functions. Should the legislature not create "Menomiee County," the course recommended by Professor Donoghue would still be open.

A separate county does not have the financial, administrative and service advantages of merger with Shawano County. But to the Menominees it unques-

tionably has certain critical psychological and social values; to our minds these involve the single most persuasive set of reasons for a separate county.

The Menominees have a strong identification with their "homeland"—there they have beeen enclaved and there they feel "safe." Their experiences with "the outside" have not been uniformly pleasant; they fear "outside" control. True, there are economic reasons for desiring Menominee control over county ordinance making and other county powers, but the very possession of such powers is also a sign of the preservation of the Indian community. Whatever the factional differences on the reservation; whatever the different sets of motives different strata of Menominee society have for wanting to preserve the community, there is near uniformity in the desire to do so and in the feeling that a separate county is the instrument by which it can be accomplished.

In great part these feelings represent a withdrawal reaction and, in many cases, a false expectation of being insulated from "outside" demands. Even with a separate county, the 10 survey townships described in L.R.L. 330 will not be "Menomineeland," but a unit of Wisconsin government and subject to the Wisconsin contitution and statutes. It is important that the State see to this, for perpetuating the reservation system in another form is no service to the progress of the Menominees. But a separate county commends itself as a transitional device, whereby more of the Menominees assume new responsibilities and develop new competences and are less ready to retreat; and whereby Wisconsin shows its good will and willingness to experiment, in giving the Menominees a psychological "lift" as they leave Federal supervision. In the fullness of time and in the change of Menominee generations, as and when Wisconsin's county structure grows more contemporary, the governmental transition will end.

To assure that the transitional governmental arrangement with its significance to the Menominee people does not end too early, too abruptly, and too disastrously, we propose a series of safeguards. Any of the imperfect alternatives that could have been chosen would have needed a set of safeguards, for each would have presented a unique set of potential problems.

Because we have not chosen to list these safeguards for the other county government possibilities does ont mean that such problems would not exist. Because we do list them for "Menominee County" does not mean in the least that we impliedly belittle the choice we recommend to the committee. We will try to list what we see as solutions, rather than what we see as problems—which are essentially the cons of a separate county.

The unprecedented situation of "Menominee County," which in effect is recited in section 1 of L.R.L. 330 calls for safeguards to be included both in the economic plan and in L.R.L. 330 and other legislation. We do not view these as particularly onerous, and we see them as being largely in the service of the Menominees. We will suggest certain statutory requirements for "Menominee County" that are permissive for other counties. As one of the tribe's attorneys suggested at the committee's September 16, 1958, meeting, this is a unique and largely unprecedented situation, which requires a certain disregard of past precedent and limits the generality of any "precedent" now to be established. For example, the sheer establishment of a county with such a small population base cannot be regarded as establishing a new legislative policy.

In thinking through the framing of these safeguards, we have tried to be responsive to valid and informed criticisms of the separate county arrangement which have come to us from citizens of the State, legislators, and public officials. At the same time, we are eager, as far as possible, to preserve the essential political autonomy of "Menominee County's" citizens in arriving at their own major decisions in the areas they regard as important, and which come under county and town powers—in particular ordinancemaking, taxation, and law and order. We have tried to obtain and weigh the best advice we could get from experts in specialized fields, in and out of State government—but in many instances this advice is conflicting or inconclusive or uncompleted. Hence, we must ourselves take the responsibility for balancing the values of placing full decisionmaking power in the county's hand with respect to appointment of personnel and with respect to services, against the values of safeguarding the county's future and the political and social interests of individuals during the transition period. Similarly, we have tried to balance the values of autonomy for the corporate economic entity in its areas of legitimate responsibility with considerations of public policy. To repeat our letter of transmittal, we presently regard certain of these safeguards as sine qua nons for a separate county.

The ideal would be a "Menominee County" which required no safeguards, but we do not feel that the human resources and the social and economic prere-

quisites exist to realize this ideal at present. We have to work toward it, during the transition period. We do not feel that the "weight" of these safeguards is so heavy that they cause the concept of a separate county to fall. If we prove wrong, these very safeguards would make desirable alternative arrangements in the future more simple and more prompt.

Briefly, what we recommend is the recognition that this is an experiment, and that the county be a provisional one pending assessment of this experiment by the legislature. We recommend a supervisory State committee to assist by all means possible in making the experiment a success, and to evaluate its outcome for the legislature after two 5-year periods. We recommend transitional merger of certain services with those now existing in Shawano County. We recommend merit system selection of town and county appointive personnel. Where we believe necessary, we recommend that some of these things be accomplished by statute. We recommend certain changes in current plans for the economic entity, desirable from the viewpoint of workable, sound civil government.

II. SAFEGUARDS IN THE ECONOMIC PLAN

a. Residence and employment rights

1. General

The tribe's omnibus plan calls for the incorporation of a private industrial corporation which will also own all of the reservation lands, and for the creation of a separate county whose geographical boundaries are coterminous with the boundaries of the corporately owned land. In a very real sense then, the omnibus plan represents a combination of the tribe as a single economic and governmental unit, which places control over acquisition and loss of residence rights, and to a large extent over the right to make a living in the county, in the hands of the private corporation. This matter is a concern of the State in its obligation to protect the civil and political rights of its citizens. The single dominant landlord could control to a very great extent who could retain or acquire residence and thus voting rights or the right to run for office in the county. A nontribal citizen of the State could not easily become a resident of the county without the consent of the economic entity—and even the residence rights of a member of the tribe would be meaningless if his rights to employment and livelihood were in jeopardy.

2. Occupancy and residence for Menominees and others

As originally proposed, the only provision in the tribe's omnibus plan for landholding is a clause in article XII of the proposed articles of incorporation authorizing the officers of the corporation to lease nonforest lands. Sale of land is expressly prohibited except pursuant to a vote of two-thirds of the stockholders—who would be the voting trustees for at least 10 years. Each enrolled member of the tribe would receive an equal share in the corporation, but such ownership would confer no rights of occupancy upon the individual or upon his descendants. Occupancy or residence rights would be subject entirely to the pleasure of the board of directors and voting trustees of the corporation. This would mean that the single landlord ("Menominee Enterprises, Inc.") would control acquisition and retention of residence in the new county or town. Those distasteful to the corporation could, in effect, be denied residence, e.g., by nonrenewal of lease or refusal to lease initially. This has importance not only in terms of political and civil rights, but in terms of equity and fairness as well.

We view this as far more significant than merely the problem of the "company town." If a man is forced to leave the ordinary "company town," he still can rent or buy from the many other landowners in the county, and he still can participate in county affairs. In this case, however, there would be a single-town county.

It has been urged upon us that legislatures have not seen fit to prohibit existing "company towns," even if they had the power to do so. Our reply is that the legislature is not here being asked to condone existing states of affairs, but to create such a situation.

At all events, if a separate county is created, county government will obviously be a sensitive activity calling for the greatest possible dispersion of the power to control participation in governmental affairs.

As a result of conferences, tribal attorneys have proposed an amendment to the bylaws of the corporation, which provides for leasing arrangements to persons "rightfully" occupying reservation land at termination. The tribal

leaders are making efforts to meet these objections. They are considering an amendment to article XII of the articles of incorporation which would authorize the board of directors to sell a stated acreage of nonforest land in an area zoned as residential.

From a political and economic point of view, we regard these measures as providing tenuous and inadequate assurances of continued residence. The land rights arrangements which, as minimums, should be built into the plan, should include some guarantees of residency to enrolled members of the tribe and non-enrolled members of their families, regardless of ethnic origin. In particular, provision should be made to protect those who have occupied and improved specific tracts on the reservation with guarantees preserving individual ownership of dwellings and other improvements.

The plan should, in our opinion, include provisions for conveyance of a qualified fee to individual members of the tribe and for leasing in appropriate cases. We believe that the decision as to the form of conveyance should be made on a case-by-case basis. The details should be worked into the written plan itself prior to termination, including the specifications for the terms of the lease. If the Secretary of the Interior feels that differential land values conveyed in qualified fee do not "treat with reasonable equity all members on the final roll," then such arrangements as an equalization fund for differential land values should be considered.

In addition, the plan should provide for appeal and review to a land rights committee, with authority to act, in cases where tenancy is refused or terminated. Representation on the committee could include represenatives of the corporation or of the voting trustees and public members, e.g. the county judge. We do not believe that this is the least infringes on the legitimate rights of the corporation to run an industrial business. Another alternative which has been suggested is to place residential land in a separate trust.

3. Employment rights for Menominees

In the immediate future, residence rights can be meaningless for Menominees and their families without employment by the one major employer. It is therefore recommended that at least transitionally the articles of incorporation and bylaws should incorporate provisions conferring reasonable employment preference rights upon the enrolled Menominees and members of their immediate families, regardless of ethnic origin or retention of voting trust certificates. Provision should also be made for an impartial board of appeal to hear allegedly unwarranted denial of employment and dismissal grievances. The importance of such provisions can only be appreciated when it is recognized that as things stand now the control of residence, and the right to make a living in the county will be substantially concentrated in the officers and directors of the corporation. No statement of intentions can substitute for inclusion in the documents of the business organization.

Our own notions of "reasonableness" include consideration of the permissive industrial discipline currently existing at the Menominee Indian mills, and a degree of transitional tolerance of the work and attendance habits of some Menominees, which the reservation system fostered. At the same time, the necessity for an efficient and reliable labor force for "Menominee Enterprises, Inc." is recognized, in the interests of all of its beneficial owners. Management has to be able to manage, but it is presumably in this situation managing for the Menominees, and aiding those with lax work habits in acquiring new ones. The definition of these "reasonable" employment rights, and the mechanism for insuring them, remain to be worked out, and to be accepted for inclusion in the economic plan.

b. Potential conflicts between the interests of the corporation and of local government

As the dominant industry and landlord of the county, Menominee Enterprises, Inc., would be required to make decisions which would have effect on the social and economic well-being of almost all of the inhabitants of the county, and on the county's revenues and expenditures. The state of public finances would have a very direct relation to the actions and prosperity of one industrial organization. If the county becomes a deficit area as a consequence of management policies, the State will have to contribute.

The assumption seems to be that there is an invariant identity of interest between the Menominees as initial beneficial owners of the corporation and the residents of a separate county. We doubt this assumption. Not all Menominee

citizens of the county would retain their securities; not all of those who retained their securities would be residents of "Menominee County." Non-Menominees, ethnically and psychologically, would both be security owners and county residents. Furthermore, the corporate entity as such will have its own necessities.

For example there easily could be conflict between maximizing county revenue and services, and maximizing corporate income for such purposes as reinvestment in the corporation, taking up options to purchase securities offered to the corporation, or to be fair to Menominee and white stockholders and income-bond holders, and receiving few if any services from the county. There is potential conflict in the role of the responsible county officials required to make decisions in the field of welfare and taxation which affect themselves in the role of joint owners, officers, or employees of the single biggest taxable property, etc.

We have pointed out in our letter of transmittal that without the preservation of the Menominee forest a separate county is meaningless. We have also observed that the present plan permits the corporation as a private owner to manage the forest as it sees fit, regardless of sustained yield and regardless of LRL 331. It should therefore be recognized that should corporate managers determine that entry under the forest crop law is a more profitable alternative and that public hunting and fishing was acceptable to them, they are free to do so without regard to the consequences to the revenue and services of the proposed separate county. At that point any alternative of fusion with another county would be seriously impeded.

Brief inquiry has been made into questions of conflicts of interest which might arise resulting in violation of section 946.12, Statutes at Large (misconduct in public office) and section 946.3, Statutes at Large (private interest in public contracts), because officers, directors, stockholders, and employees of the corporation may also hold public office in the county, town, school district, or other governmental entity. This problem of course arises in all governments where a public official owns private property subject to jurisdiction of the governmental unit in which he is an officer, but is considerably more manifest in the case of "Menominee County."

A failure to act in a public matter is a violation of section 946.12, Statutes at Large. Section 946.13, Statutes at Large applies equally to contracts for materials and contracts for personal services. *Henry* v. *Dolan*, (1925) 186 Wis. 622, 625; 40 O.A.G. 488 (1951). Individual officials may not contract with their governmental unit. *Menashee Woodenware Co.* v. *Town of Winter* (1915) 159 Wis. 437; 10 O.A.G. 984. A public official may not have an interest in a corporation which contracts with his governmental unit, *Ryan* v. *Olson* (1924) 183 Wis. 290; *Bissell* v. *Northwestern C & S Company*, 189 Wis. 343. A conflict of interest exists when the public official is a member of a corporation that merely furnishes materials or services to another corporation which is contracting with the governmental entity, *Bissell* v. *Northwestern C & S Co.* (1926) 189 Wis. 343. The conflict exists if the public official is either a stockholder, director, officer, or employee of the corporation contracting with the governmental entity.

It has been suggested to us that the malfeasance statute and others be waived, to meet this special situation. As to waiver of the malfeasance statute, we consider this statute to be of such general significance and so greatly in the public interest that its waiver should not be permitted.

We do not pose these conflict issues as an overriding objection to the principle of a separate county, in the presence of appropriate safeguards. What these safeguards should be are not entirely worked out. However, it is a factor to be considered, particularly with reference to installation of specific functions such as education and highways and welfare.

c. More "reasonable equity" for the Menominee owners

Elsewhere we have noted what we and certain expert opinion regard as inequities in the securities arrangements. There is no great social profit nor individual Menominee good in a sale of voting trust certificates or income bonds below the permanent value of the investment, whether to "outsiders" or to the corporation. Under current Wisconsin public welfare statutes, poorer Menominees would be forced to offer securities to the corporation or pledge them to the corporation's credit agency before receiving public assistance. (In this respect, we will suggest certain possible changes in ch. 49 of the statutes at a later date.) Even a voluntary sale at a heavily discounted price of his share in the tribal estate, by a poorer or less provident Menominee, would lead not only to an exacerbation of his very problems but also to financial burdens on county, State, and Nation, and to disintegration in the community.

d. Provision for public facilities

What entity will own the land on which town and county and school district buildings are to be located? What entity will own the current public buildings on the reservation and the equipment therein? Will these be conveyed to the county at termination, or will they have to be purchased or leased—and at what values and under what terms? Should there be a heavy shift of students from parochial to public schools, what plan is there for the utilization of the triball owed new Neopit Parochial School? How is it planned that tribally owned utilities be owned and operated? By the corporation? As municipal utilities?

On some of these matters, we have no definite information; with respect to others, we have seen and heard statements of intentions by the coordinating and negotiating committee. The authority to make binding commitments on these matters is lacking however, except as incorporated in the economic plan.

Incidentally, in section 8 of Public Law 399, as amended, one finds the following language:

"The Secretary is authorized, in his discretion, to transfer to the tribe or any member or group of members thereof any federally owned property acquired withdrawn, or used for the administration of the affairs of the tribe which he deems necessary for Indian use, or to transfer to a public or nonprofit body any such property which he deems necessary for public use and from which members of the tribe will derive benefits."

The future of this Federal property, which we believe includes highway equipment, may be of some relevance to the new county.

e. Health

We should like to draw your attention to the March 3, 1959, letter from Dr. Van Duser of the board of health, included in the "materials" distributed to you. Menominee health has hitherto been a tribal concern. The transition to individual responsibility and payment will not be an easy one for many Menominees, on the reservation in particular. It has been stated by tribal representatives that a group health insurance plan of some kind would probably be worked out for employees of the corporation. Under present plans, for the first 5 years voting trust certificates will be inalienable. We should like to suggest consideration of corporately financed group health insurance covering families of all holders of voting trust certificates, with possibly an equalization fund to take account of those already covered by other plans. The health area is one which clearly needs further study and specifications of solutions.

f. Assurance of continued sustained yield operation of the forest

We believe we have commented on this sufficiently in our letter of transmittal, which essentially is part of our report. We will comment further in our discussion of LRL 331.

III. SAFEGUARDS IN THE GOVERNMENTAL PLAN

Our recommendation that a provisional "Menominee County" be established rests also on certain provisions, which we feel should be included in governmental plan legislation or in mutual understandings. These provisions are primarily designed to deal with transitional problems of this unique situation, and to assess the result of this governmental experiment for the legislature.

a. A statutory supervisory committee

On pages 40–41 of the Bureau of Government's January 12, 1959, report to this committee and on page 4 of Professor Donoghue's March 5 "Statement of Comments," the major outlines of such a committee's functions are noted. On page 33 of the January 12 report Professor Donoghue and Mr. Nusbaum proposed a full-time State administrative analyst to assist in coping with the initial organizational and procedural problems of the new county, and to act as principal agent of the committee.

We agree with these proposals, and feel that they must be either incorporated in L.R.L. 330 or presented to the legislature in a separate bill. We also suggest that:

1. In view of the potential number of governmental and economic arrangements to be made before termination, that tribal leaders and the supervisory committee prepare a detailed "installation plan" for "Menominee County" administration, services, facilities and personnel, before the date the county would come into being.

2. The committee supervise the initial and later staffing of appointive posts, and at the same time arrange in-service training for Menominees to qualify them for permanent appointment.

3. The supervisory committee help arrange for contractual performance of services for "Menominee County" where initially the county is not prepared to perform them, and counsel with the county as to when it may be ready and able to take them over—if this is deemed desirable in terms of quality and costs of separate services. The committee could thus assist in the "phasing in" and "phasing out" of possible services to "Menominee County" by other units of government, and administratively adjudicate any disputes over sharing of costs and fair allocation of services. Under L.R.L. 330, this would not apply to court system costs.

4. The supervisory committee exercise general oversight of the provisional "Menominee County's" early years for the legislature, and report to the 1965 and 1969 legislatures as to the results of the experiment, and the governmental and economic status of the county. The legislature then would be more fully informed with respect to needs and progress, in deciding whether to make "Menominee County" permanent. At that point the supervisory committee would be superfluous, and would be terminated.

5. In part, the supervisory committee's function would be to render itself increasingly unnecessary, and increasingly to reduce dependency upon it. It would, while in being, observe the new county's operation under more general and specialized statutes applicable to the county, and render all assistance possible.

We are not in any way suggesting a State equivalent of the Federal Bureau of Indian Affairs, either in the governmental or in the economic spheres. These are neither desirable nor feasible. (See pp. 3–4, January 12, 1959, Bureau of Government report and Prof. Ray A. Brown's memorandum of August 1, 1957.) We are suggesting a purely transitional arrangement to perform needed functions. It would cost the State money, primarily for one full-time professional, but it would be money well spent. If the M.I.S.C. adopts this general proposal, specific legislation would then be drafted.

b. Community services

When termination arrives, the Menominees will be confronted with great demands on their energies almost simultaneously. Assumption of responsibility for county government and for development of a successful economic enterprise are each challenges of the first magnitude. To say the least, the talent on the reservation would be spread thin, and additional talent would have to be sought elsewhere. Limitations in both the human and financial resource would make it clearly desirable to make governmental arrangements as simple and inexpensive as possible. Needs for community services of various kinds could be met on a contractual basis with adjoining counties, at least for the transitional period. It is particularly important for the Reservation community to have as wide a range of intensive and specialized services as are possible, especially in education, welfare, and health. In a new unit of government with small population, relatively few professionally-trained people, and a strong need to keep costs down, temporary or permanent arrangements for services with agencies of other and larger units make sense. As to whether action of these arrangements should be left to the new county or to the suggested supervisory committee or should be required by statute is a policy question, on which your committee may or may not desire to recommend.

1. Education

The Department of Public Instruction has used its good offices to arrange for negotiations between the reservation school board and with the board of Shawano Joint School District No. 8. An arrangement which promises to do much to resolve some of the most vexing problems of educational services, facilities and finances is in the making. Mr. Kimball's report to the committee on this matter has been distributed to you, and he will no doubt have remarks to make on this subject at the meeting.

Mrs. Caldwell's reasons for opposition to statutory attachment at this time of the Reservation's Common School District No. 1 to Shawano Joint School District No. 8 were presented to the committee at the open hearings held at Keshena last Saturday. We take note of her remarks, but are sure that the department of public instruction will continue to be available to see to it, if ever necessary, that "Menominee County" children needs receive equitable considera-

tion in the consolidated school district. Integrated education for all children is good policy; the issues in this special situation transcend ordinary considerations of procedures for school district consolidations, in our opinions.

2. Welfare

The following is quoted from the January 12, 1959, study by the Bureau of Government:

"It may also be noted that Wisconsin statutes are also very liberal in the authority which they provide for contractual arrangements among county and local government units.[13] Under this it would be possible for Menominee County to make contracts with Shawano and/or other adjoining counties for the provision of various services. A contract with Shawano County for custodizing prisoners in its jail is under active consideration and has been included in the expenditure estimates below; this would allow the Menominees to avoid building a jail. Another possibility would be to contract with Shawano County for the administration of welfare services, at least for an initial period. This would produce some minor economies but its real significance is that it would continue professional administration of this important and sensitive activity until the Menominees were able to develop a fully-trained and impartial staff."

While the contractual authority referred to has been permitted by the statutes, in no instance with which we are familiar has the legislature so far seen fit to require such contractual arrangements, whether permanently or temporarily.

c. Merit system for appointive offices

The report of the Burau of Government, January 12, 1959, suggests the desirability for requiring a merit system in filling all appointive town and county offices. The following is stated:

"It may also be noted that the Menominee community while homogeneous and usually united vis-a-vis the surrounding white communities is not without its own divisions and antagonisms. How deep these are is a question on which there is a wide disagreement. The meetings of the tribal council on occasion have been marked by acrimonious exchanges, and some observers have cited the percent (44.7) of participation in the September referendum as a measure of the opposition which latently exists toward the present leadership. However, heated exchanges and low electoral participation are not unknown in White communities. Yet the State in assuming responsibility for the reservation area, under either alternative, has the obligation of assuring that individual Menominees are protected in their enjoyment of the fullest civil and political rights. Persons familiar with reservation conditions assert that this is something which must be safeguarded not only in terms of white versus Menominee relations but also in terms of Menominee versus Menominee relations.

"Question also surround the capacity of the Menominees for self-government. Courthouse gangs are, of course, not unknown elsewhere; but the homogeneous character of the Menominee community and he acknowledged inexperience of the Menominees in self-government gives this question a sharpr point than elsewhere. Closely associated with this is the question of how will the Menominees perform the administrative work of a separate county. It may be said that the performance standards of Wisconsin counties vary widely, and with any success at all a Menominee County ought to do as well as many, but it is not likely to perform at the level of Shawano County at the outset.

"In this connection, it would probably be desirable for the State to require or at least strongly insist that merit personnel procedures be followed in filling the appointive offices in the county (and town) governments. Such a system could be installed and administered with the advice and assistance of the State Bureau of Personnel which now performs the service for local governments." (Pages 39–40.)

The statutes presently authorize a county board to establish a merit system and provide for assistance from the State bureau of personnel (See sec. 59.07(20) Stats.). Such a system in the proposed Menominee County would not be inconsistent with State policy. The observations of the Bureau of Government quoted above, recommend the desirability of installing such a system at the outset rather than leaving it to the discretion of the county board. It would add to the confidence reposed in town and county appointees by the Menominees themselves, who need this confidence most, for charges of favoritism in employment are

[13] 1957 Wis. Stats., secs. 59–07(11) and 66.30. An amendment further liberalizing this authority is scheduled for introduction into the 1959 legislature.

frequent on the reservation. It would add to the confidence in the new county held throughout the State to know that its appointees are merit appointees.

In this connection we quote Professor Donoghue's January 12, 1959 report again, but he is not the only one who has made the following point:

"As respects police, something on the other side is frequently pointed out, namely, that there would always be the danger of lax law enforcement practices by a police agency controlled by Menominees and whose work would largely consist in applying the law to individual Menominees. Would a Menominee County board, the question is asked, be zealous in requiring standards of law enforcement on the reservation equal to those of the surrounding counties? Would the police force be required to give equal treatment to all Menominees and to non-Menominees residing in the area? The history of the police agency in the past has been uneven, so that the answer to these questions for the future is speculative." (Page 37.)

d. A provisional county

The governmental problems facing the State as a consequence of termination are unique, and the traditional forms must be modified to meet the demands of the situation. There is little experience to serve as a legislative guide in seeking solutions to the many problems which face the Menominees and the State, in their joint efforts to provide local government for the reservation area. Accordingly, if a separate county is created, the enabling legislation should specifically provide for review by the legislature in 1965 and 1969 (if necessary), to determine whether the system is providing effective local government.

The report(s) of the supervisory committee, if created, would provide part of the basis for legislative decisions as to how well the experiment had worked. In addition to matters referred to previously, the committee would be required to report on relevant population and economic trends in the area, town and county revenues and expenditures, instances of conflicts of interest—if any, etc. The legislature would thereby be more fully informed before acting.

In this connection it is noted that article 13, section 7, Wisconsin Constitution, provides that a county of less than 900 square miles cannot be divided by the legislature, except upon approval of the majority of the residents of the county by referendum. Since the proposed county of Menominee would be 367 square miles in area the question arises as to extent of legislative control once the county is created. The two issues which arise are legislative authority to dissolve the new county and legislative authority to divide the new county.

Under article 13, section 7, it would appear at first glance, that subsequent legislative division is prohibited. However, *State ex rel, Haswell* v. *Cram*, (1863) 16 Wis. 343, is authority for the legislature to attach a county of less than 900 square miles to a portion of a county of more than 900 square miles, making the first county total more than 900 square miles and thereafter to divide the county. The extent of legislative authority to dissolve a county of less than 900 square miles does not seem to have been decided.

COMMENTS ON I.R.L. 330 (APRIL 2, 1959, REVISION)

Section 5 (p. 7) has been revised to preserve the State's rights to lieu selections for lost swamp and school lands.

Section 11 (p. 10) waives the State's claims against assets received on termination for relief, old-age assistance and the value of maintenance that enrolled members of the tribe may have received prior to the termination date. The one-time costs involved, so far as they are ascertainable, are set forth in the letter of April 13, 1959, from the Department of Public Welfare.

Under the business organization plan, these assets would primarily be securities in "Menominee Enterprises, Inc." With respect to the waiver itself, questions of constitutionality have been raised.

This section raises broad policy questions which are under the purview of the legislature. It is for the committee to decide whether or not it wishes to make a recommendation to the legislative council in this area.

The last sentence defines "legally enrolled" members of the tribe. This is a Federal question and should be deleted from the State statute.

Section 20 (p. 15) should be amended, we believe, to provide that the precincts shall consist of contiguous territory and be in as compact form as practicable.

Section 26 (p. 23) provides for waiver of registration under State law of any securities "Menominee Enterprises, Inc." might issue within the first 2 years after this section was passed. The corporation would also be free to extend the due date of its securities in a manner contrary to current State policy.

It is recommended that the M.I.S.C. withhold judgment on this section. The Securities and Exchange Commission will not examine these securities. The M.I.S.C. has not as yet been advised as to the status of the tribe's economic plan before the Secretary of Interior, and whether the standards to be used in evaluating the securities issues will be substantially the same as those used under Wisconsin law. The trust indenture for the income bonds (or debentures) has not been submitted, and the State's department of securities has been requested to examine that document. Furthermore, there are problem areas in the economic plan which have not as yet been resolved or indeed fully ascertained. It is therefore clear that approval of section 26 of L.R.L. 330 at this time would not be an informed judgment and should not be made. The position of the department of securities is reported under "K" in the "Materials."

Section 30 (p. 26) providing for the Shawano-Menominee County court, ought to be amended by substituting "may" for "shall" in the fifth line from the bottom. Whether a case should be transferred on motion should rest with the discretion of the judge before whom the case is pending.

Section 35 (p. 30). Please refer to the letter of the State department of public instruction.

Section 41 (p. 33) should be amended to give the municipal court of Shawano County the same jurisdiction in Menominee County that it possesses in Shawano County.

The section should be further amended, at page 35 by substituting "may" for "shall" in the 10th line from the top, to preserve judicial discretion on the question of transfer. The opposing litigant, after all, may not want the case transferred.

Chapters 301 and 960, Statutes at Large, should be amended to permit transfer from the justice of the peace of Menominee County to the Shawano County and municipal courts.

Reference is made to Professor Donoghue's "Statement of Comments" on L.R.L. 330, in the "Materials" under "I."

Comments on L.R.L. 331—The Sustained Yield Problem

I. What the law should require of the plan for sustained yield

As we see them the minimum legal requirements for continued sustained yield operation are as follows:

1. A commitment to long-term operation of the forest on a sustained yield basis, provided there is a flexible and reasonable administrative definition of "sustained yield";
2. Proper initial classification of the lands;
3. Reasonable reclassification of forest lands for "higher beneficial use," etc., in a manner which does not threaten the principle of sustained yield and where necessary to meet certain emergencies, e.g., fire, storm, insects; and
4. Operation pursuant to a recorded management plan which incorporates sound forestry practices.

How its this accomplished?

1. Well-defined observation and auditing procedures, with responsibility in the forest managers to provide specified information at appropriate times;
2. Incorporation of criteria which permit flexibility within the limits of sound sustained yield management.
3. The owner's right to be heard and to judicial review of administrative action.
4. Sanctions.

II. The present plan and proposed legislation do not contain a requirement of sustained yield

The so-called sustained yield "requirement" of Public Law 399, as amended, was not thrust upon the Menominees against their wills. On the contrary, the sustained yield provision was incorporated into the termination act in 1956 upon the unanimous requests of the Advisory Council on December 21, 1955, and of the General Council on February 11, 1956 (with 91 "ayes"). On February 14, 1956 Congressman Reuss introduced his original bill to amend Public Law 399. This bill, H.R. 9280 (84th Cong., 2d sess.) read, in part:

"The plan shall contain provisions * * * for the preservation *forever* of the tribal assets of forest (on a sustained yield basis) * * *." [Emphasis added.] This bill was drafted with the aid of tribal leaders and attorneys. This was the

bill acted on by the two councils. It was the House Subcommittee on Indian Affairs which took the word "forever" out of the bill, in part on the advice of the Department of the Interior. Therefore, to the extent that termination plans insure long-term sustained yield, and to the extent that the wishes of the tribe are reflected in the votes of these councils, both the welfare and the wishes of the Menominee community are served.

The wisdom of the Menominees' request for the sustained yield provision is clear. As we have indicated in our letter of transmittal, long-term preservation of the forest is essential to insure a continued source of livelihood to the people of the community and to provide a viable county economy and a viable county with a workable local tax base. Without the forest there appears to be little hope that the resources of the present reservation could support a system of local governmental service or provide a source of livelihood to the people.

Long-term preservation of the forest requires forest management on a sustained yield basis. This places a responsibility upon the State to pursue a course of action, within the limits of its authority to act, which gives the most assurance that sustained yield is a reality, not a pious hope. Here again, the State is faced with more responsibility for the future than it has authority to act in the present. Under the omnibus plan as it currently is framed, there is no real assurance in the final analysis that sustained yield management of the forest will be maintained once termination occurs. When the forest is conveyed to the corporation, it becomes privately owned property, to be managed in accordance with the articles of incorporation.

The articles of incorporation as amended, standing alone, are grossly ineffective to insure continuous sustained yield management. This is not a criticism of the articles as such, but is merely a recognition of the realities. While the amended articles do provide that the sustained yield requirement cannot be deleted without an act of Congress, the fact remains that the corporation retains plenary power to declassify the forest. Furthermore, neither Public Law 399 per se nor the articles provide for the details of auditing, observation and sanctions which are essential to effective enforcement machinery.

If the articles are adopted as amended, and if L.R.L. 331 is enacted in substantially its present form, there is then a reasonably effective means of observation, audit, and enforcement of sustained yield. But it must be recognized that even if L.R.L. 331 is enacted, there is still no effective means to require the corporation to enter the forest lands under the law in the first instance, nor to prevent the corporation from withdrawing the lands from the operation of the section and surrendering the tax benefit at any time. Thereafter, the corportion could log as it pleased.

Furthermore, should the corporation sell the land pursuant to a vote of the stockholders, there appears to be no effective provision of law or in the articles of incorporation requiring the corporation to place an obligation on the purchaser to maintain a sustained yield program. In short, it appears that if those who have control of the corporation so decide, they can withdraw the bulk of the forest from sustained yield management and at worst lose the benefit of the 40-percent valuation for property taxation purposes.

An effective method of assuring sustained yield would be to incorporate the requirement in the deed of conveyance. We are informed that this alternative was considered by the tribe's representatives and attorneys and was rejected. Another alternative which has been proposed is to place the forest lands in a trust whose terms would require sustained yield operation. (Professor Brown's memorandum, dated August 1, 1957.)

L.R.L. 331. (April 14, 1959 revision) goes as far as the State can go toward assuring sustained yield, within the limits of its present authority. With that reservation, it has the approval of both the Commissioner of taxation and of the conservation department. Accordingly, we can recommend approval of L.R.L. 331 in its present form, but we must also recommend that if sustained yield is to be assured, the M.I.S.C. make a positive recommendation that measures be adopted by those with authority to act to more adequately assure the sustained yield operation of the forest.

The tribal attorneys have informed us of their objections to sections 10 and 19 of L.R.L. 331.

The Economic Plan

We have pointed out broad problem areas in the economic part of the omnibus plan which we feel require some adjustment to assure a balance of equity and fairness. As already indicated, it is our opinion that information required to make an informed judgment on the economic plan is not as yet available.

It is, therefore, our recommendation that the M.I.S.C. or a successor body continue to counsel with the tribe and the Bureau of Indian Affairs and that at present the M.I.S.C. reserve judgment.

CONCLUSION

We stated earlier that in our opinion there are certain sine qua nons to the recommendation for a separate county. These are:

1. Protection of residence, both acquisition and retention, along the lines suggested in this report.
2. Protection of employment, along lines suggested in this report.
3. Assurance of continued sustained yield operation of the forest.
4. Retention of a continued State interest in the economic plan by this committee or a successor group, so that Wisconsin is satisfied that the plan is reasonably fair and equitable to all of the Menominees.
5. Revision of L.R.L. 330, along lines suggested in this report.
6. Creation of a statutory supervisory committee, with authority to provide administrative guidance through the period of the establishment of the new county, and to review governmental operations for the purpose of reporting back to the legislature.
7. Review by the legislature in 1965 and 1969, to determine whether the experiment is working.

Senator NELSON. I will now call upon Alan Kingston from the State department of public instruction.

Mr. BOWERS. Thank you, Senator.

Senator NELSON. Thank you.

STATEMENT OF ALAN KINGSTON, ASSISTANT SUPERINTENDENT, WISCONSIN STATE DEPARTMENT OF PUBLIC INSTRUCTION

Mr. KINGSTON. Senator Nelson, Mr. Dunkel, and Mr. Spring.

Senator NELSON. May I state to all the witnesses that the record made here will be printed, that if you have a printed statement and wish to read it, you may. If you wish to summarize it, you may summarize your statement and submit it, whichever is convenient to you.

Mr. KINGSTON. Senator Nelson, I have submitted information in more detail. I shall summarize only my remarks as they are germane to this particular conference.

Senator NELSON. Thank you.

Mr. KINGSTON. Thank you. I am here representing the department of public instruction and the State Superintendent Mr. Angus B. Rothwell.

The department of public instruction supports Senate bill 1934 and urges the Congress to give this proposal serious consideration. As we know, this proposal provides for the payment of Federal funds to Menominee County for a period of 10 years to assist the county in the payment of its purported share of the cost of education in the joint school district No. 8.

The support of this proposal is based on a number of factors that I would like to list at this time: the fact that the State of Wisconsin is presently providing the highest possible payment of State aids to Shawano Joint School District No. 8 as is presently permitted by statute. We know also that the increase in the membership—the impact on the school program in joint school district No. 8 will continue due to an increase in membership. We know it will also increase due to the fact we are going to have an extension of the active school year in Wisconsin.

We expect the impact to increase also due to the fact that we have now an 18-year compulsory attendance law that will be coming into effect very shortly and so we expect, of course, this will have some effect on joint school district No. 8.

Senator NELSON. Mr. Kingston, may I interrupt here? In your prepared statement do you have the statistics on the number of students attending primary and secondary schools who are from the county?

Mr. KINGSTON. I do not have that specifically outlined in this particular document. I do have the facts and figures and would be happy to suppy them to you.

Senator NELSON. I would like to have for the record the number of students of school age who will attend a primary and secondary school.

Mr. KINGSTON. I have that not only for joint No. 8, but I have it separately for the county during the 5-year experience we have had since 1961 and 1962 up to the present time along with a projection for a period of the next 5 years, which we would like to submit for the record.

Senator NELSON. I would like to have them.

Mr. KINGSTON. Fine. We recognize also that the cost of operating the public school program in joint No. 8 is going to increase approximately 6½ percent per year. This is a constant rate we have experienced all over the State and we look on the Shawano Joint School District as an average school district throughout the State due to a number of factors which I shall go into shortly.

The property valuation of the district will continue to be taxed at approximately 74 percent of the total expenditure incurred by the public school program and we recognize also that the levy rate increase of approximately 0.3 of 1 mill per year will be necessary in the next 5 years and this will cause an increase in the actual levy for Menominee County as their proportionate share of the total cost of joint No. 8 to approximately $267,000 in 1966–67 and this will increase to a little better than $312,000 in 1970–71.

Now, if I might go into just a little bit more detail on some of these five factors I have talked about, first of all, the State of Wisconsin through its State support program is providing approximately 24 percent of the operational expenditures incurred by joint school district No. 8.

Senator NELSON. This includes more than Menominee County?

Mr. KINGSTON. This includes the entire district.

Senator NELSON. Yes.

Mr. KINGSTON. Joint. No. 8, and we do not, of course, treat a segment of it different than the total. The department of public instruction recognizes that the Shawano School District offers a comprehensive, enriched educational program and is operating under the kindergarten to grade 12 organizational pattern and, therefore, qualifies for the highest level of State aids.

Senator NELSON. May I interrupt? What percentage of the school district's census comes from this county?

Mr. KINGSTON. What percentage of the school district?

Senator NELSON. What percentage of the students are from this county?

Mr. KINGSTON. Twenty-one percent.

Senator NELSON. Twenty-one percent?

Mr. KINGSTON. Right, of district 8 are represented from this county. I shall get into that. The Shawano district has a tax base of approximately $24,800 in per resident "ADM" and this falls short of the guarantee established by the State of 34,000 per student and, therefore, Shawano's joint school district does qualify for flat aids as well as equalization aids and during the last 5 years we have found that they have received an average payment of $130 per student compared to the average for the State of approximately $120.

Senator NELSON. This is for the whole district again?

Mr. KINGSTON. The whole district again. We do not treat them separately. The entire district has to be treated as a whole, although I shall get to——

Senator NELSON (interrupting). You have a breakdown, though?

Mr. KINGSTON. Right. Now, going directly and specifically to Menominee County, we find that the membership in joint school district No. 8 from Menominee County averaged 17 percent of the total membership in 1961–62. This has increased to 21 percent in 1965–66 due in part for two reasons. We have had an increase in the actual numbers of boys and girls of school age of approximately 102 during that time, but in addition we have had a sizable transfer from the private parochial schools into the public school programs.

During this same period of time we found that the property valuation in Menominee County in 1961–62 represented 24 percent of the valuation of joint school district No. 8. During this 5-year interval, we have had an increase in the property valuation in Menominee County of approximately 1 percent per year as compared to the rest of joint school district No. 8 that increased at the rate of 2½ percent, so consequently the 24 percent of 1961–62 has been reduced now to 1965–66 where it is approximately 21 percent, so we have a rather unique situation in that the actual impact of students in Menominee County is 21 percent of the total and the valuation in Menominee County is twenty-one percent of the valuation of joint school district No. 8.

Other comparisons that I would like to make and just briefly go into, we find that the levy rate for Menominee County, which, of course, would be the same as it is to the school district, went up from 13.58 in 1961–62 to 14.95 in 1965–66.

Senator NELSON. May I interrupt for one moment? Do you have—I haven't had a chance to read your prepared text, but do you have statistics showing the amount of assessed valuation behind each student in this county versus the rest of the school district?

Mr. KINGSTON. Right.

Senator NELSON. All right.

Mr. KINGSTON. It would be exactly the same as of this time inasmuch as 21 percent of the valuation and 21 percent of the students are in Menominee County, so this ratio to the total would cause them to have the same valuation behind the student as the total district would have behind the student of $24,800, which is the average at this point.

Senator NELSON. All right.

Mr. KINGSTON. The levy during the last 5 years amounted to $222,000 for Menominee County the first year. It was increased to $252,000 in 1965–66. The fact that Federal money was available, of course, affected this also.

In 1961–62 the $220,000 received from the Federal grant allowed or called for a net levy of only $2,000 whereas in this year it is $44,000—which is the last year of the 5-year period of the phaseout program—it calls for a payment net of $208,000 from the levy of Menominee County.

Now, if I might just go briefly into a projection for the next 5 years, I will conclude my statements. In the document that we have provided, we have given the property valuation as established by the department of taxation for the next 5 years. We estimate that the tax levy rate will increase approximately 0.3 of 1 mill during the next 5 years. We also have projected a levy for the next 5 years taking into consideration the State aid payment to joint 8, using the same level of aids that are payable at this time.

In 1966–67 we expect the valuation of Menominee County to be $17,514,000. We expect the levy rate to be 15.25 mills, which will call for a levy of $267,000.

This will increase in 1970–71 to $312,000 and we can expect a levy rate of 16.45.

In conclusion, we believe the impact on joint 8 of which Menominee County is a part, in membership will not be dramatic. It will only represent about 2 percent. However, we repeat the retention of students due to the 18-year compulsory law replacing the former 16 age compulsory law, we feel will call for a considerable number of students remaining in the school program for longer periods of time; the extension of the school year as well as the summer school program will all cause a considerable impact on joint 8 during the next 5 years.

We also know that it will experience a cost-of-operation increase of approximately 6½ percent and we know that the property valuation increase during this next 5 years in Menominee County, as well as in joint school district No. 8, will not be sufficient to provide the number of dollars needed in the public school program because of the impact that I have determined and it will be necessary for the mill rate to constantly increase.

We know that the State support will in all probability stay somewhere in the neighborhood of 24 percent, so consequently the local property valuation or the local property tax base will have to support this increase, approximately 74 percent of it at least, and this is why we urge passage of this bill.

Senator NELSON. Do you have any statistics on it or do you have any observation about the vocational educational opportunities within this school district area?

Mr. KINGSTON. I don't feel that I can give you an answer, Senator.

Senator NELSON. Fine. Thank you very much. We appreciate your appearance.

Your prepared statement will be placed in the record at this point.

(The prepared statement referred to and additional material subsequently supplied for the record follow:)

PREPARED STATEMENT OF ALAN KINGSTON, ASSISTANT SUPERINTENDENT, WISCONSIN STATE DEPARTMENT OF PUBLIC INSTRUCTION

Traditionally, school districts in Wisconsin have provided educational opportunities for its youth in districts operating grades 1 through 8 under the common school plan, grades 9 through 12 under the Union High School plan as well as districts organized on a kindergarten or 1 through 12 grade pattern.

School districts in Wisconsin have two major sources of income, the State support program and the local property tax base.

Wisconsin recognizes that education is a State function and as such has a direct responsibility in contributing financially to the support of local school districts.

State aids provide approximately 24 percent of the operational costs in the State and the local property tax base provides approximately 75 percent.

The quality of the educational program is a basic concern in determining the amount of State support paid to the local district and in order to provide an incentive for local districts to enrich and improve the educational opportunities for children, the financial effort exerted by the State is greater in districts providing an integrated level program than in districts offering a basic level program.

Another incentive feature included in the State support program is related to the organizational pattern of the school program. A greater degree of State support is provided local school districts operating on a kindergarten or grade 1 through 12 pattern than is provided common or Union High School districts.

The State support program provides a per capita payment of $42 for elementary and $55 for high school membership for all districts operating on a K or 1 through 12 grade pattern offering an integrated level program. In addition, it recognizes the school districts with low property valuation are unable to provide the basic educational program and attempts to equalize property tax rates by providing a guaranteed valuation behind each student in average daily membership. The State support program determines the ability of a local school district to support public education using the local property valuation as a prime indicator.

ATTACHMENT OF MENOMINEE COUNTY TO JOINT 8, SHAWANO SCHOOL DISTRICT

The State Legislature of the State of Wisconsin by legislative act caused the attachment of Menominee County to the joint 8 school district for school purposes effective as of May 1, 1961.

The newly created joint 8, Shawano School District provides an enriched educational program and operates kindergarten through grade 12, which makes it eligible for the receipt of the highest level of State aids.

The property valuation behind each student in resident average daily membership has averaged $24,800 during the first 5 years of operation thus providing equalization aid payments in addition to the per capita flat aid payment.

State aids paid to the Shawano district during the first 5 years of operation are as follows:

1961–62: $343,775 or $122.73 per average daily membership.
1962–63: $338,897 or $119.41 per average daily membership.
1963–64: $350,361 or $121.23 per average daily membership.
1964–65: $438,575 or $143.84 per average daily membership.
1965–66: $441,075 [1] or $137.32 [1] per average daily membership.

The payment per average daily membership to the Shawano School District during the last 5 years has averaged $128.90 compared to $120.58 for the State of Wisconsin.

The Shawano Joint School District has qualified and is receiving the highest level of aids possible considering the impact of students, the cost of operation, and the ability of the Shawano School District to support an adequate educational program.

SIGNIFICANT TRENDS TAKEN FROM THE FIRST 5 YEARS OF THE MERGER OF MEMOMINEE COUNTY WITH JOINT 8 SHAWANO

1. Membership in Joint 8 Shawano from Menominee County averaged 17 percent in 1961–62 and increased to 21 percent in 1965–66. This increase was due in part to an increase in the school population from Menominee County, but the greatest increase can be attributed to the transfer of students from the parochial school to the public school.

2. Property valuation of Menominee County was approximately 24 percent of the total valuation of joint 8 in 1961–62. During the first 5 years of operation valuation in Menominee County increased only 1 percent per year. In the rest of the school district the valuation increased at about 2½ percent per year. As a result, in 1965–66 the valuation of Menominee County represented only 21 percent of the joint 8 District which compares favorably with the Menominee County membership of 21 percent.

---

[1] Estimated.

3. State support paid to the Shawano Joint 8 District during the years beginning with 1961–62 and running through 1965–66 has averaged 24 percent of the operational costs of the district and the local tax levy has provided approximately 74 percent (disregarding Federal grant).

Menominee County data during the 1st 5 years beginning in 1961–62 and running through 1965–66

Year	Property tax valuation	Levy rate	Levy	Federal aid	Net levy
1961–62	$16,355,100	13.58	$222,102	$220,000	$2,102
1962–63	16,355,000	13.53	221,283	176,000	45,283
1963–64	16,700,400	13.37	223,284	132,000	91,284
1964–65	16,960,800	14.74	250,002	88,000	162,002
1965–66	16,863,300	14.95	252,450	44,000	208,450

PROJECTION FOR 1966–67 THROUGH 1970–71

1. Using property tax valuation established by department of taxation.
2. Levy rate increased 0.3 percent of 1 mill per year.
3. Levy for Menominee County projected using the present level of State aids in the reduction of total costs.

1966–67	$17,514,000	15.25	$267,089
1967–68	17,914,000	15.55	278,563
1968–69	18,291,000	15.85	289,912
1969–70	18,654,000	16.15	301,262
1970–71	18,976,000	16.45	312,155

CONCLUSIONS

Joint 8, Shawano School District membership will maintain a 2-percent increase during the next 5 years with Menominee County membership increasing at a slightly higher percent than the rest of the district.

The cost of the Shawano School District education program will increase at the rate of 6½ percent per year from 1966–67 through 1970–71.

The increase in the school district's equalized property valuation will not be sufficient to provide adequate funds needed to meet the increase in student membership and cost of operation without an increase in the mill rate. This increase is estimated to be three-tenths of 1 mill per year.

The State support program will in all probability remain at approximately 24 percent of the operational cost of the Shawano district.

The Menominee County levy placed on the tax roll for school purposes for 1966–67 is estimated at $267,089 with a mill rate of 15.25 mills. This will increase to approximately $312,155 in 1970–71 with a mill rate of 16.45.

THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

Recently the department of public instruction received an inquiry as to the possibility of Federal funds under title I of the Elementary and Secondary Education Act of 1965 being allocated to Menominee County to replace funds formerly available to Menominee County under the Menominee Termination Act.

The department has requested a formal opinion on this request from Mr. Francis Keppel, Commissioner of Education, Office of Education. As of this date, we have not received a response to our request.

At a meeting in Chicago on October 25, I discussed this possibility with Mr. John Hughes, Director of Programs Operation under title I, along with members of his staff. At that time we received an unofficial response which indicated that no consideration could be given this request due to the following provisions within the act:

Section 201. "Declaration of policy"

"In recognition of the special educational needs of children of low-income families and the impact that concentrations of low-income families have on the ability of local educational agencies to support adequate educational programs,

the Congress hereby declares it to be the policy of the United States to provide financial assistance (as set forth in this title) to local educational agencies serving areas with concentrations of children from low-income families to expand and improve their educational programs by various means (including preschool programs) which contribute particularly to meeting the special educational needs of educationally deprived children."

Section 116.45: "Limitations on payments to a local educational agency"

"(a) No payments to a State under title II of the act for any fiscal year may be paid by the State educational agency to a local educational agency unless the State educational agency finds that the combined fiscal effort of that local educational agency and the State with respect to the provision of free public education by that local educational agency for the proceeding fiscal year was not less than such a combined fiscal effort for that purpose for the fiscal year 1964."

THE STATE OF WISCONSIN,
DEPARTMENT OF PUBLIC INSTRUCTION,
Madison, Wis., November 11, 1965.

Mr. WILLIAM SPRING,
Old Senate Office Building,
Washington, D.C.
(Care of Senator Gaylord Nelson).

DEAR MR. SPRING: Senator Nelson indicated an interest in the school enrollments for the last 5 years for Joint School District No. S. Shawano.

The following data covers Joint 8 as well the Menominee students attending public and parochial schools.

Joint 8, Shawano School District

	Joint No. 8, Shawano	Menominees in public	Menominees in parochial	Total Menominees
[1961–62]				
Enrollment	2,906	496	411	907
Average daily membership	2,852	486		
[1962–63]				
Enrollment	2,964	537	416	953
Average daily membership	2,890	526		
[1963–64]				
Enrollment	3,240	668	359	1,027
Average daily membership	3,049	628		
[1964–65]				
Enrollment	3,315	683	317	1,000
Average daily membership	3,112	642		
[1965–66]				
Enrollment	3,366	715	297	1,012
Average daily membership	3,212	679		

I contacted the State board of vocational education and have received assurance that they will provide your office with information on the vocational programs available in the Shawano area.

Sincerely,

ALAN W. KINGSTON,
Assistant Superintendent.

THE STATE OF WISCONSIN,
STATE BOARD OF VOCATIONAL AND ADULT EDUCATION,
Madison, November 15, 1965.

MR. WILLIAM SPRING,
404 Old Senate Office Building,
Washington, D.C.

DEAR MR. SPRING: Mr. Kingston of the department of public instruction has contacted this office relative to your request for information regarding vocational education opportunities for Menominee Indians.

We have been deeply concerned with this problem and have made several approaches to it. At present we are working with the State Advisory Committee on Menominee County, chaired by Senator Reuben LaFave.

Our efforts thus far have been to make available opportunities for youth in schools close to Menominee County. These include Antigo, Wausau, and Green Bay. A number of Menominee Indians have also attended the Milwaukee and Oshkosh Schools of Vocational, Technical, and Adult Education. In addition, we have attempted at various times to operate evening courses for Indians in the Antigo School with little success.

We have been severely handicapped in developing vocational programs in Menominee County because State law provides that vocational and adult education will be offered in communities of 5,000 or more, and may be offered in communities of less than 5,000. Since the bulk of the cost of operating these programs comes from the local tax base, Menominee County has not been able to enter into a program. In order to provide some kinds of educational programming, we have worked closely with the Menominee Indians enterprises and have developed on-the-job training programs under the Manpower Development and Training Act.

These Manpower Development and Training Act programs include training 20 persons in heavy equipment and stationary engineering, some in the log-scaling program, dry-kiln operation, and saw filing.

In addition we have proposed a northern youth project and the Wisconsin State Employment Service is making every effort to search out qualified youth from Menominee County who could enroll in courses in Antigo to prepare them for employment.

In addition, this year the State legislature passed a scholarship bill for needy Indians which would grant up to $20 per week for students who wish to enroll in vocational-technical programs.

A further piece of legislation which should bring about a great increase in vocational, technical, and adult education in Menominee County was the passage of a law which is now chapter 292 which no longer limits vocational education programs to communities of 5,000 or more but places all of Wisconsin in vocational school districts. This means by 1970 Menominee County will be a part of a vocational, technical, and adult school district.

The criteria for the establishment of these areas and the actual design of the areas has not as yet been developed, but we srtongly suspect that Menominee County alone would not constitute an adequate tax base or population base for the development of a comprehensive vocational program. It would probably become a part of another district. Our charge to this district would be to provide educational opportunities to all persons within the district. This would mean the installation of programs in Menominee County particularly on a job-improvement basis and in adult education. Youth and adults from Menominee County could also enroll in the district school without any charge to them except a minimal enrollment fee. They could, as a matter of fact, enroll in other schools of the State and have their tuition paid by the local school district if the course was not offered by their school.

Please be assured that we have a deep interest in working with the Menominee County group. I am sure that you understand that in so doing we meet some serious problems, but nevertheless we intend to go forward in developing educational programs of a useful vocational nature for the people of this area.

Sincerely yours,

C. L. GREIBER,
State Director and Executive Officer, Vocational, Technical, and Adult Education.

Senator NELSON. I will now call upon Mr. Harry Harder, representing the State department of taxation. Mr. Harder.

STATEMENT OF HARRY W. HARDER, WISCONSIN STATE DEPARTMENT OF TAXATION

Mr. HARDER. Senator Nelson, I would like to express the appreciation of Commissioner Mogensen and my own too to have this opportunity to appear in favor of Senate bill 1934. I have a prepared statement together with schedules and I am happy that you are familiar with Wisconsin tax terminology and I think if you have the schedules before you, you will be able to follow what I have to say.

Senator NELSON. Mr. Harder, I have your testimony here. You have a number of statistics which I am sure will be of value to the committee. Your statistics will be printed in the record. You may proceed as you wish to read the statement or to extrapolate from it, whatever you would like to present to the committee.

Mr. HARDER. Well, the prepared statement that I have, Senator, is very brief, and I did this intentionally so that I wouldn't be cluttering up the record, so——

Senator NELSON. Fine, but you are submitting the prepared text to the stenographer?

Mr. HARDER. That is correct.

Senator NELSON. Thank you. Go ahead.

Mr. HARDER. The following tables together with narrative is submitted to the Subcommittee on Employment and Manpower of the Senate Committee on Labor and Public Welfare in support of companion bills S. 1934 and H.R. 8034.

The purpose of the testimony is to alert the committee and Congress of the financial and social dangers facing Menominee County-town of Menominee unless favorable action is taken on the proposals. I will attempt to assist the committee in understanding the problems by interpreting certain financial statistics as developed from actual cost data from termination date in 1961 to the present time and a conservation projection to 1969. It is hoped that this understanding will result in such action as will result in the creation of the viable economy for Menominee County intended by original termination legislation.

I would first like to explain what is happening to the property tax base and the rapid and burdensome growth of the local property tax rate. If you will refer to table 1 a picture of the problem will be quickly appreciated.

On line 1 of table 1 we observe the actual growth in the tax base from May 1, 1961, through May 1, 1965, and the anticipated annual growth in the tax base through 1969; 1969 was picked as the final projection date as it corresponds with the end of the first phase of assistance requested by the legislation. The annual tax base projection is detailed by class of property in table 2, together with reasons backing the anticipated growth.

From date of termination to May 1, 1965, the tax base increased from 16.3 million to 17.5 million or 7.09 percent. The net property tax levy (line 3, table 1) increased from $296,814 to $515,176 or approximately 74 percent. This large increase is attributable to the phaseout of Federal aid for school purposes from $220,000 the first year of termination to $44,000 in 1965. The effective tax rate jumped from $18.15 per $1,000 of assessed value in 1961 to $29.42 in 1965.

Senator NELSON. Will you later on in your statement have some comparative statistics on the assessed rate per thousand for the rest of the districts? Will you have that in your statement?

Mr. HARDER. There is only one district in Menominee.

Senator NELSON. I mean the other counties.

Mr. HARDER. I have statewide; I have an effective rate.

Senator NELSON. All right.

Mr. HARDER. And the comment I was going to make at this point, when I talk about assessed value, as I just got through here in the tax rate per thousand, the assessed value in Menominee County is at full value. We had our man come in here to assist the local assessor so that all property is assessed at 100 percent of value, so when I am talking about assessed value, I am also talking about what you would know as equalized value or full value.

Senator NELSON. And you have the representative statistics on the rate for equalized value, this rate versus—compared to equalized value in the rest of the State?

Mr. HARDER. That's right, it is on this table 1 on the bottom. I have just an indication what the effective tax rate was in the State of Wisconsin last year.

Senator NELSON. You will cover that in your statement?

Mr. HARDER. Yes.

Senator NELSON. Go ahead.

Mr. HARDER. If the school and welfare aids in S. 1934 and H.R. 8034 are not appropriated by Congress the effective tax rate in 1969 will approximate $36.48 per $1,000 of assessed value. That is shown on line 4 in table 1.

You will note there that the only credits that are going to the local property now are those that the State contributes on the basis of the legislation that was passed when you were Governor of the State. This is the real estate and the personal property relief that comes to all taxpayers.

If the aids are appropriated the effective tax rate in 1969 will approximate $23.31 per $1,000 of assessed value as shown on line 7, table 1, and you will note there that the only two things that will affect the budget or the levy is the annual request for $150,000 for school aids and $100,000 for welfare aids. The other provisions in the bill are not related to budgetary matters that affect the tax rate.

The important point to note is that even with $250,000 of annual aid 1965–69 that the effective tax rate rises in the neighborhood of 7 percent each year. The reason—the slight growth in the tax base as shown in line 1 of table 1.

The present growth in tax base is almost all in the residential class of property and is the result of the sale of lots to nonresidents on specified lakes in the county and the construction of houses by such persons. This is a very desirable type of tax base as it does not create any school cost in that additional pupils are added to joint school district No. 8. The owners of such property live in other school districts or are taxpayers residing outside Wisconsin. This growth in base, however, will decrease as the tax rate increases. Also, even under the most favorable tax rate conditions the growth in this class of property will not cover the rapid increase in the tax levy. Other substantial

development of industrial base is necessary to create stability. Industrial development in fields of higher value wood products would add substantial tax base, decrease unemployment, generate profits and income tax revenues which in turn would be apportioned back in part to the town and county of Menominee.

To create industrial base the proposed legislation would provide a $25,000 appropriation to the Secretary of Commerce to study the economic development of the lumber resource of Menominee County.

Prior to termination the department of taxation conducted a timber cruise of the Menominee Reservation. This was accomplished in 1955 through 1957, and I might add this was necessary for we had to know what the value of the property in Menominee County was before it could become a part of the State of Wisconsin because the aids are based on the value that the tax department determines.

The detail of this cruise, which also serves as the basis for the present valuation of forest lands in Menominee County, points out four species of trees with a higher use factor than a lumber type production.

Yellow Birch	20,000,000 ft.	(veneer, logs)
Maple	40,000,000 ft.	(veneer and flooring)
Basswood	20,000,000 ft.	(veener)
Oak	8,000,000 ft.	(veneer)

On my instruction to the cruisers at the time, the above estimates were all made on a conservative basis. Undoubtedly the forestry division of Menominee Enterprises and the Conservation Commission of Wisconsin are in a position to attest to forest production in areas other than cutting trees into lumber.

The detail of the 1955–57 timber cruise is set forth in table 2.1 and is used to support the assessed value of the forest lands in tables 1 and 2.

The Department of Commerce can determine the feasibility of a profitable operation of a veneer plant, particle board plant, high grade plywood plant and other improvements to the existing mill.

New plant facility proposals if shown by projected operating statements to be profitable ventures would aid in improving the well-being of the Menominee people and a basis for reduction and eventual elimination of aids from the Federal and Wisconsin governments. It would also be the basis for the maintenance of a reasonable property tax rate in future years.

The feasibility study will also determine what portion of the $5 million proposed loan will be necessary to develop the timber resource to its highest level.

WHAT HAPPENS UNDER VARYING ACTIONS THAT CONGRESS MIGHT TAKE ON S. 1934 AND H.R. 8034

1. If it takes no action, the property tax rate will increase to the point where the current assets of Menominee Enterprises will be soon liquidated to cover taxes and bond interest. The company will be in an insolvent position—no payroll, no employment—poverty at its worst. The taxpayers of Wisconsin will be burdened with relief and other costs not of their own making.

2. If Congress were to grant just the aids without the industrial loan.

Aids would give temporary relief to the high tax burden but would not solve the problems of unemployment, low family income, profits necessary to liquidate debt and pay a return to stockholders.

3. Adopting S. 1934.

The temporary aids would keep property tax rates within bounds until new industrial development became an integral part of Menominee economy. Employment and wages would increase resulting in a higher family unit income—this would assist in lessening the serious school dropout due to lack of income. More jobs would result and more of the educated Menominee youth staying in the county. Operating profits and wages would result in income tax payments, a portion of which would be returned to the town and county—it would provide the business income necessary to systematically liquidate bonded indebtedness and pay a return to the holders of beneficial stock certificates in Menominee Enterprises. The need for special Federal and State aids in the future to cover county and town operating costs would be substantially reduced or eliminated entirely. It is my feeling a viable economy would result from enactment of S. 1934.

Later on there will be testimony by Menominee Enterprise people to show what the effect will be on the income of the company if S. 1934 is not enacted.

Senator NELSON. That is going to be——

Mr. HARDER. Someone from Menominee Enterprises will give a report on that.

Senator NELSON. I want to thank you very much, Mr. Harder, for a very fine statement and for taking the time to come here to present the position of the department of taxation.

Mr. HARDER. Thank you very much for your consideration.

Senator NELSON. The tables referred to will be placed in the record at this point.

(The material referred to follows:)

TABLE 1.—*Menominee County—Town of Menominee effective property tax rates—Actual and projected, 1961–69*

	Actual, 1961	Actual, 1962	Actual, 1963	Actual, 1964	Actual or projected, 1965	Projected, 1966	Projected, 1967	Projected, 1968	Projected, 1969
1. Full value of taxable property (table 2) (Also the assessed value)	$16,354,870	$16,700,400	$16,959,443	$16,885,465	$17,513,778	$17,913,735	$18,291,235	$18,653,735	$18,976,235
2. Property tax levy exclusive of aids or credits less Federal school aid and Wisconsin property credits	516,814	492,495	582,048	[1] 590,644	620,176	651,185	683,744	717,931	753,828
Federal school aid	220,000	176,000	132,000	88,000	4,000	0	0	0	0
Wisconsin real estate tax relief		63,539	52,845	40,949	45,000	44,000	44,000	44,000	44,000
Wisconsin personal property tax relief		15,399	14,453	14,042	16,000	17,500	17,500	17,500	17,500
3. Net property taxes levied	296,814	237,557	382,750	447,653	515,176	589,685	622,244	656,431	692,328
4. Effective tax rate per $1,000 assessed value	18.15	14.22	22.57	26.51	29.42	32.92	34.02	35.19	36.48
5. Federal aids proposed in S. 1934:									
School aids					150,000	150,000	150,000	150,000	150,000
Welfare aids					100,000	100,000	100,000	100,000	100,000
Total					250,000	250,000	250,000	250,000	250,000
6. Net property tax levy if Federal aids are approved by Congress (line 3 minus line 5)					265,176	339,685	372,244	406,431	442,328
7. Effective tax rate per $1,000 of assessed value if S. 1934 is approved as to school and welfare aids (line 6 divided by line 1)					15.14	18.96	20.35	21.79	23.31

[1] Property tax growth in Wisconsin (statewide):
1964 over 1963; 4.59 percent.
1963 over 1962; 8.80 percent.
1962 over 1961; 6.29 percent.
1961 over 1960; 7.68 percent.

It is estimated that the property tax growth in Menominee Town will approximate 5 percent annually.

NOTE.—1964 effective property tax rate for all of the State of Wisconsin was $22.44 compared with town of Menominee, Menominee County of $26.51.

TABLE 2.—*Menominee County—Town of Menominee projection of in tax base by classes of property under existing conditions—Actual and projected, 1961–69*

Classes	Actual, 1961	Actual, 1962	Actual, 1963	Actual, 1964	Actual, 1965	Projected, 1966	Projected, 1967	Projected, 1968	Projected, 1969
Real estate:									
Residential	$1,413,260	$1,422,195	$1,446,318	$1,663,675	$2,080,640	[1] $2,495,000	$2,870,000	$3,230,000	$3,550,000
Mercantile	69,050	58,635	66,050	69,135	105,930	[2] 110,000	110,000	110,000	110,000
Manufacturing	830,550	1,130,810	1,416,425	1,434,075	1,401,070	[3] 1,400,000	1,400,000	1,400,000	1,400,000
Forest lands	12,456,315	12,445,900	12,445,900	12,445,900	12,445,900	[4] 12,445,900	12,445,900	12,445,900	12,445,900
Agriculture	27,000	59,750	82,550	106,862	107,245	[5] 110,000	112,000	114,000	116,000
Personal property:									
Livestock	25,685	24,205	19,150	17,548	15,493	[6] 17,500	18,000	18,500	19,000
Merchants' stock	10,785	12,195	16,830	13,200	19,195	[7] 19,000	19,000	19,000	19,000
Manufacturers' stock	1,113,600	1,007,950	1,053,355	772,130	906,225	[8] 925,000	925,000	925,000	925,000
Machinery, furniture and fixtures	238,590	371,775	366,080	316,405	385,745	[9] 390,000	390,000	390,000	390,000
Public utility	165,000	165,000	45,000	45,000	45,000	[10] 0	0	0	0
Other personal property	5,035	1,985	1,785	1,535	1,335	[11] 1,335	1,335	1,335	1,335
Total assessed value (to table 1) (also the full value)	16,354,870	16,700,400	16,959,443	16,885,465	17,513,778	17,913,735	18,291,235	18,653,735	18,976,235
Growth over prior year (percent)		2.11	1.55	−0.44	3.72	2.28	2.11	1.98	1.73

NOTES.—Assumptions as to projections 1966–69.

[1] Residential growth 1966, 20 percent; 1967, 15 percent; 1968, 12.5 percent; 1969, 10 percent (increase in tax rate will discourage any substantial growth).
[2] Mercantile, no growth.
[3] Manufacturing, no growth (fully established on present annual cut).
[4] Forest lands, growth equal to cut, no change.
[5] Agriculture, slight growth.
[6] Livestock, slight growth.
[7] Merchants' stock, no growth.
[8] Manufacturers' stock, present inventory at ideal operating level.
[9] Machinery, furniture and fixtures, depreciation will be equal or exceed new additions.
[10] Public utility, telephone utility sold.
[11] Other personal property, no change.

TABLE 3.—*Valuation of the forest under sustained yield requirement on the basis of the timber cruise by the Department of Taxation, 1955–57*

Classes and species	Total cruise (thousand feet)	Stumpage value per thousand feet	Total value
Logs:			
Pine, white	203,218	$50	$10,160,900
Hemlock	233,526	25	5,838,150
Birch (commercial)	39,902	25	997,550
Birch (veneer)	20,000	75	1,500,000
Aspen	16,023	10	160,230
Beech	14,755	20	295,100
Spruce	1,111	20	22,220
Maple (commercial)	120,452	20	2,409,040
Maple (flooring)	40,000	40	1,600,000
Elm	58,554	30	1,756,620
Basswood (commercial)	43,011	25	1,075,275
Basswood (veneer)	20,000	50	1,000,000
Ash	8,078	30	242,340
Oak (commercial)	18,157	25	453,925
Oak (veneer)	8,000	50	400,000
Oak (scrub)	1,541	10	15,410
Norway pine	17,945	30	538,350
Jack pine	415	20	8,300
Cedar	3,323	30	99,690
Hickory	844	30	25,320
Tamarack	482	10	4,820
Butternut	183	35	6,405
Balsam	6	20	120
Black cherry	21	20	420
Total, saw logs	869,547	[1] 32.9024	28,610,185

Pulpwood	Cords	Per cord	Total value
Pine	18,124	$5	$90,620
Hemlock	51,008	2	102,016
Birch	3,689	2	7,378
Aspen	75,450	2	150,900
Balsam	5,331	4	21,324
Spruce	6,198	6	37,188
Tamarack	755	4	3,020
Basswood	200	4	800
Oak	86	3	258
Total pulpwood	160,841		413,504

	Pieces	Per unit value	Total value
Other wood products:			
Ties	2,182	$0.40	$873
Posts	1,095,828	.05	54,792
Poles	212,511	2.00	435,022
Bolts (cords—basswood)	2	15.00	30
Total, other wood products			480,717
Other forest assets: Reproduction growth			956,880
Total value of wood products			30,461,286
Forest land:			
226,500 acres at $3 per acre			679,500
Extra land value, streams and rivers			39,140
Extra land value, lake shore			74,000
Total land value			792,640
Grand toral, value of forest under sustained yield operation May 1, 1960			31,253,926
40 percent valuation for equalization and taxation purposes			12,501,570
Subsequent withdrawals from forest management plan has reduced the equalization and tax purpose base (to forest land line on table 2)			12,445,900

[1] Average.

TABLE 4.—*Menominee County—Town of Menominee comparative tax levies, 1961–64, inclusive (exclusive of Federal aid)*

	Actual, 1961	Actual, 1962	Actual, 1963	Actual, 1964
State tax (3⅓o of 1 mill)	$3,271.02	$3,340.07	$3,392.17	$3,377.26
County tax	215,792.00	188,631.28	288,310.54	287,052.91
Town tax	76,905.88	80,437.10	43,775.00	51,175.00
School tax	220,844.99	220,086.34	246,570.71	[1] 249,038.67
Total tax levy	516,813.89	492,494.79	582,048.42	[2] 590,643.84

[1] See table 3.1.
[2] To table 1, line 2.

TABLE 5.—*School district No. 8, Shawano County, 1964 valuations and apportionments of school costs*

Tax District	Equalized values, May 1, 1964	School levy distribution
C. Shawano, Shawano County	$31,551,100	$450,217.64
V. Gresham, Shawano County	1,629,200	23,211.29
T. Belle Plaine, Shawano County	3,750,500	53,996.51
T. Herman, Shawano County	2,362,400	33,939.54
T. Navarino, Shawano County	83,300	1,213.49
T. Pella, Shawano County	339,000	5,916.66
T. Red Springs, Shawano County	1,981,100	25,785.08
T. Richmond, Shawano County	7,026,100	99,402.52
T. Seneca, Shawano County	11,400	173.33
T. Washington, Shawano County	1,027,000	13,761.18
T. Waukechon, Shawano County	2,883,000	43,566.13
T. Wescott, Shawano County	11,854,700	169,495.51
T. Menominee, Menominee County	16,886.300	249,038.67
Total	81,445,100	1,169,717.55

Senator NELSON. Our next witness is Dr. George Shinner, district health officer of the State board of health from Green Bay. Dr. Shinner.

Dr. Shinner, do you have a prepared text?

Dr. SHINNER. Yes.

Senator NELSON. The prepared text will be printed in the record as you present it and you may either read it or extemporize from it, whichever is most convenient to you.

STATEMENT OF DR. GEORGE F. SHINNER, DISTRICT HEALTH OFFICER, WISCONSIN STATE BOARD OF HEALTH

Dr. SHINNER. I am Dr. George F. Shinner, district health officer, Green Bay, representing Dr. E. H. Jorris, State health officer of the Wisconsin State Board of Health.

The bill has various items referable to health and sanitation and taking these in order, the first listed is tuberculosis hospitalization. On termination in 1960 the reservation became a county and part of the district office No. 6 of the State board of health and immediately an intensive tuberculosis case-finding program was begun.

This consisted of tuberculin testing all schoolchildren, preschool children, and also having the municipal X-ray unit of the State board of health come into the county for several days each year.

Senator NELSON. What was the status of the statistics on tuberculosis prior to the termination?

Dr. SHINNER. There weren't any statistics really because the reservation was part of Shawano and Oconto Counties and the statistics were kept as part of the statistics of these two counties.

Senator NELSON. So there were not available separate statistics?

Dr. SHINNER. No.

Senator NELSON. On the reservation as of that time?

Dr. SHINNER. That's right.

Senator NELSON. Did the Federal Government have statistics on the tuberculosis rate on the reservation?

Dr. SHINNER. I don't know whether they did or not. The case-finding program resulted in discovering an increased number of tuberculosis cases and this was reflected in the increased cost of sanitarium.

In 1960 the cost to the county was $317. In 1961 it was $12,422. In 1962 it was $68,000. In 1963 it was $76,000; in 1964, $80,000, and in 1965, $65,000. These last two items are approximate.

The first year is rather deceiving in that patients admitted from Menominee Reservation were admitted as State at large cases because residents of Menominee County were not legal residents of the State and some that had been admitted before termination remaining in the sanitarium for a period of several months, maybe even a year or two, were continued as State at large cases, but in 1962 the full impact of the reservation becoming a county is apparent when the cost increased to $68,000. Now, this $68,000 is the county's cost of the hospitalization of tuberculosis cases.

Senator NELSON. This is the chargeback?

Dr. SHINNER. This is a chargeback. In other words, this is approximately 80 percent of the cost because the State picks up about 20 percent.

Senator NELSON. Where were most of these?

Dr. SHINNER. Hickory Grove Sanitarium in De Pere, which is the Brown County sanitarium.

The control program was further intensified in May of 1965 when the State board of health and the U.S. Public Health Service planned and instituted an all-out effort based on the following steps:

A census of all the residents; tuberculin testing of the total population; X-ray chest films of all reactors; hospitalization observation for diagnosis and treatment; and drug therapy for discharged patients and others when clinically indicated for 1 year.

The census revealed approximately 2,700 residents in the county. Of these, 2,275 were tuberculin tested. Approximately 200 were excluded, in other words, residents who had either moved or died between the time the census was taken and the tests were given and also about 150 infants were excluded.

There were 614 reactors, positive tuberculin reactors, and of these about 425 were placed on drugs and there are 380 on drugs now. This program is still on-going and this accounts for the discrepancy between the 425 and the 380.

When the program is in full swing, approximately 25 percent of the total population will be on drug therapy and about 33 percent of the adult population will be on drug therapy.

Senator NELSON. What percentage?

Dr. SHINNER. Thirty-three percent. Now, in regard to recommendations—in view of the eventual termination of the Public Health Service-State board of health tuberculosis control project and its finding, the employment of a health aid in the county health service would be of considerable assistance in the long-term control program. The health aid could do family visiting, make appointments, keep records, assist in special projects, distribute medication and, in general, provide clerical and administrative assistance to the nursing services in all aspects of the tuberculosis program.

We also recommend that consideration might be given toward improving or replacing the physical plant of the nursing home in Keshena with the possibility of discharging chronic, noninfectious tuberculosis patients from the sanitarium to the nursing home. This would mean a saving of from approximately $4,000 per year to $2,000 per year per patient. The $4,000 is the cost of the county's maintaining the patient in the sanitarium for 1 year. The $2,000 would be the approximate cost of maintaining a patient like this in a nursing home for 1 year. There are about five or six long-term chronic noninfectious patients in the sanitarium at the present time, some of them there as long as 2 or 3 years. Now, this means that it doesn't take very many patients to run up the annual cost to the county of providing hospitalization for patients in a sanitarium based on the $4,000 a year annual cost.

Funds are also recommended for the employment of an X-ray technician on a part-time basis. This would relieve the nurse, the public health nurse, of the responsibility that she has been carrying. This would be of great service in that patients recommended for X-rays could receive this service in the nurse's office without having to go to Shawano or Hickory Grove Sanitarium for the service.

The second item in the bill, employment of a public health nurse. Menominee County has employed a public health nurse since February 1, 1960. The State subsidizes this service with $1,000 annually. The State Board of Health appropriated funds for the employment of a second nurse in 1964. This position was filled in July of 1965.

Senator NELSON. May I interrupt just a moment? The nursing home at Keshena, was this a federally built nursing home?

Dr. SHINNER. No, it is located in one of the agency buildings and, well, I really don't need to say much further. I don't know how old this building is, but it was not designed for a nursing home in the first place and it is extremely difficult to operate it as a nursing home with the physical facilities available.

Senator NELSON. What is the census in the nursing home?

Dr. SHINNER. About—I think the capacity is around 9 or 10 average.

Senator NELSON. So this is part of a Federal facility that was there before the termination, is that——

Dr. SHINNER. No, the nursing home, as I understand it, is owned by Menominee Enterprises or the county and rented by the operator or the administrator of the home. It is located in one of the buildings. Maybe somebody can give me the answer on this.

Senator NELSON. Well, if you know the answer.

Mr. KENOTE. That was an old Government school building built about 1904.

Senator NELSON. Would you identify yourself for the record?
Mr. KENOTE. George Kenote, Menominee Enterprises.
Senator NELSON. Built in 1904?
Mr. KENOTE. 1904 about, yes.
Senator NELSON. How long has part of it been a nursing home?
Mr. KENOTE. Since about 1959 or 1960.
Senator NELSON. Thank you. Go ahead, Dr. Shinner.

Dr. SHINNER. The recommendations relative to public health nursing and the employment of a public health nurse—funds are currently available for the employment of a public health nurse by the county and for an additional nurse with State funds. Two nursing positions should be maintained. With a high birth rate approximately twice the State average and an infant death rate approximately three times the State average, the incidence of diabetes, tuberculosis, gastrointestinal and upper respiratory infections, adequate nursing supervision and education in the family situation is essential.

The next item in the bill is sanitary aid. The U. S. Public Health Service provided the services of a sanitary aid for approximately 4 years immediately prior to termination. At present, consultation and direct service in the environmental sanitation area are provided through the distirct office of the State board of health. As there are nine counties in the district and the staff is extremely limited, services available to Menominee County are minimal.

As services in this area are extremely limited, the employment of a qualified, full-time sanitation would be of great help in raising the level of sanitation relative to private water supplies and sewage treatment, garbage and waste collection and disposal, insect and rodent control and housing improvements.

The sanitary aid would be of great assistance in the development of the recreational resources, especially in respect to public parks and camping area sanitation and in planning for and supervising sanitary standards and regulations in residential construction.

The next item in the bill is collection and disposal of garbage and refuse. The county provides garbage and refuse collection in the communities of Neopit and Keshena. An adequate collection system is available and adequate disposal sites are maintained in that equipment is used to trench and compact and cover.

Immunization—since 1960 annual immunization clinics are held for primary and booster immunizations for diphtheria, pertussis, tetanus or lockjaw, smallpox, and polio.

Monthly infant and preschool clinics are provided in Keshena and Neopit.

In addition to protection against the above-mentioned diseases, measles vaccination was begun in October 1965.

A countywide oral polio vaccine program for all age groups was completed in 1963.

The State board of health has provided funds for the purchase of materials, as the oral polio vaccine.

Recommendations are that immunization programs are provided for infants, preschool and school children with personnel from the county nurse's and the district office of the State board of health.

Funds could be appropriated for biologicals and other supplies.

Our next item is collection and recording of vital statistics. The register of deeds collects and records vital statistics on births and deaths. Morbidity data records on various diseases other than birth and death data are collected and recorded by the county nurse's office routinely in connection with special projects and problems. No recommendations are indicated.

S. 1934 makes no reference to dental health, but the following information is considered pertinent to general health needs.

In May of 1965, the division of dental health of the State board of health did a survey of the dental status of 865 Menominee County children, age 5 to 19. The findings were——

Senator NELSON (interrupting). May I interrupt here? Is that the total? Is that all the children between the ages 5 to 19 in the county?

Dr. SHINNER. It was almost a 100-percent survey.

Senator NELSON. Fine.

Dr. SHINNER. I don't think I need to go into this next detail, but the point is that there are 809 of the 865 children in need of dental care and this is 93.5 percent of the total needing care. Similar surveys in other areas of the State average approximately 60 percent of children in this same age group in need of care.

The recommendations are: With 93.5 percent of schoolchildren in need of dental care, some method of providing this service is indicated. The director of the dental division of the State board of health has estimated that $16,000 would be required to establish a dental care program. Furthermore, in his opinion at least $50,000 would be needed to raise the dental status of the school population to the point where present needs could be provided for and a preventive dental program instituted.

The State board of health wishes to register its support in favor of S. 1934 because it is convinced that the provisions of the bill relative to health and sanitation will improve the health status and the living standards of the residents of Menominee County. Thank you.

Senator NELSON. There is no doctor in the county, is that correct?

Dr. SHINNER. No, sir.

Senator NELSON. And so no clinic or no medical facilities?

Dr. SHINNER. No, sir.

Senator NELSON. Are resident to the county?

Dr. SHINNER. No, sir.

Senator NELSON. I thank you very much, Doctor. That is a very fine presentation. I appreciate your taking the time to come here today.

The full text of Dr. Shinner's statement will be printed in the record.

(The prepared statement of Dr. Shinner follows:)

PREPARED STATEMENT OF DR. GEORGE F. SHINNER, DISTRICT HEALTH OFFICER, WISCONSIN STATE BOARD OF HEALTH

S. 1934, SECTION 1(C), TUBERCULOSIS HOSPITALIZATION

Prior to termination in 1960, while the Menominee Reservation was under the jurisdiction of the Bureau of Indian Affairs and the U.S. Public Health Service, the tuberculosis program consisted of hospitalization of active cases with costs

paid for by the State, as residents of the Menominee Reservation were not legal residents of the State and were considered State-at-large patients.

On termination in 1960, the reservation became a county and part of District No. 6 of the State board of health.

Intensive tuberculosis case finding programs were immediately put into effect.

One method was to tuberculin test all elementary schoolchildren with further examination of the reactors and all of their family contacts.

Since 1962 the high school age group was included.

Since 1962 all schoolchildren from kindergarten through high school are tuberculin tested annually.

Preschool children and adults were urged to participate in the testing program.

The second method used in the intensified case finding program was to schedule visits of the State mobile X-ray unit to the county on an annual basis.

Positive findings in the screenees resulted in tuberculin testing and chest X-rays for family contacts.

The tuberculin testing and chest X-ray case finding programs resulted in discovering an increased number of tuberculosis cases, which was reflected in the increased costs of sanatorium care.

1960, May 1 to June 30	$317.73
1961, full year	12,422.24
1962, full year	68,827.06
1963, full year	76,122.36
1964, full year	80,000.00
1965, full year	65,000.00

The costs of the 2 months in 1960 are deceiving as they include only patients admitted after termination.

Full costs were not assumed by the county until 1962, as a considerable number of patients hospitalized before that year were paid for by the State as State-at-large cases.

As of January 1, 1965, 223 Menominee County residents were on drug treatment at home; 63 had completed a 2-year course of treatment.

These 286 individuals include residents discharged from the sanatorium as noninfectious tuberculosis, inactive tuberculosis, contacts of active cases of tuberculosis, and persons whose tuberculin test had converted from negative to positive.

The ideal objective is to attempt to determine the tuberculosis status of the total population of the county for the purpose of treating the cases and preventing spread.

Much has been accomplished toward this end when it is realized, that of a county population of 2,600, information is currently available through the various activities described in this report on a substantial majority of the population.

Records are maintained on:

1. All patients admitted to the sanatorium for observation or treatment. These patients are kept under surveillance indefinitely.
2. All schoolchildren from kindergarten through high school and a number of preschool children, approximately a total of 1,000, are tuberculin tested annually.
3. 286 individuals are on drug treatment or have completed a 2-year course of treatment. These are also kept under surveillance indefinitely.
4. The mobile X-ray unit is stationed in the county annually for several days. Screenees are individuals over 18 with no prior positive X-ray findings.

The control program was further intensified in May of 1965 when the State board of health and the United States Public Health Service planned and instituted an all-out effort based on the following steps:

1. A census of all residents of the county.
2. Tuberculin testing of the total population.
3. X-ray chest films of all reactors.
4. Hospitalization observation for diagnosis.
5. Treatment.
6. Drug therapy for discharged patients and others when clinically indicated for 1 year.

The results of the project as of this date are as follows:

Census, 2,700.

Tuberculin tested, 2,275. Forty residents moved or died and approximately 150 infants were excluded.

Positive reactors, 614. The reaction rate under age 20 was 5 percent.

Number of reactors:

Placed on drug therapy, 425.

On drug therapy, 380.

Twenty-five percent of the total population will be on drug therapy.

Thirty-three percent of adult population will be on drug therapy.

Recommendations:

The Wisconsin Legislature in its latest session passed the tuberculosis aid bill, which provides for the State assuming the costs of hospitalization over $500 per $1 million of assessed valuation.

In respect to Menominee County, this means that the county is obligated for costs up to approximately $8,500 annually. The legislation obviously provides great financial relief to the county.

In view of the eventual termination of the U.S. Public Health Service-State board of health tuberculosis control project and its finding, the employment of a health aid in the county health service would be of considerable assistance in the long-term control program. The health aid could do family visiting, make appointments, keep records, assist in special projects, distribute medication and, in general, provide clerical and administrative assistance to the nursing services in all aspects of the tuberculosis program.

Consideration might also be given toward improving or replacing the physical plant of the nursing home in Keshena with the possibility of discharging chronic, noninfectious tuberculosis patients from the sanatorium to the nursing home. This would mean a saving of from approximately $4,000 per year to $2,000 per year per patient.

Funds for the employment of an X-ray technician on a part-time basis are indicated. This would relieve the nurse of a responsibility.

S. 1934, SECTION 1(C), EMPLOYMENT OF A PUBLIC HEALTH NURSE

Menominee County has employed a public health nurse since February 1, 1960. The State subsidizes this service with $1,000 annually.

The State board of health appropriated funds for the employment of a second nurse in 1964. This position was filled in July, 1965.

The county nurse position is currently unfilled.

Recommendations:

Funds are currently available for the employment of a public health nurse by the county and for an additional nurse with State funds.

Two nursing positions should be maintained. With a high birth rate, an infant death rate approximately three times the State average, the incidence of diabetes, tuberculosis, gastrointestinal and upper respiratory infections, adequate nursing supervision and education in the family situation is

S. 1934, SECTION 1(C), SANITARY AID

The U.S. Public Health Service provided the service of a sanitary aid for approximately 4 years immediately prior to termination.

At present, consultation and direct service in the environmental sanitation area are provided through the district office of the State board of health. As there are nine counties in the district and staff is extremely limited, services available to Menominee County are minimal.

Recommendations:

As services in this area are extremely limited, the employment of a qualified, full-time sanitarian would be of great help in raising the level of sanitation relative to private water supplies and sewage treatment, garbage and waste collection and disposal, insect and rodent control, and housing improvements.

The sanitary aid would be of great assistance in the development of the recreational resources, especially in respect to public parks and camping

area sanitation and in planning for and supervising sanitary standards and regulations in residential construction.

S. 1934, SECTION 1(C), COLLECTION AND DISPOSAL OF GARBAGE AND REFUSE

The county provides garbage and refuse collection and disposal service in the communities of Neopit and Keshena.

Open dump sites are used for disposal.

Recommendations:

The collection system is apparently adequate.

S. 1934, SECTION 1(C), IMMUNIZATION

Since 1960 annual immunization clinics are held for primary and booster immunizations for diphtheria, pertussis, tetanus, smallpox, and polio.

Monthly infant and preschool clinics are provided in Keshena and Neopit.

In adition to protection against the above-mentioned diseases, measles vaccination was begun in October 1965.

A countywide oral polio vaccine program for all age groups was completed in 1963.

The State board of health has provided funds for the purchase of materials, as the oral polio vaccine.

Recommendations:

Immunization programs are provided for infants, preschool and school children with personnel from the county nurse's and the district office of the State board of health.

Funds could be appropriated for biologicals and other supplies.

Our next item is collection and recording of vital statisics.

The register of deeds collects and records vital statistics on births and deaths.

Morbidity data records on various diseases other than births and deaths data are collected and recorded by the county nurse's office routinely in connection with special projects and problems.

No recommendations are indicated.

S. 1934 makes no reference to dental health, but the following information is considered pertinent to general health needs.

In May of 1965, the division of dental health of the State board of health did a survey of the dental status of 865 Menominee County children, age 5 to 19.

The findings were:

Carious deciduous teeth, 1,116.

Carious permanent teeth, 2,392.

Extracted deciduous teeth, 98.

Extracted permanent teeth, 437.

There were 56 of the 865 children totally free of caries.

There were 809 of the 865 children in need of dental care. This is 93.5 percent of the total needing care.

Similar surveys in other areas of the State average approximately 60 percent in need of care.

The recommendations are:

With 93.5 percent of schoolchildren in need of dental care, some method of providing this service is indicated.

The director of the dental division of the State board of health has estimated that $16,000 would be required to establish a dental care program.

Furthermore, in his opinion at least $50,000 would be needed to raise the dental status of the school population to the point where present needs could be provided for and a preventive dental program instituted.

Senator NELSON. I will now call on George Keith, of the State department of public welfare. George, I appreciate very much your taking the time to come up here today. George, the full text of your presentation, if you may have one, will be printed in the record and you may proceed as you wish, either reading or extemporaneously, but the total, full text will be printed.

STATEMENT OF GEORGE M. KEITH, DEPUTY DIRECTOR, WISCONSIN STATE DEPARTMENT OF PUBLIC WELFARE, AND WELFARE REPRESENTATIVE, MENOMINEE INDIAN STUDY COMMITTEE

Mr. KEITH. I called you Governor and I should have said Senator.

Senator NELSON. I have no objections to that, George.

Mr. KEITH. Mr. Chairman, I am here with the authorization of Mr. Wilbur Schmidt, the director of the State department of public welfare. My name is George M. Keith. I am the deputy director of the Wisconsin State Department of Public Welfare and the welfare representative on the Menominee Indian Study Committee. My appearance is particularly in respect to section (1) (b) of Senate bill 1934, 89th Congress, 1st session, which proposes to make a grant of funds to the State of Wisconsin specifically to assist the county of Menominee in financing the costs of welfare programs. I hope this information will establish the existence of a real, handicapping burden and problem as far as Menominee County is concerned.

In September 1965, the latest month for which data are available, public assistance in its various forms went into 167 Menominee County homes with a total family membership of 426 persons. This does not include one person who received a substantial amount of care in the hospital and physicians' services under the Kerr-Mills Health Assistance Payments Act, as we call it in Wisconsin.

Considering that the population of the county presently approximates only 2,700 people, it can readily be seen that 15.8 percent, or about 1 out of every 6 persons, were receiving public aid. Comparatively, out of Wisconsin's 4 million population—and I saw an estimate the other day of 4,170,000 or something like that—100,214, or about 2½ percent or 1 out of 40, received public assistance of some kind. This may have been aid to dependent children including children in foster homes, old-age assistance, general relief, aid to the disabled, or aid to the blind, each program being lesser in amount as named according to the number of people receiving it.

The total amount of assistance in September was $20,066.01, which was roughly $7.43 for each resident of the county. The total State expenditure for the same month was something over $7 million and that averages out at $1.85 per Wisconsin resident, so that you see the $7.43 is about four times the State average.

What I am trying to show here is that the volume of the public assistance program in and of itself shows that comparatively, economic conditions in Menominee County are substantially below the average for the entire State.

Now, we have to point out that Menominee County didn't raise all this money directly, that it involved Federal funds of a little over 50 percent, State funds of nearly 32 percent, and county and town funds of something over 17 percent.

We submit information for the entire year ending last June 30, 1965. It shows a total expenditure of $267,658 and this includes administration as well as the aid given to people in the form of money or hospital care or whatever. The Federal share was 52.8 percent of that; the

State share was a little lower, 29 percent; the county was a little higher on the whole year, 18.2 percent.

Now, maybe this doesn't appear to establish any particular pattern for Menominee County, but if you note that the county's share for the whole year was $48,677 and the full value of property subject to general property tax in Menominee County was fixed by the State tax department for 1965 at $17,514,770, you come up with a rate for welfare, the county's share of welfare, at 2.78 mills on a dollar, and compared to the State as a whole, the mill rate averages out at 1.29 or 46 percent or just a little less than half of the rate for Menominee County.

To indicate how the things have been going since termination, we have submitted a table. It shows that in May 1961, there were 218 people receiving some form of public assistance and in that month they received $6,872.

In September 1965, which is a little over 4 years later, there were 426 people receiving $20,066. The question could be and is asked as to why the increase, and there are three factors that we think we can identify.

When the county established its own department here in the county, it was more accessible for the people and apparently they thought it easier to make application.

Secondly, in the past year and a half we have had the Menominee bond program of a million dollars State appropriation and this brought the department's staff of the State agency which I am representing here into contact with most families in Menominee County. If during the interview it appeared that there was eligibility for one or the other of the four social security aids, immediate referral was made to the county department of public welfare and there were a substantial number of cases, I am told, that when they found out that they might be eligible, that had never applied or had been discouraged from applying for one reason or another.

A third factor may be peculiar to Wisconsin; prior to terminaton, if a Menominee child was found to be dependent or neglected by the juvenile court, the practice of the court was to commit the child to the State department of public welfare, as a State-at-large case under the interpretation of the law so that there would be no chargeback to Menominee County or the Shawano County or Oconto.

Senator NELSON. There is no chargeback to the Federal Government there?

Mr. KEITH. No, that isn't involved in these cases.

Senator NELSON. I see.

Mr. KEITH. After termination, Menominee County no longer had a reservation or a nontaxable status. It was necessary to legally find these children now had a legal settlement in the county and if committed to the State, part of the cost would be charged back, wherefor the advantage of committing to the State was removed and the couny is now taking care of a substantial number of children through their own county foster home program, and that explains why, if you look at the table, there is a substantial increase in that program. I will try to show it a little later.

Now, the data shows that the number of people receiving aid increased over 95 percent from May 1961, to September 1965, and the

amount expended increased by 190 percent. Comparatively, for the State as a whole the number of people declined 10.4 percent for the entire State and aid as an entire amount only increased 10.5 percent.

When we talk about public welfare, though, other things besides public assistance care are included. In this State there is a State special charge which is certified back to the county in October of each year for the county's share of cost of care of people in State institutions and services. The chargeback for the first year 1961 was only for 2 or 3 months and was only $200 or $300, so I didn't show that here.

Senator NELSON. George, can I interrupt just a moment here?

Mr. KEITH. Yes.

Senator NELSON. I don't understand the first paragraph on page 5 that you just covered, the sentence in which you say, "A similiar comparison for the State shows that the number of persons aided declined by 10.4 percent while the cost of aid increased by only 10.5 percent."

Mr. KEITH. For the State as a whole, sir.

Senator NELSON. This is a statewide statistic?

Mr. KEITH. Yes, sir. I probably should have said for the State as a whole. That would have made it clear.

Senator NELSON. I see, thank you.

Mr. KEITH. So we see that the amount certified back to Shawano County from 1962 through the most recent year, that it was just certified last month and will be up for settlement next March, has increased from $3,500 to over $14,000. That is over four times as much in a period of 3 years.

Now, in order to get another item into the perspective here, I am mentioning the university hospitals item, although that does not come under the jurisdiction of the welfare program. Yet it does provide hospital care for needy people as certified by the county court and, of course, part of that is charged back to the county. It is to be noted that that amount has dropped off more than 50 percent.

I am mentioning that the problems of dependency and need associated with tuberculosis are of a considerable and great significance in Menominee County's welfare program. The health program has already been presented by Dr. Shinner and the data submitted, the year-by-year cost. That chargeback actually was more for the year 1964 than the county's share of what are called welfare programs, as shown here, by about $12,000.

If we look at the increase in the funds that the county has had to provide year by year for welfare purposes, take a look at the heading "Charities and Corrections." That is the specific accounting classification established for the counties through the department of audit and that shows that the charge to the county has increased—the county's burden has gone up from something over $30,000 to something over $73,000, or of the total appropriation by the county, from a percentage of 13.1 percent to a percentage of 23.3 percent. The increase in amount both absolutely and in proportion is obvious.

Some historical facts commend themselves to us for mention. I know of no Federal Bureau of Indian Affairs funds that were paid into Menominee County for welfare purposes for 20 or 30 years, at least as long as I have had anything to do with the county. In the early forties all welfare costs were being paid out of Menominee tribal funds. In 1946 or thereabouts Congress reduced the appropriation out of the tribal funds and at that point an application for

old-age assistance came in from Menominee residents. After giving them a fair hearing in the matter, it appeared to us that we could no longer stand on the position that these people were not in need and were not eligible because of having sufficient resources through the tribal funds because that amount of funds were no longer available, so I personally signed the order on the treasurer of Shawano County to begin paying old-age assistance and aid to dependent children, and so on, to the Menominee people who were eligible and living in Menominee County.

That, of course, changed the system so that the expenditures were financed now out of Federal, State, and county funds to eligible people.

The Menominee Tribe here on its own accord—I think they deserve credit for this—decided to reimburse Shawano and Oconto Counties for the amount not paid out of Federal funds. This, of course, stretched their tribal funds a great deal by being able to shift these costs, but there was nothing compulsory on them to do this. So from then until termination, the tribe paid the cost not reimbursed out of Federal funds.

In 1951 the State of Wisconsin initiated a program of relief for needy Indians residing on tax-exempt lands. This included the Menominee people until the date of termination, May 1, 1961, when by act of Congress they were freed from Federal control and from further recognition as Indians. This program covered a substantial part of the welfare needs of the Menominees prior to—I have "unionization." It should be "termination," an error in a word here.

Wisconsin has since 1936 maintained a special appropriation to assist fiscally distressed counties and localities in meeting their statutory share of the costs of maintaining the four social security aids and also general relief. Since termination Menominee County has made two applications to the State department of public welfare for a grant of aid from this fund. The first application in late 1963 for 1964 was approved, and the sum of $17,525 in State funds was paid over to the county. The second application in late 1964, a year ago now, for 1965 was not granted because upon investigation we found that the county's treasury was temporarily able to carry on.

It arose from a member of factors including prudent management of their funds by the county officials, unexpected collections of funds, and particularly the receipt of a special State appropriation of $80,000 for the county's share of the cost of care for tuberculous patients.

In a special session on December 11, 1963, the legislature passed a law establishing a welfare program for needy owners of securities of Menominee Enterprises, Inc., and appropriated $1 million for the purpose. This bond program provided that a family or individual who, but for the ownership of such securities, would qualify for relief, public assistance, or other welfare aid, could obtain such help through assignment of the securities as collateral for a loan. This, as far as I know, is an entirely unique program that nobody else has ever had and there is no prior precedent or experience. Present recipients continued to receive benefits if assignment of the securities was made to the State department of public welfare. The intent of the law was to provide an alternative to selling the securities for whatever depressed price might be offered.

Now, I have omitted some experience. The loans were made for welfare purposes under the program for such things as burial expenses, transportation and educational needs, for necessary and essential furniture and appliances, payments of debts in cases where garnishment actions threatened to reduce family income below the subsistence level, and for medical expenses. Many loans were granted for home improvement in cases where housing was so substandard as to jeopardize health and safety. Referrals were made, where appropriate, to the Farmers Home Administration which was empowered to make grants up to $1,000 for home repair and improvements.

Now, out of this million dollars in this table I think the fact should be noted that a big chunk of it went for what might be called relief and I hope to mention that a little more as I go along.

In summary, section (1) (b) of Senate bill 1934 proposes an appropriation "for the fiscal year beginning July 1, 1965, and for the 4 succeeding fiscal years, the sum of $100,000." The county's costs for the fiscal year ending June 30, 1965 are the latest available and they are $67,820.93. Now that is less than a hundred thousand dollars, but during almost all of 1964–65 the Menominee bond program was in operation and that appropriation has not been renewed and residents of Menominee County in need of basic maintenance or hospital and medical care obtained the necessary funds through pledging their bonds to the State under the million dollar bond program. Reference to data on the bond program shows that of the million dollars, $462,580 was marked as "amount of relief paid." This amount is comprehensive of payments under the social security aids program, payments of cumulated hospital, medical and other bills, including hospitals and continuing payment of them as the months went on and other bills and allocation for current costs of living including day-to-day maintenance as well as emergency needs such as hospital and medical care. It is very easy and not at all difficult to point out that if even 10 percent of the $462,580 is an ongoing year-to-year general relief cost, that amount added to the $67,000 clearly identified above as the 1964–65 Menominee County welfare costs would run over $100,000 a year, and I think I want to emphasize that this gives very clear evidence that in terms of need for hospital and health care as well as the burden on the county for these programs, it is not difficult at all to show that the $100,000 a year is a very conservative figure.

When it is considered that the Menominee Reservation was a Federal enclave pretty much exempt from Wisconsin control or supervision, that the termination legislation was originally enacted by agreement between the tribe and the Federal Government without participation in the first steps by the State of Wisconsin, and that the reservation had not yet achieved an economic status comparable to that of any other county in the State, termination actually left Menominee County and the State of Wisconsin with the responsibility for meeting the welfare and other needs of the Menominees without further Federal support. That the people of Menominee County and of the State of Wisconsin as a whole have not been niggardly or delinquent in trying to meet these responsibilities must be patent from the data herein presented. That these burdens and responsibilities are not at all the creation of the State of Wisconsin must be clearly evident. That the Federal Government

has an undischarged and unfulfilled responsibility seems perfectly clear. For that reason Senate bill 1934 merits and has our full support.

Senator NELSON. Thank you very much, Mr. Keith, for a very fine presentation.

(The prepared statement of Mr. Keith follows:)

STATEMENT OF GEORGE M. KEITH, DEPUTY DIRECTOR, WISCONSIN STATE DEPARTMENT OF PUBLIC WELFARE, AND WELFARE REPRESENTATIVE, MENOMINEE INDIAN STUDY COMMITTEE

Mr. Chairman, my name is George M. Keith, I am deputy director of the Wisconsin State Department of Public Welfare and the welfare representative on the Menominee Indian Study Committee. My appearance is particularly in respect to section (1) (b) of Senate bill 1934, 89th Congress, 1st session, which proposes to make a grant of funds to the State of Wisconsin specifically to assist the county of Menominee in financing the costs of welfare programs. I am submitting information that will, I believe, establish the existence of a real, handicapping burden and problem as far as Menominee County is concerned.

In September 1965, the latest month for which data are available, public assistance in its various forms went into 167 Menominee County homes with a total family membership of 426 persons. These totals do not include one Menominee County resident who received $1,438.10 of inpatient hospital care and physicians' services under the Health Assistance Payments Act (Kerr-Mills). Considering that the population of the county presently approximates only 2,700 people, it can readily be seen that 15.8 percent, or about one out of every six persons, were receiving public aid. Comparatively, out of Wisconsin's 4 million population, 100,214, or about 2½ percent or 1 out of 40, received public assistance of some kind. This may have been aid to dependent children including children in foster homes, old-age assistance, general relief, aid to the disabled, or aid to the blind, in descending rank according to number of persons aided.

The total amount of public assistance granted in Menominee County (not including Kerr-Mills) in September was $20,066.01—roughly $7.43 for each resident. The total expended in Wisconsin in September for all forms of public assistance was $7,395,794.48, or $1.85 per each of our 4 million residents. Again we see that the average og $7.43 Menominee resident was over four times the average of the State as a whole.

What I am trying to establish here is that the volume of the public assistance program in itself shows that comparatively, economic conditions in Menominee County are substantially below the average for the entire State.

Of, course, the total amount expended in Menominee County did not come entirely from county or local funds. The $20,066.01 was shared, approximately as follows:

	Amount	Percent
Federal	$10,127.14	50.5
State	6,402.59	31.9
County and town	3,535.68	17.6
Grand total	20,066.01	100.0

Data for an entire year tell a similar story. In fact, proportionately the local share in September was less than on an annual basis. For the fiscal year ending June 30, 1965, net public assistance costs including the county welfare administration were as follows:

	Amount	Percent
Federal	$141,399	52.8
State	77,582	29.0
County and town	48,677	18.2
Grand total	267,658	100.0

It may be said that these data do not establish anything in particular and especially do not establish the existence of any special burden for Menominee County to bear considering the substantial financing provided out of State and Federal funds. Note, however, that Menominee County's share was $48,677 and that the full value of property subject to general property tax in Menominee County was fixed by the State tax department in 1965 at $17,514,770. This comes out to a rate of 2.78 mills on the dollar to finance the fiscal share of the public assistance burden. Now look at the State as a whole. Local share of 1964–65 public assistance $30,197,975.14—full value of general property $23,455,638,350—mill rate to raise local share 1.29 or 46 percent of the rate in Menominee County. Thus, the mill rate for Menominee County was over twice the average rate for the entire State although there is only one principal taxpayer in the county.

An indication of how things have been going since termination became effective on May 1, 1961, as far as public assistance to or on behalf of eligible recipients is concerned, may be seen by comparing the situation in May 1961 and September 1965.

	Data for May 1961		Data for September 1965	
	Number of people	Amount	Number of people	Amount
Aid to dependent children	83	$2,246.28	258	$10,092.57
Aid to dependent children in foster homes	8	380.30	55	2,592.82
Old-age assistance	44	3,170.64	43	3,588.37
Aid to disabled	8	750.52	28	2,938.40
Aid to blind	3	192.75	5	351.50
General relief	72	131.79	37	502.35
Grand total	218	6,872.28	426	20,066.01

A large part of the increase in cases on public assistance is attributable to three facts:

(1) The easier accessibility to the making of applications within Menominee County resulting from the county's takeover of administration. The problem of transportation reflects itself here.

(2) In administering the Menominee bond program department staff came into contact with most families in Menominee County. If during the interview it appeared that eligibility for one or the other of the four social security aids might exist there was immediate referral to the county department of public welfare for making application.

(3) Prior to termination Menominee children found to be dependent or neglected were committed to the State department of public welfare. Almost all such children are now committed to the county department of public welfare and are supported in foster homes through the aid-to-dependent children program.

The foregoing table shows that since May 1961, the number of persons receiving aid in the county increased by over 95 percent, while the amount expended for aid increased by more than 190 percent. A similar comparison for the State shows that the number of persons aided declined by 10.4 percent while the cost of aid increased by only 10.5 percent.

In all other areas of welfare the local fiscal burden is significant when considered in terms of the limited fiscal capacity of the county. State special charges for care of Menominee County residents in State and county institutions and services show for fiscal years:

	1962	1963	1964	1965
Mental hospitals	$271.82	$226.10	$134.98	$86.43
Colonies for retarded			63.57	465.00
Child welfare including child center	574.96	4,959.90	5,268.59	5,374.06
Correctional schools and institutions	2,683.24	5,323.65	5,496.91	8,718.73
County mental hospitals		589.94	82.04	(.66)
Total	3,530.02	11,099.59	11,046.09	14,643.56

Although not regarded as a welfare program, cost of care in the university hospitals constitutes a substantial budget item for Menominee County.

1962	$9,016.36
1963	6,611.72
1964	4,500.25
1965	4,176.21

And without question the problems of dependency and need associated with tuberculosis are of great significance in Menominee County's welfare program. As the representatives for the health program will most likely show, Menominee County's $76,122.36 share of the cost of tuberculosis care in 1964 exceeded the total of county funds for:

County welfare department	$48,677.00
State special charges	11,046.09
University hospitals	4,500.25
Total	64,223.34

Another way of looking at the trend or direction of Menominee County is in terms of actual county funds appropriated for welfare from year to year both in amount and in relationship to total county funds appropriated:

	Charities and corrections	Total appropriation	Percent
1962	$30,791.10	$234,727.05	13.1
1963	45,527.04	275,831.28	16.5
1964	57,318.87	292,295.35	20.0
1965	73,301.03	315,015.67	23.3

The increase both in absolute amount and in proportion is obvious.

In assessing the situation in Menominee County as to welfare, some historical facts need be kept in mind.

1. For many years no Federal Bureau of Indian Affairs funds went into Menominee County for welfare purposes. In the early forties all welfare costs were being paid out of Menominee tribal funds. In 1946 or thereabouts after Congress had reduced the amount of their own tribal funds that the Menominees could use for welfare, it was found that needy Menominees no longer had sufficient means of support from their tribal funds and this speaker signed the order that initiated payment of old-age assistance, aid to dependent children, and aid to the blind financed out of Federal, State, and county funds to eligible residents on the then reservation.

The tribe on its own accord, reimbursed out of tribal funds the treasurers of Shawano and Oconto Counties for the amount of such aids not paid out of the State and Federal funds—in other words, what would be called the county share.

2. In 1951 the State of Wisconsin initiated a program of relief for needy Indians residing on tax-exempt lands. This included the Menominees until the date of termination, May 1, 1961, when by act of Congress they were freed from Federal control and from further recognition as Indians. This program covered a substantial part of the welfare needs of the Menominees prior to unionization.

3. Wisconsin has since 1936 maintained a special appropriation to assist fiscally distressed counties and localities in meeting their statutory share of the costs of maintaining the four social security aids and also general relief. Since termination, Menominee County has made two applications to the State Department of Public Welfare for a grant of aid from this fund. The first application in late 1963 for 1964 was approved, and the sum of $17,525 was granted. The second application in late 1964 for 1965 was not granted because the county's treasury was found temporarily—for a year or maybe more—to have sufficient funds. This situation arose from a combination of factors—prudent management by the county officials, unexpected collection of funds, and particularly receipt of a special State appropriation of $80,000 for the county's share of the cost of care for tuberculous patients. This latter sub-

sidy will probably be treated in the discussion of health problems in Menominee Conuty.

4. In a special session on December 11, 1963, the legislature passed a law establishing a welfare program for needy owners of securities of Menominee Enterprises, Inc., and appropriated $1 million for the purpose. The bond program provided that a family or individual who, but for the ownership of such securities, would qualify for relief, public assistance, or other welfare aid, could obtain such help through assignment of the securities as collateral for a loan. Present recipients continued to receive benefits if assignment of the securities was made to the State department of public welfare. The intent of the law was to provide an alternative to sellling the securities for whatever price might be offered.

Loans for welfare purposes under the program were made for burial expenses, transportation, and educational needs, for necessary and essential furniture and appliances, payments of debts in cases where garnishment actions threatened to reduce family income below the subsistence level, and for medical expenses. Many loans were granted for home improvement in cases where housing was so substandard as to jeopardize health and safety. Referrals were made, where appropriate, to the Farmers Home Administration which was empowered to make grants up to $1,000 for home repair and improvements.

The status of the program as of October 22, 1965, was as follows:

Number of assigned bonds in department possession	691
Par value of assigned bonds	$1,738,052.31
Amount of general relief repaid	$122.72
Amount of notes receivable repaid	229.32
Amount of notes receivable	491,949.90
Amount of relief paid	462,580.32
Total	954,882.26
Appropriation unexpended (including $25,000 contingency fund)	45,117.74
Interest received on notes as of Oct. 22, 1965	484.77
Bonds owned by State	23,919.00

SUMMARY

Section (1) (b) of Senate bill 1934 proposes an appropriation "for the fiscal year beginning July 1, 1965, and for the 4 succeeding fiscal years, the sum of $100,000." The county's costs for the fiscal year ending June 30, 1965, are the latest available and are for:

County welfare department (public assistance, child welfare administration, general relief)	$48,677.12
State special charges (mental hospitals, colonies, correctional institutions, foster home and institutional care of children)	14,643.56
University hospitals	4,500.25
Total	67,820.93

During almost all of 1964–65 the Menominee bond program was in operation and residents of Menominee County in need of basic maintenance or hospital and medical care obtained the necessary funds through pledging their bonds to the State under the million dollar bond program. Reference to data on the bond program shows that of the million dollars $462,580 was marked as "amount of relief paid." This amount is comprehensive of payments under the social security aids program, payments of cumulated hospital, medical, and other bills and allocations for current costs of living including day-to-day maintenance as well as emergency needs such as hospital and medical care. It is very easy to point out that if even 10 percent of the $462,580 is an on-going year-to-year general relief cost that amount added to the $67,820.93 clearly identified as the 1964–65 Menominee County welfare costs would be substantially in excess of the $100,000 annual appropriation proposed in section (1) (b) of Senate bill 1934.

When it is considered that the Menominee Reservation was a Federal enclave pretty much exempt from Wisconsin control or supervision, that the termination legislation was originally enacted by agreement between the tribe and the Federal Government without participation by the State of Wisconsin, and that

the reservation had not yet achieved an economic status comparable to that of any other county in the State, termination actually left Menominee County and the State of Wisconsin with the responsibility for meeting the welfare and other needs of the Menominees without further Federal support. That the people of Menominee County and of the State of Wisconsin as a whole have not been niggardly or delinquent in trying to meet these responsibilities must be patent from the data herein presented. That these burdens and responsibilities are not at all the creation of the State of Wisconsin must be clearly evident. That the Federal Government has an undischarged and unfulfilled responsibility seems perfectly clear. For that reason Senate bill 1934 merits and has our full support.

Senator NELSON. I will now ask John Beale of the State department of conservation to make his presentation. John, do you have a prepared statement?

Mr. BEALE. Yes; I have a prepared statement.

Senator NELSON. It will be printed in full or you may read from it or deal with it extemporaneously or whatever fits your presentation best.

STATEMENT OF JOHN BEALE, ASSISTANT DIRECTOR, WISCONSIN STATE CONSERVATION DEPARTMENT

Mr. BEALE. Thank you, Senator Nelson. I am John Beale, assistant director of the Wisconsin Conservation Department, speaking for our director, Les Voit. My remarks are going to be confined to two sections or two parts of the bill where we feel our department can add a little bit of light.

One refers to the section on the utilizaiton and marketing of lumber, which under the proposal will be reviewed by the Department of Commerce. The other section has to do with the recreational potential of Menominee County.

My first remarks will be concerned with the timber resources, not the lumber resources as outlined in the bill, but I believe we cannot make judgment on the lumber and possibilites of utilization and marketing of products from the county without review of the timber resources of the county. Now, Menominee Enterprises, Inc., has 225,000 acres under the sustained yield tax law. This area was the basis for a recent forest inventory conducted jointly by Menominee Enterprises, Inc., and the Wisconsin Conservation Department and with some technical consultation by the U.S. Forest Service.

The information I have outlined here is the latest information. I might say that in reviewing this information, we consulted Menominee Enterprises to see if this would be in accordance with their thinking because this was a joint effort. This is a corporation who, actually, we work jointly with them and we did have their approval to release this information.

I have mentioned there are 225,000 acres of forest land. This breaks down to the following timber classes:

Large timber occupies of that 111,283 acres, about 49 percent of the total acreage; the small timber, sawtimber, 15 percent; pole timber, 25 percent of the total area; and reproduction 8 percent; nonstocked—that is productive land—of about 3,000 acres, 2 percent; and permanently nonproductive 1 percent.

Not all of the forest can support a timber harvest for logs or pulpwood or a combination of the two. That portion of the forest that

can support a timber cut is called the operable forest. Inventory figures show that 59 percent of the total forest area of 225,546 acres has an economical cut available. Now, this would mean then that 59 percent does have an operable cut and that 41 percent needs some type of improvement to bring it into full production, and this could be anything from planting to timber stand improvement or other measures which may be applied to the land to make it more productive, and this is 41 percent of the total forest area of the county.

The forest inventory indicates a sawtimber volume of approximately 1½ billion feet and almost 2 million cords on the 225,546 acres of forest. A breakdown of this volume by major species is as follows—and I think this is somewhat comparable to what Mr. Harder gave. That is, the figures would be somewhat comparable to what Mr. Harder gave, but this would be the latest inventory that is available:

Hemlock, 367 million, or 24.2 percent; white pine, 324 million, about 21 percent of the volume; hard maple, 263 million and soft maple 16 million for a combined 18 percent; yellow birch 105 million board feet for almost 7 percent; and then the American elm and rock elm in smaller volumes, about 7.7 percent; and basswood 93 million board feet, about 6 percent of the volume.

Softwoods comprise one-half of the total sawtimber volume in the forest. Hardwoods comprise 47.7 percent of the total forest volume—the remaining 2.3 percent is aspen or poplar.

When the forest inventory was conducted, data was obtained on record cards that designated trees selected as being ready for harvest. Then by electronic processing the volume of the available cut was accumulated. Following is a summary of the volume by major species that was designated ready to cut. Now, this is the total ready to cut and would not be cut in any one year and I think if you have this before you, it will so indicate. The white pine—this is designated ready to be cut at this time—white pine, 77 million board feet; hemlock about 65 million; cedar, 15 million; hard maple, 72 million; soft maple, 5 million; yellow birch, 38 million; basswood, 31 million; American elm, 25 million; rock elm, 4 million. For all of the species this would amount to 408 million board feet.

In addition you will notice there is another column there for cord cut in each of the above species amounting to slightly over a half a million cords.

This total cut of 408 million board feet is a periodic volume and must be programed over the cutting cycle. This volume is viewed as a cutting reserve from which an annual cut is subtracted.

Assuming that cut and growth are in balance and by using the same methods of determining the annual allowable cut as was used in 1960 for a 30,297,000 board feet figure, the cut then, according to our recent inventory, would be slightly over 27 million board feet, which is 3 million less than our previous.

Senator NELSON. How much, 3 million?

Mr. BEALE. In 1960; per year, that is.

Senator NELSON. Yes.

Mr. BEALE. While softwoods comprise 50 percent of the volume of the forest, the volume recommended for cutting totals only 39.9 percent; while hardwoods with 47.7 percent of the volume provide 53.3 percent of the cut volume.

61-408—66——11

This is necessary because of the light cuts made in the hemlock-hardwood stands to minimize shock and mortality.

I will skip down. This inventory presents information——

Senator NELSON. (Interrupting). May I interrupt just a second, John?

Mr. BEALE. Yes.

Senator NELSON. For the purpose of the record, how was this inventory—could you make just a brief statement of how the inventory was done?

Mr. BEALE. Yes, this was done by sampling. This was very carefully worked out. As I mentioned earlier, this was done under some of the technical supervision of the U.S. Forest Service. It was done by a sampling method. Plots were taken throughout the forest in the different size classes and condition classes and these were recorded on electronic processing systems and our volumes were determined from this.

The crews who worked on this were specially trained crews. The Conservation Department provided approximately half of them and the Menominee enterprises also provided half the crews.

Senator NELSON. Was the U.S. Forest Service——

Mr. BEALE. (Interrupting). They were not in the field crews, but they provided the technical supervision on the establishment and setup of the survey itself.

Senator NELSON. You are satisfied this was a——

Mr. BEALE (interrupting). The very best type of inventory that could be made. It is right up to date and I feel it is very accurate and this was done very carefully over a period of time. I can't recall exactly how long, the whole period it took to take these plots, but it was a considerable time and it was very carefully done and checked and I feel it is very accurate.

Senator NELSON. Thank you.

Mr. BEALE. I would like to insert right here a statement in respect to the necessity for putting pressure on the forest to meet the needs of Menominee County in paying taxes.

Prior to termination the State tax department evaluated the forest at approximately $30 million. At the taxed level of 40 percent, the forest has been placed on the tax roll at $12,445,900. No change has occurred in this valuation since 1961. However, great changes have occurred in the rate of taxation since that date. In 1962 Menominee enterprises paid a net tax on the forest lands of $185,323.23 or $0.82 per acre. In 1964 these same lands were taxed at $338,800.84 or $1.51 per acre. This is an increase of 84 percent in 2 years. At an estimated stumpage value on annual growth of $6 per acre and based on 200 board feet of growth at $25 per thousand board feet, and one-third cord, at $3 per cord, this means that the taxes on the forest land are presently eating up the value of the growth 1 year out of every 4. It is impossible to conceive how the forest can continue to support this level of taxation, much less the trend toward increasing this load. Of necessity a great deal of pressure is exerted on the high value timber to meet these demands.

This is the problem that I think is very permanent and one that will have to be accepted. I think that in general that the concept is we are expecting this forest to produce too much and it just cannot do this.

Senator NELSON. I want to thank you very much for a very fine presentation, which will be of great value to us in the presentation of this material to the Congressional hearings.

Mr. BEALE. May I talk about the recreation now?

Senator NELSON. Yes.

Mr. BEALE. This was what my next part would be addressed to unless you want to quit now and come back.

Senator NELSON. We will complete yours on the recreation side before we recess.

Mr. BEALE. Our purpose here was to put together some information in respect to the recreational resources in the county.

One-third of a million people live in the Wolf River region. Data compiled by the Wisconsin Conservation Department, 1962, show a high degree of participation in water-based recreation activities. Approximately 1.1 million people live within 100 miles of Menominee County, and 9 million people live within 500 miles. Greatly increased future recreational use, in both number and intensity, is forecasted for water resources of the region.

Menominee County has 4,100 acres of surface water area, 380 miles of which are designated as trout water. There are 128 lakes in the county with a total acreage of 2,756 across. However, most of the lakes are quite small, the largest approximately one-half mile in area.

Except for local or county parks, there are no large public parks in Menominee County or for that matter throughout the Wolf River Basin.

Menominee County has major forest areas, almost 100 percent of which are under forest land management programs. Much of this forest area, especially along the Wolf River, could accommodate substantial recreational development. Future development of private as well as public forests should be in accordance with areawide land use and development plans and regulations.

The region's recreational resource areas are primarily used for fish and game purposes and for seasonal residences. In general, minimum public services are available to seasonal residents and marginal housing and service facilities are provided for fishermen and hunters.

Menominee County:
Motels and hotels, 2.
Resorts, none.
Commercial recreation, 1.

In summarizing the recreational potential of Menominee County and the Wolf River Basin, there can be little doubt with its many areas of scenic beauty, much of which have escaped the "improvements" of civilization, that this area will receive increased recreation pressures.

An expanding population, with more money, more leisure time and more mobility will place steadily increasing pressures on the resources of this area. Currently 52 million people, or over one-fourth of the Nation's population, live within a 500-mile radius of the Appleton area. Population projections by ORRRC forecast 99 million people by the year 2000 for this same 500-mile circle. This doubling of population over the next 35 years will place a great strain on the natural resources and recreation facilities, especially near the urban centers. Since the Wolf River region contains an important share of these resources, it can expect a big increase in tourist visitors.

Now, for recommendations for public development, we have listed these in certain categories, one, the Wild River region, which would probably be a Federal part. It could be shared also by the State. The wilderness and scenic character of the Wolf River in Menominee County with its excellent forest cover, fast water, dells and waterfalls, fish and wildlife should be preserved intact as a wild river. This area offers many fine opportunities for river canoeing, fishing, camping, and hiking that may not be available elsewhere in the State.

The State—now, specifically, they are areas that could be delineated for intensive recreation. The Wolf River Dalles area comprising about 4,300 acres. It has scenic features, The Dalles and there are many falls. I think they are familiar to all here, the Big Smoky, the Ducknest, Sullivan Falls, and so on. These facilities could be developed for hiking and riding trails, picnic areas, scenic overlooks, group camping, and an interpretive program, I think, would be most appropriate here, especially in recognition of the great culture that exists here in Menominee County. I think it would be of a great deal of public interest.

Another area in the county that has special significance is the so-called white pine area, 480 acres. This has been under consideration for some time as of major importance from a natural history and scientific standpoint. The white pine area would not have to be purchased in fee title if a use of scenic easement is obtained for the preservation, interpretation, and study of the area while the big pines remain. The virgin white pine are located in sections 9 and 16. These are old historical sections.

Now, of local possibilities, there is the Sand Lake area. This area is best suited for intensive water recreation because it has most of the largest lakes on the reservation with excellent sand beaches and wooded shores. While not as scenic as the Wolf River area, the lake area is nevertheless excellent for swimming, boating, fishing, picnicking, and camping. This area could also accommodate organized group camps and summer cottages. Concessions for food and lodging might also be included. The Sand Lake area would be essentially a recreation area as compared to the proposed scenic State park on the Wolf River.

Now, the Bass Lake area is the smallest major use area, but one with several scenic lakes and excellent forest cover suitable for camping, picnicking, boating, and fishing. The lakes are deep and their shores slope off abruptly resulting in few natural sand beaches, therefore, swimming would be a minor activity. Summer homes could be developed here. This area would probably be less popular than the Wolf River or the Sand Lake areas due to remoteness and lack of sand beaches.

There are other suggested county possible recreational areas, the west end of Neopit Mill, the Fredenburg Lake and La Belle areas.

Scenic drives through the county, properly signed and with a brochure, with stops at interesting sites would weave together the proposed State park, the white pine area and the recreational and forestry developments of Menominee Enterprises, Inc. People on vacation in a locality like to take side trips through the county to see interesting and scenic sites, visit festivals and special events of local color to break up a vacation routine. This is another way that the public and private development could complement each other.

Menominee County contains many miles of important canoe and boating waters. No extensive developments or improvements are needed; primitive campsites certainly would be sufficient in this case.

It is not the primary intent of a park that it necessarily be of direct benefit to the economy of the local area since the basic reason for establishment is the preservation of outstanding scenery in the State for all people for all time. The economic benefit is an indirect benefit which results from people being brought into an area by the State park. Visitors will use the services and businesses of a locality during their stay, which results in an increased economic return to the community. Increased value of adjacent property is another benefit which always follows the establishment of a State park.

There are about 1.1 million people within 100 miles of the proposed park which will increase to about 1.5 million by 1980. It is anticipated that an even greater percentage of use for long-term vacations will come from the population complex around lower Lake Michigan, which will total about 20 million by 1980. Good highways will enable people to get into the area in a short time with relative ease.

We have estimated some of the use that might be made of visitations to Menominee County. The first year would be to anticipate about 50,000 people. This is based on a schedule that has been worked out by ORRRC. The second year—or the fifth year, a quarter of a million people, and by the 10th year probably 400,000 or perhaps 500,000—half a million people—would be visiting the area.

These estimates are based on the attendance rise at Governor Dodge and High Cliff State Parks. Now, these are two parks that started out from scratch and were developed by the State and I think their figures here would be very realistic. Since the Wolf River area is only 60 miles from the populous Fox River cities and with the tremendous natural appeal of the area it could be expected to draw very heavily from an even wider range.

I have listed here, and I will not go into detail, some possible benefits that could be received by Menominee County with development of any kind of recreational area based on national park and State park information, which indicates that the per person visitation on a national facility brings in about—they spend about $15.50 a day and on a State facility about $8 a day, so this would certainly be very important to any economic development here.

There is little doubt that Menominee County can be an important tourist attraction. Although people are interested in Indian lore, probably most of them now just pass through since there is little opportunity for recreational use due to lack of facilities. The Indians could profit by installing and maintaining a variety of first-class facilities. It seems reasonable to expect that the area would get heavy use if properly developed. Such developments would probably mean potential business for motels, restaurants, filling stations, and so forth.

Areas having private development potential are Sand Lake and Bass Lake areas.

Senator NELSON. Thank you very much, John, for a very fine presentation. Your text, total text, of your statement will be included in the printed record. Thank you.

(The prepared statement of Mr. Beale follows:)

PREPARED STATEMENT OF JOHN BEALE, ASSISTANT DIRECTOR, WISCONSIN STATE CONSERVATION DEPARTMENT

A. Timber Resources of Menominee County

Menominee Enterprises, Inc., has 225,546 acres under the sustained yield tax law. This area was the basis for a recent forest inventory conducted jointly by Menominee Enterprises, Inc., and the Wisconsin Conservation Department.

Information from this inventory will be helpful in planning programs or business activities that are based on wood and wood products as the principal resource.

I. TOTAL FOREST AREA

There is a total of 225,546 acres of forest land. This breaks down into the following timber-size classes:

	Acres	Percent
Large sawtimber	111,283	49
Small sawtimber	33,212	15
Poletimber	57,007	25
Reproduction	19,087	8
Nonstocked (productive)	3,470	2
Permanently nonproductive	1,487	1

II. OPERABLE FOREST AREA

Not all of the forest can support a timber harvest for logs or pulpwood or a combination of the two. That portion of the forest that can support a timber cut is called the operable forest. Inventory figures show that 59 percent of the total forest area of 225,546 acres has an economical cut available.

	Acres	Percent
Large sawtimber	87,244	39
Small sawtimber	25,531	11
Poletimber	19,830	9

III. TOTAL FOREST VOLUME BY SPECIES

The forest inventory indicates a sawtimber volume of 1,527,380,590 board feet and 1,973,000 cords on the 225,546 acres of forest (net figures). A breakdown of this volume by major species is as follows:

Species	Sawtimber	Cord	Percent
Hemlock	367,903,491	204,237	24.2
White pine	324,076,000	85,685	21.2
Hard maple	263,753,110	200,788	18.4
Soft maple	16,325,604	117,023	
Yellow birch	105,623,211	96,608	6.9
American elm	77,949,210	46,491	7.7
Rock elm	37,830,981	11,944	
Basswood	93,744,688	94,104	6.2

Softwoods comprise one-half of the total sawtimber volume in the forest. Hardwoods comprise 47.7 percent of the total forest volume—the remaining 2.3 percent is poplar.

IV. OPERABLE CUT VOLUME

When the forest inventory was conducted, data was obtained on record cards that designated trees selected as being ready for harvest. Then by elec-

tronic processing the volume of the available cut was accumulated. Following is a summary of the volume by major species that was designated ready to "cut."

Species	Sawtimber	Cord	Percent
White pine	77,348,305	28,213	19.7
Hemlock	65,472,884	57,151	16.0
Cedar	15,347,992	78,143	3.8
Hard maple	73,324,772	39,652	19.2
Soft maple	5,060,646	18,503	
Yellow birch	38,182,427	21,346	9.4
Basswood	31,859,500	13,708	7.8
American elm	25,280,179	6,688	7.3
Rock elm	4,363,951	1,042	
Total of all species	408,108,218	561,284	100

This total "cut" of 408,108,218 board feet is a periodic volume and must be programed over the cutting cycle. This volume is viewed as a cutting reserve from which an annual cut is subtracted.

Assuming that cut and growth are in balance and by using the same methods of determining the annual allowable cut as was used in 1960 for a 30,297,000-board-feet figure, the cut would be slightly over 27 million board feet per year.

While softwoods comprise 50 percent of the volume of the forest, the volume recommended for cutting totals only 39.9 percent; while hardwoods, with 47.7 percent of the volume, provide 53.3 percent of the cut volume.

This is necessary because of the light cuts made in the hemlock-hardwood stands to minimize shock and mortality.

V. TREE SIZE

Since tree size is important from a utilization and logging standpoint, the size by diameter of those trees designated for cutting was summarized.

Tree diameter size:	*Percent of cut*
12 to 16 inches	29
18 to 24 inches	46
Over 26 inches	25

IV. GENERAL

This inventory presents information on the condition and composition of the forest. It points out future timber yields and as such can be of benefit to those making decisions in management policies and practices.

Utilization of this data will be helpful in planning for the orderly development of a strong, forest-based industry complex for Menominee Enterprises, Inc.

B. Recreation proposals for Menominee County

I. SUMMARY OF RESOURCES

One-third million people live in the Wolf River region. Data compiled by the Wisconsin Conservation Department (Threinen 1962) show a high degree of participation in water-based recreation activities. Approximately 1.1 million people live within 100 miles of Menominee County. Nine million people live within 500 miles. Greatly increased future recreational use, in both number and intensity, is forecasted for water resources of the region.[1]

Menominee County has 4,100 acres of surface water area, 380 miles of which are designated "trout water." There are 128 lakes in the county with a total acreage of 2,756. However, most of the lakes are quite small, the largest approximately one-half mile in area.

Except for local or county parks, there are no large public parks in Menominee County or, for that matter, throughout the Wolf River Basin.

Menominee County has major forest areas, almost 100 percent of which are under forest land management programs. Much of this forest area, especially

[1] Wisconsin Department of Resource Development, "Recreation in Wisconsin, 1962."

along the Wolf River, could accommodate substantial recreational development. Future development of private as well as public forests should be in accordance with areawide land use and development plans and regulations.

The region's recreational resource areas are primarily used for fish and game purposes and for seasonal residences. In general, minimum public services are available to seasonal residents and marginal housing and service facilities are provided for fishermen and hunters.

County: Menominee
Motels and hotels, 2.
Resorts, none.
Commercial recreation,[1] 1.

In summarizing the recreational potential of Menominee County and the Wolf River Basin, there can be little doubt with its many areas of scenic beauty, much of which have escaped the "improvements" of civilization, that this area will receive increased recreation pressures.

An expanding population, with more money, more leisure time, and more mobility will place steadily increasing pressures on the resources of this area. Currently, 52 million people, or over one-fourth of the Nation's population, live within a 500-mile radius of the Appleton area. Population projections by ORRRC forecast 99 million people by the year 2000 for this same 500-mile circle.[2] This doubling of population over the next 35 years will place a great strain on the natural resources and recreation facilities, especially near the urban centers. Since the Wolf River region contains an important share of these resources, it can expect a big increase in tourist visitors.

II. RECOMMENDATIONS FOR PUBLIC DEVELOPMENT

a. Federal (wild river) and State

The wilderness and scenic character of the Wolf River in Menominee County with its excellent forest cover, fast water, dells and waterfalls, fish and wildlife should be preserved intact as a wild river. This area offers many fine opportunities for river canoeing, fishing, camping, and hiking that may not be available elsewhere in the State.

b. State possibility

1. *Wolf River Dalles area.*—4,340 acres (proposed State park); 4,340 acres, plus 75 acres of scenic easements along S.T.H. 55.

Scenic features at this area would include:
The Dalles and associated rock formation.
Big Smoky Falls.
Saturday Islands.
Ducknest Falls.
Sullivan Falls.
Intervening stretches of the Wolf River.
Native woodlands.
Facilities to be developed:
Hiking and riding trails.
Picnic areas, scenic overlooks, group camping.

Interpretation program—including visitor center, native trail, and programs. Part of the interpretation program would logically include the history and legends of the Menominee Indians. Indian dances and pageants as a part of a concession agreement within the park would bring the Indian atmosphere even closer to the natural setting. Park visitors could also attend the dances, pageants, and Indian fair which are held at Keshena. Indian guides might also be used on interpretive trails.

2. *White pine area.*—480 acres (scientific area). This area is of major importance from a natural history and scientific viewpoint. The white pine area would not have to be purchased in fee title if a use or scenic easement is obtained for the preservation interpretation, and study of the area whil the big pines remain. The virgin white pine are located in sections 9 and 16.

---

[1] Land Use Inventory, Wisconsin Department of Resource Development, June 1964.
[2] ORRRC Study Rept. 23, Washington, 1962, p. 5.

c. Local (county, town, municipality, tribal enterprise)

Parts of the following areas could be administered as county parks, recreation sites, or as tribal enterprises.

1. Sand Lake area

This area is best suited for intensive water recreation because it has most of the largest lakes on the reservation with excellent sand beaches and wooded shores. While not as scenic as the Wolf River area, the lake area is nevertheless excellent for swimming, boating, fishing, picnicking, and camping. This area could also accommodate organized group camps and summer cottages. Concessions for food and lodging might also be included. The Sand Lake area would be essentially a recreation area as compared to the proposed scenic State park on the Wolf River.

2. Bass Lake area

The Bass Lake area is the smallest major use area, but one with several scenic lakes and excellent forest cover suitable for camping, picnicking, boating, and fishing. The lakes are deep and their shores slope off abruptly resulting in few natural sand beaches, therefore, swimming would be a minor activity. Summer homes could be developd there. This area would probably be less popular than the Wolf River or the Sand Lake areas due to remoteness and lack of sand beaches.

3. County parks [1]

West end of Neopit Mill—approximately 100 acres.
Fredenburg Lake—approximately 320 acres.
LaBelle—approximately 320 acres.

4. Scenic drives

Scenic drives through the county, properly signed and with a brochure, with stops at interesting sites would weave together the proposed State park, the white pine area, and the recreational and forestry developments of Menominee Enterprises, Inc. People on vacation in a locality like to take side trips through the county to see interesting and scenic sites, visit festivals and special events of local color and to break up a vacation routine. This is another way that the public and private development could complement each other.

5. Canoe and boating trails

Menominee County contains many miles of important canoe and boating waters. No extensive developments or improvements are needed; primitive campsites are sufficient.

d. Economic benefits

It is not the primary intent of a park that it necessarily be of direct benefit to the economy of the local area, since the basic reason for establishment is the preservation of outstanding scenery in the State for all people for all time. The economic benefit is an indirect benefit which results from people being brought into an area by the State park. Visitors will use the services and businesses of a locality during their stay, which results in an increased economic return to the community. Increased value of adjacent property is another benefit which always follows the establishment of a State park.

There are about 1.1 million people within 100 miles of the proposed State park which will increase to about 1.5 million by 1980. It is anticipated that an even greater percentage of use for long-term vacations will come from the population complex around lower Lake Michigan, which will total about 20 million by 1980. Good highways will enable people to get into the area in a short time with relative ease.

With this in mind, it is estimated that annual attendance at the proposed park after development is started would be:

2d year	50,000
5th year	250,000
10th year	400,000

[1] Preliminary Report Recreation Plan—Wolf River Basin Region—Department of Resource Development, April 1965.

This estimate is based upon the attendance rise at Governor Dodge and High Cliff State Parks, taking into consideration the closer proximity of these parks to population centers. Since the Wolf River area is only 60 miles from the populous Fox River cities and with the tremendous natural appeal of the area it could be expected to draw very heavily from an even wider range.

It is estimated by the ORRRC that the monetary value of a visitor to a national park is about $10 per day. The local monetary value of a visitor to a State park is estimated to be $4.50 per day.

Item of expense	National parks	State parks
1. Cash outlay during or immediately preceding visit:		
Food:		
In restaurants	$2.00	$1.00
For groceries	1.50	1.00
Lodging	2.70	.50
Transportation:		
Gas and oil	1.00	1.00
Other	1.00	.25
Miscellaneous (other)	1.80	.75
Subtotal	10.00	4.50
2. Reasonable charge for use of equipment:		
Auto	4.00	2.50
Other	1.50	1.00
Total	15.50	8.00

Therefore, it would be anticipated that the economic return to the community based upon the estimated attendance would be:

2d year	$225,000
5th year	1,125,000
10th year	1,800,000

III. RECOMMENDATIONS FOR PRIVATE DEVELOPMENT

There is little doubt that Menominee County can be an important tourist attraction. Although people are interested in Indian lore, probably most of them now just pass through since there is little opportunity for recreational use due to lack of facilities. The Indians could profit by installing and maintaining a variety of first-class facilities. It seems reasonable to expect that the area would get heavy use if properly developed. Such developments would probably mean potential business for motels, restaurants, filling stations, etc.

Areas having private development potential are Sand Lake and Bass Lake.

Prior to termination the State tax department evaluated the forest at approximately $30 million. At the taxed level of 40 percent the forest has been placed on the tax roll at $12,445,900. No change has occurred in this valuation since 1961. However, great changes have occurred in the rate of taxation since that date. In 1962 Menominee Enterprises paid a net tax on the forest lands of $185,323.23 or $0.82 per acre. In 1964 these same lands were taxed at $338,800.84 or $1.51 per acre. This is an increase of 84 percent in 2 years. At an estimated stumpage value on annual growth of $6 per acre (based on 200 board feet at $25 per thousand board feet and one-third cord at $3 per cord), this means that the taxes on the forest land are presently "eating up" the value of the growth 1 year out of every 4. It is impossible to conceive how the forest can continue to support this level of taxation, much less the trend toward increasing this load. Of necessity a great deal of pressure is exerted on the high value timber to meet these demands.

Senator NELSON. We will recess for 30 minutes for lunch.

(Whereupon the committee recessed for 30 minutes.)

AFTERNOON SESSION

Senator NELSON. We will call the hearing to order. Tomorrow morning at 10 o'clock we will resume hearings here and anybody may appear to present any views that they might have on this bill.

First I might say I have to leave here at noon tomorrow, so we will have 2 hours for appearances by anybody who wishes to appear.

I will now call on Roy Empe, engineer for district 3, State highway commission, Green Bay.

Mr. Empe, we are happy to have you here. As I stated earlier today, if you have a prepared text, it will be printed in full in the record. However, for purposes of time, if you would like to summarize from your text, that would be fine.

STATEMENT OF ROY EMPE, CHIEF ENGINEER, DISTRICT NO. 3, WISCONSIN STATE HIGHWAY COMMISSION

Mr. EMPE. Thank you, Senator. My name is Roy Empe and I am district engineer covering district 3, all of northeastern Wisconsin, and I am appearing in behalf of Mr. Vere L. Fiedler, secretary of State highway commission. I have a prepared text and I have made some copies available and I will not read from such text because it is sufficent in itself, but I would like to emphasize a few of the points briefly that we make therein.

Senator NELSON. Fine. Your text will be printed in the record in full.

Mr. EMPE. Thank you. The first point we wish to make is that the transportation system in Menominee County is probably currently somewhat inadequate and potentially it will probably be more and more inadequate due to the inablity to develop sufficient funds to extend that system.

Before termination in 1956 the situation was studied very exhaustively and at that time an attempt was made to compare Menominee County's situation with other civil units of government, townships in the vicinity, to determine where they might stand from the standpoint of their highway system. At that particular time it was determined that if equivalency with these other units was to be secured, there should be a county trunk highway system the length of about 71.49 miles and a town highway system of about 135.24 miles.

It was also determined that if this system was to be upgraded to secure equivalency, an expenditure of approximately $840,000 to $1 million would be required.

I want to emphasize too that that equivalency was——

Senator NELSON. May I interrupt just a moment? Can everybody hear Mr. Empe?

VOICE. No.

Senator NELSON. Would you pull the microphone over?

Mr. EMPE. At that time the units of government to which Menominee County had been compared had fair systems, but not outstanding ones.

Senator NELSON. May I interrupt?

Mr. EMPE. Yes.

Senator NELSON. Just prior to your getting the microphone over there, did I understand you to say that to raise the highways to comparable standards for other units of government in the State it would have cost $800,000?

Mr. EMPE. From $840,000 to $1 million. That was the range of our estimates and that would have raised Menominee County's stand-

ards to that equivalent to some of these surrounding units of government.

Senator NELSON. So that at the time of the termination from the Federal Government there was a so-called highway deficit in terms of the standards of the highways, by judgment of the highway department, of some $800,000 to a million dollars?

Mr. EMPE. That is correct.

Senator NELSON. And that has not been rectified?

Mr. EMPE. I intend to go into that later; yes, sir.

Senator NELSON. All right; fine.

Mr. EMPE. At termination or shortly before, the amount of county trunks and town roads was scaled down very perceptively for reasons which are not particularly of importance at this time except to point out that the mileage of highways left was very much smaller areawise in compared areas as opposed to any other unit of government in the vicinity. Actually, the county trunk mileage was reduced from 71.49 to 54.11 miles, and the township mileage from 135.24 miles to 80.5 miles. By agreement presumably between the various parties, the Federal Government improved the major system of county trunks, a very restricted mileage, but did no work and offered no help on the remaining part of the system and today Menominee County has a reasonably high standard on a relatively few miles of road, with the feeder roads and the township system suffering greatly because these have not been improved to any great extent.

We recalculated the advantages of the limited improvement and came to the conclusion that too much had been spent on the major system and that the minor system was left for the local unit to tackle as time went on.

Now, here is a judgment question. We believe that the organic growth of any transportation system under ordinary civil government as we know it begins with some attention being paid to the feeder roads, that money couldn't be spent almost entirely on the main roads; there had to be some balance, and so it was our feeling that this differential still exists, and probaby still exists in terms of that amount of money, roughly $840,000.

Now, additionally—and we are into a field of some—I wouldn't call it controversy, but certainly some discussion—a part of the road system that was recommended particularly in the northern lumbering and forest areas, the northern part of the county, a part of that is being maintained as logging roads or as private roads. Quite understandably, the people with whom we have worked very closely feel that to open this area of the public is to invite all the difficulties that go with any nonsupervised road system and those of us who have had to maintain waysides, and so on, know what that means. By the same token, though, the removal from the public road system probably costs the county probably roughly $25,000 in gas tax revenues or, say, a quarter of a million dollars in a 10-year period.

Now, there is further difficulties in this due to the fact that the lumbering operations can be carried on in an off-the-highway program without meeting requirements as to loads, statutory widths and statutory weights of vehicles, and as soon as they become public systems, the off-the-highway system loading, of course, can no longer be used.

But we have emphasized that as we turn from the lumbering phase, or if we turn partially from the lumbering phase to the recreational phase, these same roads must be maintained and, quite clearly, they must be maintained from some source of revenue, which is now not immediately available from a State or a Federal standpoint.

I believe that emphasizing those two things would cover most of our statement.

We have pointed out that Keshena and Neopit both have village characteristics. They have not village forms of government and both are badly in need of main street improvement in the way of curb and gutter, storm sewer and the various accessories, and in outside counties these villages have had substantial tax bases and have been able to join with the county and the highway commission in making improvements. Here, again, such a system or such a method of financing is more or less impossible, so we summarized our report by saying that the forest roads omitted at termination—I again refer to those that are in this northern part of the area which were not included—would probably over a period of time result in an expenditure of about $990,000, which is another way of using about the same deficiency figure that we referred to in the first place.

We also point out that street improvements in Keshena and Neopit—some of the streets in the village are deplorable—would aggregate about $1,295,000, of which about half of that would be necessary to build the main streets of both; that is, the State trunk highway systems of both Neopit and Keshena.

Additionally, we had worked with some of the people on the question of sanitary sewers and personally, because engineers do talk about those things, we came to the conclusion that water and sanitary sewers in Keshena and Neopit would cost about $470,000, although strictly that is informal and not part of the Highway Commission report.

I think that about covers our statement. Thank you.

Senator NELSON. I want to thank you very much, Mr. Empe. Your testimony will be very valuable for the hearing record.

(The prepared statement of Mr. Empe follows:)

PREPARED STATEMENT OF ROY EMPE, CHIEF ENGINEER, DISTRICT NO. 3, WISCONSIN STATE HIGHWAY COMMISSION

There is no airports in the county. One railroad, the Soo, runs north and south through the county connecting Neopit with Crandon to the north and Shawano to the South. State Trunk Highway 55 runs north and south through Keshena and State Trunk Highway 47 runs northwesterly through Keshena and Neopit. Highway mileage in the county consists of 40.84 miles of State trunk highways, 54.11 miles of county trunk highways, and 80.5 miles of town roads for a total of 175.45 miles of public roads. Another 72 or more miles are in private logging roads through the forest. The village streets in the unincorporated villages of Keshena and Neopit are largely unimproved.

The highway commission is presenting herein its preliminary findings as they involve the interrelationship between highways and streets.

Prior to the separation, the entire highway needs of the future Menominee County were studied exhaustively by the commission and its staff as reported in a study submitted to the Menominee Indian Study Committee on October 16, 1956. In brief, based on the miles of highway in similar adjoining civil townships and on the condition of the then-existing systems, it was recommended that a layout be adopted which, exclusive of State trunk highways, would provide the following mileage: County trunk highways, 71.49 miles; town highways, 135.24 miles.

It was estimated at that time, in a concluding statement, that the amount which should be spent on the county trunk and township systems to secure equivalence with similar geographical areas would be within the limits of $840,000 to $1 million with $840,000 to be an absolute minimum.

Certain construction work was performed by the Federal authorities and the highway mileage was sharply reduced.

Reduced county trunk highway mileage from 71.49 to 54.11 miles.

Reduced township mileage from 135.24 to 80.5 miles.

It should be noted that the mileage per square mile for the Menominee Indian Reservation is definitely much less than all the comparable units. The reduction of the system (township roads) from 135.24 to 80.5 miles further sharpens this disparity to a point where, clearly, this divergence cannot be ignored or explained away on the basis of mere geographical or cultural differences. The very crux of the problem is how and to what extent a total area is to receive adequate highway service.

It appears that the tentative land use under the newly suggested system assumes that large areas such as that north of Neopit would not be available via a public road system. The existing roads and trails would assume the status of a private facility which could be barricaded from time to time to prevent public ownership from ripening into a legal road by user.

We know of no other governmental unit of a similar nature which has been able to hold to so small a ratio of road mileage to the area served. If private roads must be financed from other sources to include construction, maintenance, and snow removal, then the true overall mileage and cost are much greater, in fact.

The commission did not then, and is not now, disagreeing with the plans for a reduced mileage on the private road concept. However, since the loss in county trunk and township road revenues by the reduction was increased by roughly $25,000, and since a portion of this system eliminated requires expenditures for construction and maintenance, it may well be asked whether a 10-year projection resulting in nonparticipation in over a quarter of a million dollars can be sustained through a period of intense economic need.

The State highway commission has betterment programs for improving State Trunk Highways 47 and 55 through the county. When this work is completed the State trunk highway system in the county will be improved adequately for the traffic except for the urban section in Keshena and Neopit previously noted.

The report of the Special Advisory Committee on August 20, 1964, recommended the following:

Water and sanitary sewers in Keshena and Neopit	$470, 000
Street improvements in Keshena and Neopit	1, 295, 000
Forest roads omitted at termination	990, 000

Two further aspects are of direct or semidirect interest to the highway commission. The first is the creation of a wilderness road on State Trunk Highway 55 by the acquisition of at least 200 feet on each side of the highway to preserve and upgrade the roadside forest in such a manner as to prevent manmade structures, houses, etc., from being within sight and sound of the road. Access would probably occur via frontage roads at approximately 1-mile intervals. While there is no question as to the commission's desire to create this facility, the cost for the 18-mile section will be quite appreciable and is beyond the limits of present financing at a State level.

The second aspect is the creation of a wilderness or wild river status for the Wolf River which parallels State Trunk Highway 55. This, in itself, would reinforce and amplify the wilderness proposals for the highway phase.

Senator NELSON. I will now call on Mr. Harold Vik. Do you have a prepared statement?

Mr. VIK. Yes, and thank you, Senator Nelson.

Senator NELSON. We will print the prepared statement in the record and you may summarize or extemporize from it if you wish.

STATEMENT OF HAROLD O. VIK, CONSULTING ENGINEER, GENERAL ENGINEERING CO., PORTAGE, WIS.

Mr. VIK. Thank you. My name is Harold Vik. I am a registered professional engineer with the General Engineering Co. at Portage, Wis. I am appearing here in support of Senate bill No. 1934.

We are quite familiar with the sanitary facilities in this county because we were retained by the U.S. Public Health Service in 1960 to prepare surveys, reports, and cost estimates for bringing the sanitary facilities in Keshena, Neopit, and Zoar up to modern-day standards.

Since that time I have been in charge of construction of two major projects in these communities with regard to construction of sanitary facilities. There are remaining several items of construction which should be done to complete the elements that were included in our earlier reports.

However, there is one element which was not included in those reports and which has not gotten any consideration of grants or aids to this point, and that is the outlying homes. The research reveals that there are approximately 500 homes in Menominee County and as of this time there are approximately 275 of those 500 homes that have outdoor toilet facilities. In many cases the wells from which they obtain their water supplies are inadequate and are not built according to modern-day standards. In some cases families haul the water for several miles for their domestic purposes.

My report, which I am turning in at this time, gives a summary of the cost estimates for this work and I find that there are facilities in the amount of approximately $750,000 required for modernizing the facilities in the communities and in the outlying areas. This is made up basically of approximately $400,000 in the communities and about $350,000 in the outlying areas.

I thank you.

Senator NELSON. That is to bring facilities to the laterals at the house, is that correct?

Mr. VIK. This is to bring the facilities up to modern-day standards such that they can be used or so that the potential of the system can be used insofar as the municipal areas are concerned.

Now, any utility is a business and a business must have customers. There are cases where there are utilities in the streets, but there is no provision for getting that to the homes which may lie some distance back from the streets. This project would make provision for making those potential homes customers to the systems.

Senator NELSON. By——

Mr. VIK. By providing laterals to the homes.

Senator NELSON. Providing the lateral to the house?

Mr. VIK. Yes.

Senator NELSON. Not beyond, and that is the figure of 760——

Mr. VIK. The figure of $750,000 is including bringing the laterals to the house in several places in the municipalities, but the big point I wish to make on this is the outlying homes that are away from any municipal system do need some kind of help, should have some help

in order to bring their individual facilities of sewer and water up to present-day standards.

Senator NELSON. I want to thank you very much for your presentation, sir.

Mr. VIK. Thank you.

(The prepared statement of Mr. Vik with statistical matter follows:)

PREPARED STATEMENT OF HAROLD O. VIK, CONSULTING ENGINEER, GENERAL ENGINEERING CO., PORTAGE, WIS.

My name is Harold O. Vik. I am a consulting engineer residing at Portage, Wis., and am appearing in support of Senate bill 1934.

I received my B.S. degree in civil engineering from the University of Wisconsin in 1943 and am now a partner in the General Engineering Co., Consulting Engineers, 317 DeWitt Street, Portage, Wis. I am registered as a professional engineer and also as a land surveyor in the State of Wisconsin.

My firm is engaged in consulting engineering work in about 50 cities and villages throughout the State of Wisconsin and has been retained by the U.S. Department of Health, Education, and Welfare on several occasions to design and supervise construction of sewer and water projects in Indian communities.

We specialize in municipal sanitation and have experience in providing sewer and water facilities for individual homes as well as municipalities.

We are familiar with good practice in the fields of sanitation and are familiar with current costs of such facilities.

The General Engineering Co. was retained by contract with the U.S. Public Health Service early in 1960 prior to termination of the Menominee Indian Reservation to prepare surveys, preliminary plans, and cost estimates for modernizing the sanitary facilities in the communities of Keshena, Neopit, and Zoar in what is now Menominee County.

I was in responsible charge of the preliminary work and have likewise been in responsible charge of the subsequent preparation of final plans and construction on two major sewer and water construction projects in the area since the preliminary work was completed.

Preliminary cost estimates based on the surveys and studies arrived at a cost of approximately $960,000 to bring the sanitary facilities in the communities of Keshena, Neopit, and Zoar up to modern-day standards. Facilities for homes outside of the three communities were not included in the studies and cost estimates at that time. We estimate the cost of the facilities for the outlying homes to be approximately $350,000.

After careful study of the preliminary plans, reports, and estimates the work was divided into three categories:

(*a*) Those "necessary" for correction of most urgent deficiencies.

(*b*) Those facilities "required" for replacement, extensions, and additions to water and sewer systems to meet State regulations.

(*c*) Those facilities which were "desirable" for providing maximum balance and design in the system.

Work on the "necessary" phase was generally accomplished by a project in the amount of $117,000 to which some local funds were added in 1961.

The second phase "required" was estimated in the amount of $548,000. An appropriation of $438,000 was made available to Menominee County by the Federal Government through the U.S. Public Health Service in 1963.

Providing the facilities for outlying homes and the unfinished work in Keshena and Neopit will require an expenditure of approximately $750,000.

Attention is directed to a cost estimate accompanying this testimony providing a breakdown of the cost items.

Health study records in Menominee County revealed that out of approximately 500 homes, there are more than 275 using outdoor toilet facilities and there are many homes that are obtaining water from wells which are not built to present-day standards and in a number of cases water is hauled several miles to the homes. These conditions demonstrate the need for additional facilities and from our surveys and studies we certify that the $750,000 estimate is reasonable according to present-day cost to provide the facilities needed.

PRELIMINARY COST ESTIMATE FOR ADDITIONAL SEWER AND WATER FACILITIES AT NEOPIT AND KESHENA, WIS., AND OUTLAYING HOMES

Cost summary

[Cost estimate based upon original engineer's reports and project priorities determined in 1960. Construction completed in 1961, 1963, and 1964 is not included in this estimate]

Facility	Construction	Nonconstruction	Total
Neopit:			
Water mains and laterals	$29,175	$37,901	$32,965
Water supply and storage	6,000	780	6,780
Sewers and laterals	73,820	9,600	83,420
Sewage treatment facilities	39,380	6,302	45,682
Subtotal	148,375	20,472	168,847
Keshena:			
Water mains and laterals	55,255	7,185	62,440
Water treatment facilities	7,000	910	7,910
Sewers and laterals	110,660	14,385	125,045
Sewage treatment facilities	36,465	4,745	41,210
Subtotal	209,380	27,225	236,605
Facilities for outlying homes	305,000	45,000	350,000
Total	662,755	92,697	755,452

Detailed cost estimate

Neopit water mains and laterals:	
Water mains:	
1,650 feet 6-inch C.I. water main at $3.50 per foot	$5,775
5 6-inch values with boxes at $100 each	500
5 fire hydrants at $250 each	1,250
Laterals:	
2,800 feet ¾-inch copper at $3 per foot	8,400
40 sets of corp cocks and curb stops at $20 each	800
40 water meters (⅝ inch) at $30 each	1,200
4 water meters, larger than ⅝ inch at $100 each	400
Install 240 water meters at $30 each	7,200
Street repair and rock excavation	1,000
Total	26,525
10 percent construction contingency	2,650
Subtotal	29,175
Nonconstruction cost (13 percent): engineering (6 percent); legal (1 percent); inspection (3 percent), administrative and fiscal (3 percent)	3,790
Project total	32,965
Neopit:	
Miscellaneous repair and painting of water stroage tank	4,000
Miscellaneous facilities at water treatment plant, telemetering controls, etc	2,000
Subtotal	6,000
Nonconstruction cost (13 percent)	780
Project total	6,780
Sanitary sewers and laterals:	
Sewers:	
4,400 feet 8-inch sewer at $5 per foot	22,000
18 manohles at $300 each	5,400

Detailed cost estimate—Continued

Neopit:—Continued	
Sanitary sewers and laterals—Continued	
Laterals:	
11,570 feet sewer laterals (178) at $3 each	34,710
Street repair and rock excavation	5,000
Subtotal	67,110
10 percent contingency	6,710
Total construction	73,820
Nonconstruction cost (13 percent)	9,600
Project total	83,420
Keshena:	
Water mains and laterals:	
Water mains:	
5720 feet 6-inch C.I. water main at $3.50 per foot	20,020
12 6-inch valves with boxes at $100 each	1,200
8 fire hydrants at $250 each	2,000
Laterals:	
5,670 feet ¾-inch copper at $3 per foot	17,010
81 sets corp cocks and curb stops at $20 per set	1,620
28 ⅝-inch water meters at $30 each	840
4 water meters larger than ⅝ inch at $100 each	400
Install 138 water meters at $30 each	4,140
Street repair	3,000
Subtotal	50,230
10 percent construction contingency	5,025
Construction cost	55,255
Nonconstruction cost (13 percent)	7,185
Project cost	62,440
Water supply treatment:	
Iron removal facilities	7,000
Nonconstruction cost (13 percent)	910
Project total	7,910
Sanitary sewers and laterals:	
Sewers:	
12,050 feet 8-inch sewer at $50 per foot	60,250
41 manholes at $300 each	12,300
Laterals:	
7,350 feet sewer laterals at $3 per foot	22,050
Street repair	6,000
Subtotal	100,600
10 percent construction contingency	10,060
Contsruction total	110,660
Nonconstruction cost (13 percent)	14,385
Project total	125,045
Sewage treatment facilities:[1]	

[1] See original engineer's reports for Neopit and Keshena.

Senator NELSON. I will now call upon the chairman of the Menominee County Board, Mr. Kohls.

STATEMENT OF LEO KOHLS, CHAIRMAN, MENOMINEE COUNTY BOARD, AND CHAIRMAN OF THE TOWN OF NEOPIT, WIS.

Mr. KOHLS. My name is Leo Kohls, K-o-h-l-s, and I appear here as chairman of the county board and chairman of the town of Neopit. The county and town governments support this bill and I am sure that the records and the written reports will prove the necessity, and with the tax situation, assessing at the legal limit, we realize the impact on Menominee County. That we are making some progress, I don't think there is any doubt and I see no reason why we shouldn't improve.

Now, I gave Mr. Spring the budgets from May 1, 1961, to and including the proposed budgets for 1966 for the town, the county, and the welfare.

Senator NELSON. Your statistics on the budgets will be printed in the written record.

Mr. KOHLS. I have a few extra copies, but, however, not anywheres near enough to accommodate the number of people here.

Senator NELSON. Well, we could use one more copy. We would like to have two, if you may.

Mr. KOHLS. OK.

Senator NELSON. I thank you very much.

Mr. KOHLS. OK, thank you, Senator.

(The statistical matter supplied by Mr. Kohls follows:)

TABLE 6.—*Town of Menominee budgets, 1961–66*

	1961	1962	1963	1964	1965	1966
Town chairman	$500.00	$750	$300	$300	$300	$300
Town clerk	134.00	200	200	200	900	900
Town treasurer	134.00	200	200	200	550	550
Deputy treasurer for tax time only		350	350	350		
Assessor and help for assessor	700.00	500	500	1,500	700	700
Legal services (town attorney)	300.00	300	1,000	1,000	1,000	1,500
State audit		300	150	600	600	1,500
Constable		100	100	100	100	100
Municipal justice of the peace	500.00	400	400	100	100	100
Board and commissioners meetings	500.00	500	500	800	1,000	750
Printing		500	300	200		
General relief, salary, and mileage	19,200.00	20,500	20,500	20,500	20,000	17,500
Office supplies	1,500.00	500	300	200		
Sewer and water department	36,857.94	37,000	37,000	28,000	15,000	20,000
Fire Department, Keshena		3,774	1,937	2,000	3,000	3,000
Fire Department, Neopit			1,937	2,000	4,000	4,000
Insurance (property and liability)		500	1,000	500	700	800
Elections		500	300	200	1,100	500
Contingency fund	10,000.00	10,000	10,000	10,000	10,000	10,000
Board of review			200	200	250	300
Bonds, town officials						500
Group hospital insurance			75	75	75	250
Pound			150	150	150	150
Garbage, clean up			400	500	1,000	2,500
Street lighting			2,500	4,000	4,200	4,200
Town share of social security			100	200	200	
Workmen's compensation insurance				50	50	50
Insurance (fire				400	200	200
Recreation, town				1,000		1,000
Bridge project				18,450		
Vocational school tuition					1,000	1,000
Town roads, county highway department					8,500	16,000
Aid to fair						1,000
Town police					1,500	1,500
Totals	70,325.94	76,874	80,399	93,775	76,175	90,850
Less anticipated revenues					−25,000	−33,500
Less surplus				50,000		15,000
Adopted town budget	70,325.94	76,874	80,399	43,775	51,175	42,350

TABLE 7.—*Menominee County budgets, 1961–66*

	1961	1962	1963	1964	1965	Proposed 1966
General government:						
County board	$3,500.00	$4,080.00	$4,770.00	$4,400.00	$2,975.00	$2,975.00
County administrator					1,001.00	1.00
County clerk	2,400.00	6,150.00	6,320.00	6,375.00	5,275.00	5,275.00
County treasurer	2,134.00	3,575.00	4,420.00		4,325.00	4,525.00
Supervisor of assessments		200.00	200.00	275.00	250.00	250.00
Assessor of incomes				23.42	50.00	50.00
District attorney	500.00	3,200.00	3,500.00	3,500.00	5,000.00	5,000.00
Family court commission		1,200.00	1,200.00	1,200.00	1,200.00	1,200.00
County court No. 1 and No. 2	13,000.00	12,500.00	7,000.00	11,500.00	12,500.00	15,000.00
Clerk of circuit court	1,000.00		5,200.00	5,775.00	5,975.00	6,170.00
Coroner	250.00	500.00	300.00	300.00	100.00	200.00
Courthouse (Shawano)			3,500.00	4,200.00	6,000.00	6,000.00
Courthouse (Keshena)	15,044.64	4,705.00	8,100.00	9,350.00	21,918.00	22,860.00
Elections		1,000.00	100.00	1,100.00	500.00	1,100.00
Special account and audit	700.00	1,000.00	1,000.00	1,000.00	2,000.00	2,000.00
Property and liability insurance						
Workmen's compensation insurance						
Unemployment insurance	192.00	3,550.00	2,400.00	2,300.00	2,300.00	2,300.00
Fire insurance company buildings						
Old people's home						
Community building			1,200.00	2,000.00	3,000.00	3,000.0
Wolf River Planning Commission			350.00	270.00	372.00	777.00
Wisconsin County Boards Association					278.00	278.00
Miscellaneous stationery and supplies					500.00	500.00
Total	38,720.64	41,660.00	49,560.00	57,893.42	75,519.00	79,461.00
Protection of persons and property:	*1961*	*1962*	*1963*	*1964*	*1965*	*1966*
Sheriff	47,596.00	50,219.00	49,100.00	60,405.62	64,215.00	73,000.00
Register of deeds	2,267.00	5,245.00	5,630.00	5,415.00	4,875.00	5,005,02
Bounties	820.00	500.00	200.00	100.00	100.00	100.00
Fire suppression	200.00	1,000.00	1,000.00	1,000.00	500.00	500.00
Bonds Company officials	427.00		500.00			
Total	51,310.00	56,964.00	56,430.00	66,920.62	69,690.00	78,625.00
Charities and corrections:						
Welfare administration	6,600.00		9,065.37	46,205.84	31,272.73	26,250.00
Staff attorney						1,680.00
Surplus commodities		6,200.00	6,400.00	5,900.00	3,300.00	
Old-age assistance			1,842.86		2,662.31	2,500.00
Aid to disabled			2,752.88		3,713.95	6,358.00
Aid to blind	22,900.00	23,100.00				
Aid to dependent children			306.35		102.50	100.00
Veterans' service commission	2,000.00	200.00	11,157.86		33,856.76	29,660.00
Veterans' service office		1,000.00	200.00			
State reformatory			1,000.00			
Insane in outside institute (mental hospital)	2,550.00	608.05	119.05	658.49	883.18	598.00
Industrial school for girls			337.86	589.94	82.04	
Wisconsin Home for Women			765.72	1,315.51	1,191.83	3,094.97
Industrial school for boys	6,160.00			60.13	437.21	295.82
Industrial school for boys (Wales)			1,845.30		540.63	25.5
Industrial school for boys (Kettle Morain)				401.84	384.82	757.04
Black River Camp				1,189.39	1,644.18	1,876.71
Boarding-home care for delinquent children				1,067.66	125.79	267.19
Temporary care for dependent children				630.63	289.27	1,803.55—
Wisconsin General Hospital			574.96		500.00	
Wisconsin Orthopedic Hospital			7,780.13	6,262.26	4,279.71	3,241.22
Wisconsin Diagnostic Center			1,236.23	349.46	270.54	934.99
Division of children and youth			10.00	32.86	6.43	86.43
Central colony			32.47	4,959.90	5,268.59	5,374.66
County fair		1,000.00	1,500.00		63.57	465.00
County payment to retirement		2,000.00	2,500.00	2,000.00	1.00	1.00
County payment to social security		4,000.00	3,000.00	2,300.00	1,000.00	1,000.00
County payment to group insurance		4,000.00	3,000.00	1,600.00	1,500.00	1,500.00
Winnebago Hospital				193.24	1,200.00	1,200.00
Contingency fund	20,000.00	20,000.00	30,000.00	10,000.00	128.55	
Income tax processing				17.50	10,000.00	10,000.00
Total	60,210.00	62,108.05	85,527.04	85,734.65	104,705.59	99,070.03

TABLE 7.—*Menominee County budgets, 1961–66*—Continued

	1961	1962	1963	1964	1965	Proposed 1966
Health:						
Patients at State and other sanatoriums	12,000.00	2,000.00	12,422.24	68,827.06	76,122.36	65,202.14
Public health nurse	4,510.00	7,880.00	7,790.00	9,560.00	10,269.00	9,049.00
Disease prevention	825.00	800.00	800.00	400.00	700.00	700.00
Total	17,335.00	10,680.00	21,012.24	78,787.06	87,091.36	74,951.14
Education:						
Tuition for vocational schools	5,200.00	1,000.00	500.00	----------	----------	500.00
County agricultural agent	6,016.00	5,012.50	5,250.00	5,600.00	10,351.00	10,271.00
County home agent	----------	4,012.50	4,250.00	3,950.00	----------	----------
Recreation agent	----------	----------	----------	----------	800.00	1.00
Total	11,216.00	10,025.00	10,000.00	9,550.00	11,151.00	10,772.00
Highway budget	82,046.67	53,290.00	53,002.00	33,918.89	14,388.86	39,779.46
Total	260,838.31	234,727.05	275,531.28	298,885.75	362,545.81	382,658.63
Anticipated revenues	48,225.00	----------	----------	44,494.10	9,829.00	----------
Less surplus	----------	----------	80,200.00	----------	99,434.83	----------
Total	212,613.31	234,727.05	195,331.28	254,391.65	253,281.98	----------

TABLE 8.—*School budget, fiscal years 1961–66*

	1961–62	1962–63	1963–64	1964–65	1965–66
School tax	$220,884.99	$220,086.34	$246,570.71	$249,038.67	$252,450.19
Federal aid	−220,000.00	−176,000.00	−132,000.00	−88,000.00	−44,000.00
Balance school tax	884.99	44,086.34	114,570.71	161,038.67	208,450.19

TABLE 9.—*Menominee County budgets and State and Federal reimbursement, 1961–66*

	Gross	State and Federal reimbursement	Net county share
1961			
Blind aid	$1,620.25	$1,806.55	$−186.30
Disabled aid	5,988.06	4,656.84	1,331.22
Old-age assistance	23,034.80	22,386.18	648.62
ADC	30,966.84	27,080.19	3,886.65
Administration	10,839.11	6,172.93	4,666.18
Total	72,449.06	62,102.69	10,346.37
1962			
Blind aid	2,449.55	2,628.60	−179.05
Disabled aid	14,865.49	10,204.77	4,660.72
Old-age assistance	32,484.84	32,462.35	22.49
ADC	60,853.18	56,065.43	4,787.75
Administration	21,035.06	11,469.84	9,565.22
Total	131,688.12	112,830.99	18,857.13
1963			
Blind aid	1,935.44	2,538.42	−602.98
Disabled aid	18,198.88	14,390.68	3,808.20
Old-age assistance	33,665.67	32,262.03	1,403.64
ADC	106,123.68	96,836.77	9,286.91
Administration	25,224.17	17,425.70	7,798.47
Total	185,147.84	163,453.60	21,694.24

TABLE 9.—*Menominee County budgets and State and Federal reimbursement, 1961–66*—Continued

	Gross	State and Federal reimbursement	Net county share
1964			
Blind aid	2,162.35	2,475.06	−312.71
Disabled aid	19,397.54	17,080.87	2,316.67
Old-age assistance	30,655.77	30,485.20	170.57
ADC	139.220.54	115,096.81	24,123.73
Administration	35,343.15	25,902.52	9,440.63
Total	226,779.35	191,040.46	35,738.89
1965 [1]			
Blind aid	3,950.00	3,847.50	102.50
Disabled aid	24,850.00	21,136.05	3,713.95
Old-age assistance	36,208.00	33,545.69	2,662.31
ADC	166,800.00	132,943.24	33,856.76
Subtotal	231,808.00	191,472.48	40,335.52
State dependents	250.00		250.00
Administration PA	52,305.00	41,151.39	11,300.61
Administration CW	49,579.65	29,857.53	19,722.12
Total administration	101,884.65	71,008.92	31,022.73
Total	333,942.65	262,481.40	71,608.25
1966 [1]			
Blind aid	7,425.00	7,325.00	100.0
Disabled aid	40,050.00	33,692.00	6,358.00
Old-age assistance	42,900.00	40,400.00	2,500.00
ADC	179,580.00	149,920.00	29,660.00
Subtotals	269,955.00	231,337.00	38,618.00
State dependents	250.00		250.00
Administration	84,423.68	58,423.68	26,000.00
Homemaker program	13,065.33	13,065.33	
Staff attorney	4,200.00	2,520.00	1,680.00
Total	371,894.01	305,346.01	66,548.00

[1] Estimated.

Senator NELSON. I will now call upon Mr. Fossum, county supervisor of Neopit.

STATEMENT OF JOHN FOSSUM, MEMBER OF THE MENOMINEE COUNTY BOARD, AND CHAIRMAN OF THE MENOMINEE COUNTY HIGHWAY COMMISSION

Mr. FOSSUM. Mr. Chairman, my name is John Fossum, member of the Menominee County board and chairman of the highway committee. At the present time we have 17 full-time employees the year-round on the highway. Fortunately, with State aids at the present time we are able to employ 10 temporary employees on Highway 55 for the summer months. Now, that will be terminated within a couple weeks.

Senator NELSON. How many employees did you employ temporarily?

Mr. FOSSUM. We have about 17 full-time employees and about 10 temporary employees. Presently we are waiting for the decision, whatever decision that they will make at the State highway commission upon this expenditure of this $300,000 which was allotted to the Menominee County.

Now, upon termination all of our present machinery had been obtained through war surplus and that is 4½ years ago. Outside of

two new graders and two trucks, we still have the same old equipment, with no funds to replace any of this dilapidated machinery.

Senator NELSON. May I interrupt just a moment? What was the age of tht equipment at the time of termination?

Mr. FOSSUM. Senator, I wouldn't be able to answer that right now.

Senator NELSON. Was it all surplus?

Mr. FOSSUM. It was all war surplus equipment.

Senator NELSON. And since the termination, what machinery acquisitions have you made?

Mr. FOSSUM. Two graders and two trucks.

Senator NELSON. New or surplus?

Mr. FOSSUM. That was two new graders and two old trucks. We never have been able to find out if we could qualify under this war surplus. We have asked different ones, but they always told us they would write in and find out, but as of yet we have never had an answer if we could qualify under surplus.

We never did establish a reserve fund nor what we call a machinery fund.

Knowing that we were new members, a new county, we didn't know how to go about this and practically all our machinery should be replaced and we just don't know how to go about it and I don't know how we have neglected to put this request for assistance into any of our bills, but we definitely need all new equipment.

Senator NELSON. Do you have any estimate of what the cost of the necessary new equipment would be?

Mr. FOSSUM. Mr. Chairman, I haven't right today, but I—probably tomorrow we will come up with a figure.

Senator NELSON. If you could submit that for the record, I think it would be valuable.

Mr. FOSSUM. Thank you, Mr. Chairman. Well, that is about all I have, replacement of all this equipment; it is really dilapidated. Anybody can go up there, and any firm or organization in the world, upon establishing any kind of business, always sets up a reserve fund for the replacement of their equipment, but we can't do it and any time we have to make a purchase, we have to use our old, dilapidated, and obsolete equipment for a downpayment and try to put it on State roads so that we can receive revenues to make monthly payments and that is about the only way we are able to obtain any new equipment now.

Senator NELSON. Since the termination you have purchased two new graders and two used trucks?

Mr. FOSSUM. Plus a couple pickups. I mean, I might as well embody that, two pickups and a car for the commissioner, but all the equipment that we actually use on the highways, that is all depleted.

Senator NELSON. When you submit information for the record, could you make an estimate of the cost of acquiring the equipment necessary? In other words, submit something for the record delineating the status of the equipment that you had at the time of termination.

Mr. FOSSUM. I will, Mr. Chairman, and presently I have a list here with the statement I have prepared and at the bottom there it lists all the equipment and the condition it is in.

Senator NELSON. Fine. Thank you very much.

Mr. FOSSUM. Thank you.

(The prepared statement of Mr. Fossum and information requested by Senator Nelson follow:)

PREPARED STATEMENT OF JOHN FOSSUM, CHAIRMAN, MENOMINEE COUNTY HIGHWAY DEPARTMENT

Presently we have 17 full-time employees the year around. Fortunately with State aids, we are now able to employ 10 temporary employees on Highway 55 for the summer months.

One of the biggest problems has been replacing our old and obsolete equipment. Upon termination, all our present machinery had been obtained through war surplus. Four and a half years later, outside of two graders and two trucks, we still have the same old equipment with no funds to replace this delapidated machinery.

On termination, we did not establish a reserve or machinery fund for purchase of any new equipment. Today, with our limited budget, we still are unable to establish a machinery fund. Whenever we purchase any kind of equipment we have to use the obsolete equipment for a downpayment and put the newly purchased equipment on State roads in order to derive some revenue to make our payments.

The Menominee County Highway Department with very limited mileage of State roads also has a very limited amount of State reimbursements.. Therefore, most of our budget has to be direct to county and town roads, thereby increasing the tax of Menominee Enterprises and also people of Menominee County. With these conditions, we will never be completely self-sufficient or self-supporting. No matter how many aids we receive for labor on our public roads, we still need good equipment to perform a good construction or maintenance road job.

Another request that we received the other day from the Wolf River Planning Commission was full cooperation with the new highway beautification program.. Without good, sound equipment, we could prolong its program by continuous breakdowns.

Presently, we have to tax the Menominee enterprises the extra 2 mills which is allowed by law in order to meet our highway budget, realizing that any amount the requested budget is over the tax base has to be taken from our limited general funds. If we did not have a general fund, Menominee County would be out of existence. Whether we continue as a county or not, the need of replacing this obsolete and delapidated equipment is still there.

Present highway equipment:

One D–7 bulldozer, very poor condition.
One D–7 tractor with scraper, poor condition.
One TD–18 tractor with scraper, fair condition.
One TD–18 tractor with scraper, very poor condition.
Two D–6 bulldozers, fair.
One D–5 bulldozer, fair.
Two Ford trucks, fair and running.
One International, fair and running.
Three International and one Ford, poor shape, could be traded.
One utility truck to be renovated.
One commissioner's car, good.
Two pickups, good.
One Lorain crane, fair.
One Beyer crane, good.
Two graders, good.

With this information on need of new equipment, we would like to make a request for some assistance for the Menominee County Highway Department.

STATUS OF MENOMINEE COUNTY HIGHWAY EQUIPMENT

At present we have six dump trucks, four of which are in operation and the other two are a standstill. The cost of repair on these two would far exceed their worth.

Tractors are in this same category. This brings to mind that prior to termination these tractors and a few of the trucks were obtained from or by surplus.

What we area mostly concerned about is trucks. Four in number, which would cost approximately $30,000 equipped. When I say equipped, I mean a truck must be pursuant to the provisions of the 1965 machinery agrement, the joint machinery rental committee has agreed upon, a description.

Patrolman truck class 113, but not later than January 1, 1968, a patrol truck must have a minimum 23,000-pound g.v.w. rating with a minimum 5-cubic yard truck box, a power spreader, and adequate truck plow attachment.

This fleet of equipment we have is surplus in its entirety. The cost of operating for only one tractor alone on the State job this year amounted to $4,494.89 repair. From this figure, and one man up on the job, figuring his time doing repair work we would consider outrageous.

From time to time we have been criticized from our local people as well as from people in the adjacent counties as to why we were prolonging this job. Surplus and inadequate equipment is the answer.

The need for trucks and a couple new tractors is a must to meet the county level. As a result of having inadequate equipment and not enough trucks is a basis for our delinquency on most of our town and country roads. As the county as a whole is being developed to better standards of living our town and county roads need the attention to meet the State law standards.

The finding and forecasts of this continuing study have strong significance for county as well as State highway development and are, I feel, worthy of your consideration.

Senator NELSON. We will now call on Mr. Grignon, chairman of the board of Menominee Enterprises. Go ahead, Jerry.

STATEMENT OF JEROME GRIGNON, CHAIRMAN OF THE BOARD OF DIRECTORS, MENOMINEE ENTERPRISES, INC.

Mr. GRIGNON. Mr. Chairman, my name is Jerome Grignon. Presently I am chairman of the board of directors of Menominee Enterprises, Inc.

Senator NELSON. Can you hear, everybody hear Mr. Grignon?

VOICE. No.

Senator NELSON. Will you speak a little more clearly into the microphone?

Mr. GRIGNON. Mr. Chairman, my name is Jerome Grignon. Presently I am chairman of the board of directors of Menominee Enterprises, Inc., a Wisconsin business corporation chartered by the State of Wisconsin, which is the successor of the Menominee Indian Tribe. I am also a member of the Menominee Indian Tribe.

In behalf of the shareholders of Menominee Enterprises, Inc., and the citizens of Menominee County, I want to express sincere gratitude to your committee in granting us an opportunity to be heard on the proposed congressional legislation, particularly on Senate bill No. 1934 sponsored by Senator Nelson and Senator Proxmire of the State of Wisconsin, and an identical bill, H.R. 8034, introduced by Congressman Mel Laird on the House side. We appreciate that this hearing is being conducted in our county, which will give everyone a chance to express their wishes.

In order that I might be able to develop a little historical background of the Menominee termination, I desire at this time to read into the record the contents and policy of the Congress of the United States as embodied under a House Concurrent Resolution No. 108, adopted August 1, 1953, which provides as follows:

Mr. Chairman, I don't think I should read that. I might sum it up.

Senator NELSON. That will be fine. You submit it and it will be printed as part of the record.

(The material referred to follows:)

Legislative History Re Menominee Termination

[H. Con. Res. 108, 83d Cong., 1st sess.]

Concurrent Resolution

Whereas it is the policy of Congress, as rapidly as possible, to make the Indians within the territoral limits of the United States subject to the same laws and entitled to the same privileges and responsibilities as are applicable to other citizens of the United States, to end their status as wards of the United States, and to grant them all of the rights and prerogatives pertaining to American citizenship; and

Whereas the Indians within the territorial limits of the United States should assume their full responsibilities as American citizens: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is declared to be the sense of Congress that, at the earliest possible time, all of the Indian tribes and the individual members thereof located within the States of California, Florida, New York, and Texas, and all of the following named Indian tribes and individual members thereof, should be freed from Federal supervision and control and from all disabilities and limitations specially applicable to Indians: The Flathead Tribe of Montana, the Klamath Tribe of Oregon, the Menominee Tribe of Wisconsin, the Potowatamie Tribe of Kansas and Nebraska, and those members of the Chippewa Tribe who are on the Turtle Mountain Reservation, North Dakota. It is further declared to be the sense of Congress that, upon the release of such tribes and individual members thereof from such disabilities and limitations, all offices of the Bureau of Indian Affairs in the State of California, Florida, New York, and Texas and all other offices of the Bureau of Indian Affairs whose primary purpose was to serve any Indian tribe or individual Indian freed from Federal supervision should be abolished. It is further declared to be the sense of Congress that the Secretary of the Interior should examine all existing legislation dealing with such Indians, and treaties between the Government of the United States and each such tribe, and report to Congress at the earliest practicable date, but not later than January 1, 1954, his recommendations for such legislation as, in his judgment, may be necessary to accomplish the purposes of this resolution.

[Based on policy statement issued by Secretary Seaton in radio address, Flagstaff, Ariz., September 18, 1959, and read to 1958 NCAI Convention by Assistant Secretary Roger Ernst. Senator James Murray introduced the following legislation on March 2, 1959. SCR 12 was endorsed by the NCAI Executive Council, meeting in Washington, D.C., March 16–20, 1959.]

Senate Concurrent Resolution 12 (86th Cong.)

Introduced March 2 by Senator Murray: Sponsored by: Mr. Murray, Mr. Neuberger, Mr. Mansfield, Mr. Chavez, Mr. McCarthy, Mr. Gruening, Mr. Church, Mr. Douglas, Mr. Goldwater, and Mr. Langer.

[From the Congressional Record, Mar. 2, 1959]

The concurrent resolution (S. Con. Res. 12) to restate Federal responsibility toward Indians and the Federal Government's relation with Indian tribes or groups, submitted by Mr. Murray (for himself and Mr. Neuberger), was referred to the Committee on Interior and Insular Affairs, as follows:

Whereas the policy of the 83rd Congress expressed in House Concurrent Resolution 108, agreed to August 1, 1953, with respect to according Indians the privileges and responsibilities applicable to others, and to ending their status as wards of the United States, has been misinterpreted as proposing unilateral termination by the Federal Government of trusteeship over Indians prior to the time the tribes concerned may be willing and able to have removed from their tribal and individual allotted lands the protections of the trust restrictions against the encumbrance and loss of their lands now provided by law, without regard to the cultural differences and the economic disadvantages of the Indians concerned whereby they may be unable to compete on terms of equality with the non-Indian culture and economic advantages surrounding them; and further has been misinterpreted as calling for termination, without tribal consent, of tribal jurisdiction over its own members within reservation areas; and

Whereas the Secretary of the Interior on September 18, 1958, in Flagstaff, Ariz., stated that "no Indian tribe or group should end its relationship with the Federal Government unless such tribe or group has clearly demonstrated first, that it understands the plan under which such a program would go forward, and second, that the tribe or group affected concurs in and supports the plan proposed": Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is declared to be the sense of Congress (a) that House Concurrent Resolution 108, agreed to August 1, 1953, 83rd Congress, shall be interpreted as stating an objective, not an immediate goal; (b) that the relationship between the Federal Government and any Indian tribe or group should not be terminated unless such tribe or group has clearly demonstrated that it understands the plan under which such a program terminating Federal supervision and control would go forward, and that the tribe or group affected concurs in and supports the plan proposed; (c) that no consideration shall be given to forcing upon an Indian tribe or group a so-called termination plan which does not have the understanding and acceptance of a clear majority of the members affected; (d) that no Indian tribe or group shall be cast into the stream of American life until and unless the educational level of that tribe or group is one which is equal to the responsibilities which it is shouldering; (e) that the goal shall be that of eventually attaining a position of parity for Indians with other Americans, socially and economically; (f) that tribes or groups should receive appropriate Federal aid if they are to finally attain the objectives toward which they and the Federal Government are cooperatively striving; and (g) that the attainment by Indians of a position of equality in health and education is a matter of primary importance to these goals, including both projects to assist those adults who have never attended school and to provide adult Indians between the ages of 18 and 35 with salable work skills thus to free them of dependency on reservation resources.

[Some spokesmen for Indian interests have stated their opinion that the following resolution, SCR 28, was introduced to block consideration of SCR 12. (NCAI has taken no position regarding SCR 28.)]

SENATE CONCURRENT RESOLUTION 28 (86TH CONG.)

Introduced April 28 by Senator Anderson

[From the Congressional Record, Apr. 28, 1959]

Mr. Anderson (for himself, Mr. Hayden, Mr. Goldwater, Mr. Allott, Mr. Kuchel, Mr. Bible, Mr. O'Mahoney, Mr. Bennett, and Mr. Case of South Dakota) submitted a concurrent resolution (S. Con. Res. 28) relating to the subject of Federal policy in the field of American Indian Affairs, which was referred to the Committee on Interior and Insular Affairs and ordered to be printed in the Record, as follows:

Whereas H. Con. Res. 108, Eighty-third Congress, agreed to August 1, 1953, expressed it to be the policy of Congress, as rapidly as possible, to make Indians within the territorial limits of the United States subject to the same laws and entitled to the same privileges and responsibilities as are applicable to other citizens of the United States and that Indians within the territorial limits of the United States should assume their full responsibilities as American citizens; and

Whereas the Eighty-third, Eighty-fourth, and Eighty-fifth Congresses, pursuant to such resolution, enacted several statutes providing for the termination Federal supervision and control over various tribal groups; and

Whereas H. Con. Res. 108 has been misinterpreted as proposing hasty termination by the Federal Government of trusteeship over Indians prior to the time the tribes and the individual members concerned may be prepared to manage their own affairs without further Federal assistance; and

Whereas it is in the interest of the several Indian tribes and of the Federal Government that a clear understanding of the objectives of Federal Indian policy be set forth as a basis for the adequate preparation of Indians to assume their responsibilities: Now, therefore, be it

Resolved by the Senate (the House of Representative concurring), That it is declared to be the sense of Congress (1) that H. Con. Res. 108, agreed to August 1, 1953, Eighty-third Congress, should be interpreted as stating a foreseeable

objective; (2) that, in carrying out the policy objective of H. Con. Res. 108, as clarified by this resolution, the various Indian tribes should be categorized into three groups by the Secretary of the Interior: (a) those tribes that have relatively uncomplicated problems, that have required few services from the Bureau of Indian Affairs in recent years, and whose members are generally recognized as having reached a state of development that would permit termination within a period of five years; (b) those tribes that have more complicated problems that require additional planning, or whose members need further Federal assistance that will better prepare them to manage their own affairs without Federal assistance within a period of five to fifteen years; (c) those tribes that require longer range planning and greater preparation for future responsibilities, or whose members, because of cultural differences, economic status, lack of educational development or substandard health conditions, require maximum Federal assistance to prepare for termination; (3) that Indian tribes and groups should continue to receive appropriate Federal aid as required in order to attain a position of parity with other citizens of their respective States socially, economically, and in terms of education and health; (4) that as a condition precedent to the submission of proposed legislation to carry out the objectives of this resolution, the Secretary of the Interior or his representatives should confer to the fullest possible extent with members of the tribes in order that the Indians concerned may understand any proposed plan under which a program terminating Federal supervision and control would go forward, but with the ultimate responsibility resting with Congress to determine the timing for any legislation; (5) that State, county, and local officials in the States in which the reservations are located should be fully consulted by representatives of the Department of the Interior prior to the submission of any legislative proposal to Congress, and their recommendations and suggestions made a part of any report submitted to Congress in connection with an Indian termination program; (6) that the responsibility for the administration of all termination programs should be assigned to the Commissioner of Indian Affairs who shall, at the beginning of each year, submit to Congress a specific program for each Indian tribe showing, by years, the legislative and administrative measures he proposes to institute in order to carry out the objectives of this resolution.

[This is the same policy resolution which NCAI has supported since 1954, through the 84th and 85th Congresses. Hearings were held on this resolution; an unfavorable departmental report was received; no further congressional action has been taken on it.]

HOUSE CONCURRENT RESOLUTION 40 (86TH CONG.)

Introduced January 22 by Congressman McGovern

Whereas it is the understanding of Congress that its responsibility in the American Indian problem cannot be fulfilled by the dispersal of Indian communities, but by the continuous development of their human and economic potential; and

Whereas it is recognized that Indian communities cannot be considered to have reached the American level of well-being until the principles of consent of the governed, self-determination, and local self-government are operative, nor until Indian opportunities in economy, education, and health are measurably equal to those of their fellow citizens; and

Whereas the American "point 4 program," as it has been applied successfully in underdeveloped areas of the world, reveals tested techniques whereby American Indian communities may be so developed: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Bureau of Indian Affairs shall be, by definition, an agency to assist American Indian communities to reach the level of well-being enjoyed by other communities in the United States, and the governing program of the Bureau of Indian Affairs shall be an American Indian point 4 program.

It is declared to be the sense of Congress that this program shall be offered to the American Indian communities without exacting termination of Federal protection of Indian property or of any other Indian rights as its price; that Indian culture and identity shall not be restricted or destroyed; that technical guidance and financial assistance shall be made available; that the request for assistance shall come from the Indians themselves after each Indian group has studied itself in terms of its own needs; that an impartial effort shall be made

to deal with the development of natural resources to maximum capacity, to develop the full capabilities of industrial and agricultural production, of improvements in housing, nutrition, clothing, sanitation, and health, and of the resettlement on their initiative of individuals and families in other areas; that technical assistance shall be given to long-term general, vocational, technical, and professional education to enable American Indians to share fully in our total American society and to contribute to it; and that older, revered values shall be respected and used as new forms of living are introduced.

It is further declared to be the sense of Congress that the Secretary of the Interior shall review all programs of the Bureau of Indian Affairs in order to develop its activities to further an American Indian point 4 program, and that he shall report to Congress at the earliest possible date his recommendations for such legislation as may be necessary to accomplish the purposes of this resolution.

Finally, it is declared to be the sense of Congress that Federal protection and services shall be ended for any tribe, band, or group only when such unit shall have adopted a plan for its organization and operation under State law, and such plan shall have been approved by the appropriate State and by the Secretary of the Interior prior to its submission to the Congress.

Mr. GRIGNON. I just might state that in this resolution the Menominee Tribe is specifically designated as one of the tribes to be terminated, as this resolution established the policy on terminating all Indians under the supervision of the Government, Federal Government.

Senator NELSON. We are pleased to have that as part of the record.

Mr. GRIGNON. Mr. Chairman, the Committee on Interior and Insular Affairs of the United States in pursuit of the established policy attached to it a Menominee Indian per capita payment bill. The bill contained only one small paragraph and as such a bill emerged from the Senate subcommittee, there were attached 12 new amendments providing for Menominee termination of Federal supervision. In fact, the original author of the per capita bill for $1,500 payment, Congressman Melvin R. Laird, could not recognize his own bill after Senate committee action.

Former Senator Arthur V. Watkins from the State of Utah, now chief commissioner, was present at the Senate subcommittee hearings on bills Nos. 5869 and 5870 which were introduced in the U.S. Senate by Senator Proxmire of Wisconsin at the request of the Menominee General Council calling for further extension of time for preparation and studies of the economic problems and for Government assistance and financing. Senator Watkins stated in the record at the hearing that as chairman, he was only carrying out the will of Congress to terminate the Menominee Indians and that is what he did under Resolution 108.

Former Commissioner of Indian Affairs Mr. Emmons also expounded in favor of terminating the Menominees in his testimony before the Senate Committee of Interior and Insular Affairs when his nomination for the commissionership was under consideration. Now, in an analysis to date, since April 30, 1961, we find our fears expressed at the hearings are now a reality. We stated and pleaded that we needed more time to complete economic and industrial development of our resources. We pleaded for educational assistance that our children and students could receive higher training, that we might be in a better position to manage our affairs. We pleaded for aid for our sick and indigent people. We pleaded for loans from our Government on a low interest rate to put us on our feet. We stated that in our judgment that our present lumber industry would be unable to support a county.

Mr. Chairman, as you now know, we only received educational aids on a sliding scale and some funds for water and sewer construction. Very unfortunately, we did not receive an extension of time. We did not receive a loan to modernize and expand our present industry, in order that we could provide more jobs for people and be in a better position to compete with our competitors. This would have put the Menominee Enterprises, Inc., in a better position to pay the ever-increasing taxes in our county government.

We have experienced a better lumber market in the last 18 months and if such was reversed, our enterprise would have faced bankruptcy by now. Our lumber industry is our only means of support for the greater number of our families. We would not survive otherwise.

Our industry is producing at its maximum potential. We cannot increase the amount of timber we can cut per year. We have reached the top and all indications are that we will have to reduce the present cut.

The bill introduced in the Senate of the United States, we believe, will be of immense assistance for the next 10 years of Menominee transition. Without this proposed assistance, we see no reasonable avenue of survival. We sincerely hope your committee of the Senate will report favorable on this proposed legislation.

We feel the Congress of the United States has a moral obligation to see that the Menominee people receive full protection and assistance in paving the way for a successful termination because Congress established the policy for termination.

In request for the various aids, studies, and loans incorporated in the proposed legislation, I wish to indicate in the record that this practice of government aids is not new. The new States of Alaska and Hawaii each received appropriations termed transition costs of $25 million and each received other amounts since their admittance to the Union. We hope we will receive the same consideration.

Mr. Chairman, now I would just like to sum up and state that when we were terminated, we more or less had to anticipate what our needs would be, especially in the fields of law and order, highways and welfare, and so on. I think the only surveys we had made were in regard to education and sanitation and, of course, that was all the aids we received, but we did not receive a loan.

Now in 1965 we are back and we are asking for practically the same thing. I hope that with the testimony that was given by the State people—I know we are certainly based on this 4-year period history that are more or less actual testimony now—that we do have something to go on and their projections will be very accurate.

I believe, Mr. Senator, that we should certainly not make the mistake, the same mistake, and get some aids, but not get loans so that we can modernize and expand. I believe that would be our success and I think Mr. Clements, who is going to follow me, will give a detailed report, but just myself, I would like to state that in the 4 years since termination, we had to go into our surplus to meet the interest on our bonds and the taxation and it has just been this last year we have met—we will be able to meet the interest and the taxation and have a few dollars extra, and that is the only year, that actually that has actually been our real good year. I hope that your committee will take those things into consideration.

Now, Mr. Chairman, I want to express my personal gratitude to you and to the members of your committee and to the members of the Wisconsin delegation for the tremendous effort they are putting forth in our cause. Thank you.

Senator NELSON. I thank you very much. One of the main reasons for the introduction of the bill is, as you stated in your testimony, that there is a continuing moral responsibility on the part of Congress to make appropriations or grants that would raise the standards in terms of the health, education, sewers and highways, and so forth, to a level comparable to other counties in our State. I think that was the obligation of Congress at the time of the termination and that obligation was not met. Thank you very kindly.

Mr. GRIGNON. Thank you, Senator.

Senator NELSON. Thank you. I will now call upon Mr. Clements, president of Menominee Enterprises.

Mr. Clements, the full text of your formal statement will be printed in the record along with the attendant tables of statistics. You may proceed as you see fit. It might be helpful if you would summarize extemporaneously if you are prepared to do so, from your statement and the whole statement will be printed in the record.

STATEMENT OF ARTHUR D. CLEMENTS, PRESIDENT AND TREASURER, MENOMINEE ENTERPRISES, INC.

Mr. CLEMENTS. Thank you, Mr. Chairman. I am A. D. Clements, or Arthur Clements, the president and treasurer of Menominee Enterprises, and have been associated with the enterprise since termination date, May 1961.

My testimony will be limited to the Menominee Enterprises and to the time after May 1, 1961. I wasn't here before then and I feel that several other witnesses are qualified to go back beyond that date where it is relevant.

I think probably the—I won't read my statement verbatim here. I think the first table that I refer to, which is pretty much factual, talking about the actual certified record that the company has made since the termination date over a 4-year period, pretty much speaks for itself.

It shows approximately 50 percent increase in production, sales and earnings over that 4-year period. The reason I bring this in, I have heard remarks in the 4½ years I have been here that possibly the Menominees might not make use of any moneys that they might get as aids. I think this record is valuable to show that we have made use of the limited funds that we had at termination time. I think they have buckled down in no uncertain terms and have taken this thing very seriously and have done an outstanding job.

My background has been entirely with private enterprises and businesses and some of the big corporations of the country, particularly in the lumber industry, and I feel that I can testify that a 50-percent increase in earnings and production in a 4-year period, or a 4½-year period, is no mean accomplishment and these people have been under a lot of terrific obstacles. Everything was new and strange and upsetting at termination time and they have accomplished this record and I submit that table for the record (table 10).

Again, going back to their million and seven hundred and some odd thousand dollars that was in the bank at termination, we presently have about 600—$650,000 in the bank, and in the meantime have run a company, paid over a million dollars in payroll and about half a million dollars for logs and pulp and for raw material in this 4½ years each year and invested about a million and a quarter to a million and a half dollars in plant improvement and additional factilities in order to accomplish this record.

TABLE 10.—*Menominee Enterprises, Inc., comparative statement of operations, years ended Sept. 30, 1962–65*

	1962	1963	1964	1965
Net sales	$2,393,136	$2,927,834	$3,184,810	$3,738,074
Cost of sales	1,788,240	2,316,765	2,450,134	2,792,635
Gross operating profit	604,896	611,069	734,676	945,439
Administrative and selling expenses	294,928	214,188	181,755	217,092
Net operating profit	409,968	396,881	552,921	728,347
Other income less deductions	170,999	176,669	139,095	108,942
Net profit before property taxes	580,967	573,550	692,016	837,289
Property taxes	305,408	232,821	332,411	392,767
Net profit	275,559	340,729	359,605	444,522
Bond interest	388,801	385,560	381,450	378,904
Net after bond interest	(−113,242)	(−44,831)	(−21,845)	+65,618
COMPARATIVE FOOTAGES PRODUCED AND SHIPPED				
Log production	21,711,440	18,921,430	28,884,940	30,574,340
Sawmill production	22,728,484	19,590,946	22,035,749	24,214,678
Portable mill production		205,810	3,729,448	4,804,833
Total lumber production	22,728,484	19,796,756	25,765,197	29,019,511
Lumber shipped	22,840,343	24,967,059	26,852,227	29,070,014
Pulp cords shipped	9,999	14,069	17,974	25,290
Veneer logs shipped	200,749	122,530	81,340	984,028

But I think it also shows a very definite increase in efficiency, and as one example of the increase in efficiency, the same number of men today are getting out 50 percent more production than they did about the date of termination. The pay is higher, but the efficiency is considerably increased.

Another indication here in support of this bill that I think makes factual sense is in paying the bond interest, which they paid for the last 4½ years since termination, again referring to the table (table 10) will show that it hasn't been fully earned until this year, which again is another drain on cash. This year it was earned for the first time, but there was a deficiency in all of the prior years. That additional bond interest that was paid, as indicated here (table 10), was paid out of—had to be paid in cash, naturally, and was out of surplus.

Another way of indicating the tremendous pressure that has been put on the use of cash and the assets on the forest of this company, the tribe's company, since termination is—and I think it is pretty well known—that since the business end of the tribe has been incorporated into a Menominee Enterprises, so-called, that owned and took over and are responsible for practically all the land and assets in the entire

county, it is only natural they would pay practically all the tax bills and that amounts to about 90 to 92 percent. So you have to keep the one major industry in the county healthy in order to continue this.

I think the main thing I want to comment on here on this table (table 10) is at the bottom of the page where we are looking at the forest cut and, again, Mr. John Beale this morning gave a very able testimony on about the same thing. I will touch on it from a little different angle. This is the first year since termination that we have come up to the allowable cut of around 30 million feet plus quite a little cord wood. That has been basically the main reason for the progress of the company for the earnings, for the ability to pay bond interest, for the ability to pay increasing costs and increasing tax bills. Now, the main point is that this year is the last year you can look to volume to accomplish this. We have reached a plateau and, as a matter of fact, I won't comment any more on this other than to comment, to say that our new forest inventory indicates we cannot sustain the cut we had this year, so the volume will either plateau out at a level or will go down, but the tax bill, as several witnesses this morning indicated, Mr. Harry Harder and others, and as the town and county board has substantiated, that it is definitely going to have to go up. In fact, our estimate for 1966 is going to mean about $60,000 next year and this present fiscal year which ends next September 1966.

Senator NELSON. An increase?

Mr. CLEMENTS. The tax bill for the Menominee Enterprises portion of it will increase approximately $60,000 between now and next September.

Senator NELSON. What is the total taxes in the county?

Mr. CLEMENTS. The total taxes in the county were—what were they, Leo, estimated? About what were they, George? You mean total taxes coming up this coming year?

Senator NELSON. Total property taxes paid in the county.

Mr. CLEMENTS. The Enterprises next year is expected to pay about $464,000.

Senator NELSON. How much comes then from other property, other residents?

Mr. CLEMENTS. I don't know what the total was. Do you have the total, George?

Senator NELSON. Well, if somebody would submit that.

Mr. CLEMENTS. The next witness will submit that.

Senator NELSON. All right.

Mr. CLEMENTS. They were 408 on the Menominee Enterprises this year. I believe the total for the calendar year 1965 was $552,000.

Senator NELSON. That is the total in the county?

Mr. CLEMENTS. Yes.

Senator NELSON. The Menominee Enterprises is paying——

Mr. CLEMENTS. Has paid 408 of it.

Senator NELSON. 408. Out of about five what?

Mr. CLEMENTS. 552.

Senator NELSON. They are paying——

VOICE. That is not right.

Mr. CLEMENTS. Maybe my figure is 502. Anyway, a later witness will show that.

Senator NELSON. Let's just leave that and I would like to have for the record the total taxes and the percentage paid by—the amount of the percentage paid by Menominee Enterprises.

Mr. CLEMENTS. Very well. We will supply you that. Anyway, it is a significant part, a major part of the tax bill.

Now, with this allowable cut not being able to go any higher than we cut this year, raw material—you can't sell lumber without cutting logs and we have reached the peak of that and possibly we will have to go down from there. I have submitted this table (table 11) to give our forecast of what the situation will look like for the next 4 or 5 years.

Basically, this is taking a considerable drop to the past 4 years, primarily due to two major items: one I referred to just a moment ago about a $60,000 tax increase, and a decrease of approximately 3 million feet a year of allowable cut that we can take off of this forest and still have a sustained yield program. That is going to throw us into a loss after bond interest pretty much like table 11 indicates if we don't do something, change our program, do some expansion or development work.

This (table 11) is simply to show you that if we continue with the same basic things we are doing today and have done for a number of years before termination and now—in other words, make lumber, sell some pulpwood, make some chips, and sell some veneer logs, which is basically what our products are and what our industry is—that table 11 will give you an indication as accurate as we can forecast it of about what will happen to Menominee Enterprises for the next 5 years. And that does not, as I indicated in my testimony here and my statement, does not forecast any downward trend in lumber prices or a slump in the market.

TABLE 11.—*Menominee Enterprises, Inc., 5-year forecast of operations, 1966–70*

	1966	1967	1968	1969	1970
Net sales	$3,525,000	$3,561,000	$3,619,000	$3,619,000	$3,655,000
Cost of sales	2,613,000	2,640,000	2,667,000	2,667,000	2,693,000
Gross profit	912,000	921,000	952,000	952,000	962,000
Administrative and selling expenses	206,000	214,000	222,000	231,000	238,000
Profit before taxes	706,000	707,000	730,000	722,000	724,000
Property taxes	453,000	468,000	484,000	502,000	520,000
Net profit	253,000	239,000	246,000	220,000	204,000
Bond interest	378,000	378,000	378,000	378,000	378,000
Net after bond interest	(−125,000)	(−139,000)	(−132,000)	(−158,000)	(−174,000)

Now, at this time, why, this may sound somewhat discouraging. I am not discouraged and I don't think the majority of the people that work for the Enterprise are discouraged. We feel that if we can get the aids that are in this bill, coupled with the necessary financial funds, that this picture can change considerably, and that is where I have brought in this table (table 12). To the best of our ability in forecasting this on industrial development and resource development—and primarily I am forecasting industrial development here—it can

change the picture from a loss situation to within 2 years to a profit in spite of the higher taxes and in spite of the increasing costs.

TABLE 12.—*Menominee Enterprises, Inc., 5-year forecast of operations with proposed industrial expansion, 1966–70*

	1966	1967	1968 [1]	1969 [2]	1970 [3]
Net sales	$3,525,000	$3,561,000	$4,859,000	$5,613,000	$6,436,000
Cost of sales	2,613,000	2,640,000	3,650,000	4,316,000	4,930,000
Gross profit	912,000	921,000	1,209,000	1,297,000	1,506,000
Administrative and selling expenses	206,000	214,000	305,000	350,000	415,000
Profit before taxes	706,000	707,000	904,000	947,000	1,091,000
Property taxes	453,000	468,000	484,000	502,000	520,000
Net profit	253,000	239,000	420,000	445,000	571,000
Bond interest	378,000	378,000	378,000	378,000	378,000
Net after bond interest	(−125,000)	(−139,000)	+42,000	+67,000	+193,000

[1] Veneer mill in full operation; cut stock in full operation; charcoal in full operation.
[2] Particle board plant in partial operation.
[3] Particle board plant in full operation; glue-up in full operation.

TABLE 13.—*Menominee Enterprises, Inc., estimated capital requirements for industrial expansion, 1966–70*

	1966	1967	1968	1969	1970	Total
Veneer mill:						
Feasibility study	$5,000					
Installation cost		$736,300				
Working capital			$141,000			
Total	5,000	736,000	141,000			$882,300
Particle board:						
Feasibility study	15,000					
Installation cost			1,702,610			
Working capital				$202,000		
Total	15,000		1,702,610	202,000		1,919,610
Cut stock:						
Installation cost		175,000				
Working capital		32,000				
Total		207,000				207,000
Glue-up:						
Feasibility study	2,000					
Installation cost				175,000		
Working capital				9,000		
Total	2,000			184,000		186,000
Charcoal:						
Feasibility study	3,000					
Installation cost		347,575				
Working capital		45,000	40,000			
Total	3,000	392,575	40,000			435,575
Total investment						3,630,485
Summary:						
Feasibility study	25,000					25,000
Installation costs		1,258,875	1,702,610	175,000		3,136,485
Working capital		77,000	181,000	211,000		469,000
Total investment	25,000	1,335,875	1,883,610	386,000		3,630,485
Land use and recreation						1,700,000
Grand total						5,330,485

I don't feel, gentlemen and Mr. Chairman, that there is much sense in coming to you or coming to Congress or the State and asking just for aid money. I think that it absolutely has to go hand in hand with how you are going to solve your problem yourself with some of these aids. Now, the outright aids that are in that bill such as health, education, and welfare will help relieve the pressure, but they won't solve the problem. The problem that has to be solved here is industrial expansion, as I think all of you know, in increased payroll, broadened tax base, and new industry.

And we haven't just thought of this today and didn't just think of it in connection with this bill, but it has been impossible, I would say, in the last 4 years to generate enough funds beyond the pressures of paying tax bills and interest to do any of these things even though all of us recognize that they should be done and that is why I think this loan fund or capital money is vitally necessary to go along with the aids or, otherwise, you are just going to be repeating this thing in a 2-, 5-, or 10-year cycle.

I think we have the know-how; I think we have the assets; I think we know who to get in case we need some outside consultants, either Government or private industry, to get some of these projects I have put in my testimony here accomplished. I don't think they are daydreams or pie in the sky. I think they are actually things that can be done. Other people are doing them and we can do them here.

They are basically related to a forest products economy. It is a forest economy, all the things that we are talking about. We have picked out a veneer mill as one to start with, but there are many, many others that could be developed. It takes time and money to do these studies and you don't want to do them just to make work; we want to make a success of them because you have to pay bills. You have to make a profit on it in order to continue to pay the mounting bills, wage bills, tax bills and others, and my feeling is that you have to tie it together with the basic assets that are in the county and you can pull this thing out or keep it afloat as it has been and permanently solve the problem here, which is economic.

Mr. Kenote in later testimony will bring out the land use and recreation facilities. I haven't commented too much on it. I have dwelled primarily on industrial expansion, but that, by no means, means I give it more importance than recreational and land use here.

The main thing we need to buy here is time to relieve this company and relieve the Menominees of the pressure of just staying ahead of the wolf, so to speak, on dollars. I think that there is no question that—there is certainly no question, and I am saying this in all honesty and in all sincerity, that if they can get some timely aid, and I don't mean handouts, some timely aid—and I am not talking about the morality of the thing or who owes who what—but if they can get some timely aid well used, and I believe they will well use it, with the proper methods, you can permanently solve this county problem.

I am not saying it can be done in 5 years, but I think you can make tremendous steps in those 5 years. Mr. Chairman, I believe that's all unless there are some questions that I——

Senator NELSON. What is the status of the equipment at the mill in terms of modernization?

Mr. CLEMENTS. The mill equipment probably is basically pretty sound. We spent, as I said earlier, about a million or a million and a half of the tribe's money doing some modernization, some automation, some improvements. Some of it was new like the chipper and the barker.

Again, I am glad you brought the question up because there are some major items of repairs that are going to have to be done, some major installations. For instance, I have said in here we are using boilers that were put in in 1908.

Senator NELSON. Nineteen what?

Mr. CLEMENTS. 1908; they are going to have to be replaced. Those will run $60,000 to $80,000 apiece. We use depreciation in our accounting and, of course, the depreciation reserve should somewhat take care of that, but where you are depleting your cash for other reasons such as paying bond interest and excess taxes, naturally, you have got to have cash to pay for these things and you have got to borrow, so I would say the mill is basically in sound condition, but major parts of that mill will of necessity have to be replaced and heavy repairs made to it in the future.

It is still operating at a pretty good efficiency. There are other pieces of equipment too that will be needed, but primarily what we are asking for here, Senator, is something new, something to expand. I think we can pretty well take care out of depreciation of probably the repairs and maintenance of the existing equipment, although we could use some help there. Primarily we have got to do something more than what we have done to increase the economy. As I said in my testimony here and in writing, these projects we are talking about alone—there are many others—probably will add 100 to 130 new jobs, and they are well-paying jobs, in the veneer mill, in the particle board plant, in the glue-up, cut-stock, charcoal, and so on, and there are many others that we would like to explore if we had the time and money to do it.

Senator NELSON. I appreciate very much your testimony and it will be a valuable—it is a valuable presentation for the record. Thank you.

(The prepared statement of Mr. Clements follows:)

PREPARED STATEMENT OF ARTHUR D. CLEMENTS, PRESIDENT AND TREASURER, MENOMINEE ENTERPRISES, INC.

The Menominees' business operation, which was incorporated under Menominee Enterprises, Inc., at termination, has a 4-year record of progress. Reference to table A (all figures have been certified by Wipfl-Ulrich of Wausau, certified public accountants) shows approximately a 50-percent increase in sales, earnings, and production in the last 4 years. This was accomplished by increased efficiency, production, and teamwork of the entire Menominee business enterprise. In order to make this progress, it was necessary for the Menominees to invest well over a million dollars in plant and equipment from their corporate funds after termination. In addition, many individual Menominees have made substantial investments in new and improved logging and woods equipment as independent businessmen during this same 4-year period—all of them obtaining private financing. The record since termination pretty well speaks for itself as to the Menominees having successfully handled their business affairs to date.

Reference is again made to table A to point up the adverse relationship between property tax increases and earnings or net profit before property taxes. In the 2 years from 1963 to 1965, property taxes increased 68 percent and earnings or profit before property taxes increased only 46 percent. Net profit

after property taxes increased $104,000 from 1963 to 1965, but property taxes increased $160,000 in the same 2-year period. While it is evident that increased sales, production, and earnings have kept ahead of increasing property taxes since termination, the Menominees' business enterprise has not had sufficient earnings left after paying these taxes to pay the 4-percent bond interest out of earnings until this year 1965. Full bond interest has been paid each year since termination; however, as table A indicates, it has not been fully earned in prior years and has had to be paid in part out of surplus.

Menominee Enterprises, Inc., owns practically all of the land in Menominee County as well as the sawmill and other property and consequently pays about 90 percent of the entire property tax bill in the county. It is imperative that the only major industry and company in the county has to continue to increase and expand and keep in sound condition.

Probably the single most important fact brought out on table A is at the bottom of the table. That fact is the volume of cutting of logs and pulpwood in the forest has reached the total allowable cut in 1965. This 30 million feet of log production annually is the maximum this forest can sustain on a perpetual yield basis. To put it another way, the total forest is growing at the rate of about 30 million feet annually and the allowable cut can be no greater than the growth. This year is the first year the cut volume has reached the allowable volume. The real significance of the 4-year log production from 21,711,000 feet in 1962 to 30,574,000 feet in 1965 is basically how the company managed to keep up with increasing property taxes. In other words, the increase in sales, production, and earnings since termination has primarily been based on increased volume from the woods. From now on, there can be no increase in sales or earnings from volume. Property tax increases and other increased costs after 1965 will have to come from other means. The forest has to be maintained on a perpetual sustained basis. The volume of logs that can be taken from the forest has hit a plateau and is possibly even higher than can be maintained but the costs of running Menominee County have not leveled off and have every prospect of continuing to increase at the same rate as the past 4 years. This is going to mean a serious gap between earnings of the main taxpayer and the increased taxload in the year immediately ahead, and this gap will spread as the years go on.

The ever-increasing pressure on the Menominees, on their forest, and on their lake, river, and other assets to support their own county and provide gainful employment has now reached a point where Federal aid for a few years will buy them, their county, and their business enterprises time to more fully develop and expand their economy and their total resources. They seriously need temporary relief from the tremendous pressures of increased county government costs in order to develop the full potential of the people and their assets.

Reference to table B is to illustrate the serious deficiency in earnings that is expected to develop in the next 5 years. This is due primarily to—

(*a*) Increased property taxes which are expected to jump $60,000 next year alone.

(*b*) A decrease in the allowable volume from the forest of about 3 million feet.

This table further emphasizes the need for time and money to expand, develop, and diversify. Table B shows a conservative forecast of simply continuing the basic operations as they have been—no new products, no expansion, no development of land and recreation potential. The forecast is predicted on the assumption there will be no serious market slump for lumber and forest products in the next 5 years. If a downward trend in demand for and prices of lumber and forest products such as pulpwood and veneer logs should occur the future would be more serious than predicted in table B.

There is no question the Menominees with the assets they have can continue to make a success of their business with temporary help such as provided in Senate bill 1934. They have come a long way since termination against some very tough obstacles. The near future, within the next few years in fact, should see extensive expansion and new development in the two broad areas of (*a*) industrial and (*b*) recreation. Time and money are needed for both, but it is absolutely imperative that both areas be put in motion. A small start has been made in both. On the recreation side, some lake shore areas have been developed and some lots sold. Much more needs to be done here. The full potential of the recreation possibilities in Menominee County hasn't been scratched. A comprehensive survey and feasibility studies have to be undertaken and com-

pleted. Intentions and ideas of both State and Federal agencies regarding wild rivers, parks, easements, and preservation of various areas within the county have to be explored and brought to more definite conclusions—particularly as to a clear-cut definition of the areas and its worth and economic value to the Menominees. Full recognition and understanding must be that no landowner including the Menominees should or can be expected to give away land, scenic areas, or preserve them for the public without the public making fair payment to the landowner who has to make his livelihood from his land; whether it be scenic land, forest land, or farm land.

In the area of industrial expansion, feasibility studies are underway on the following projects that hold definite promise of helping to expand the tax base, provide gainful employment and further utilize the forest on a profitable basis without increasing the volume:

A. Veneer mill.
B. Particle board or chipboard plant.
C. Cut stock and glue-up.

A priority has been assigned to the veneer plant study because it shows the most immediate promise of expansion on a practical and profitable basis. The basic question now is the volume of veneer quality logs in the forest. This part of the study should be completed in the next couple of months.

Table C is the best estimate that can be made at this time showing what effect proposed industrial expansion can have on the operations—changing from a deficit to a profit by the year 1968. All of the projects—veneer, particle board, cut-up, and charcoal—have a direct and close relationship to the forest products and are compatible with present operations and products. All involve better and higher use and further manufacture of the forest and woods and will contribute materially in future years to sustaining the county and the economy. It is estimated approximately 130 additional full-time jobs will be created by these industrial expansion projects. In the veneer mill, many of the jobs would be for women.

Table D gives estimated costs of installation as well as the timetable by years as to when the various projects would be built. These costs are estimated but the estimates are based on prices obtained from equipment and machinery manufacturers and the plant engineer has done the estimating on other installation work.

The particular projects under study and review mentioned above is not to be construed that industrial expansion and better utilization is limited to these by any means. There are many other potential uses of the raw material that should be looked into. Such things as portable chippers in the woods for better utilization of material that is presently going to waste. New research shows promise of plastic wood—low grade lumber of all species that can be impregnated by atomic energy with plastic. We have had inquiries in the last year from two companies doing research on this very thing. There are many small industries and commercial enterprises that should be encouraged. There is also the very definite probability the present mill will have to be modernized. New boilers are needed now to replace 1908 ones still being used. The resaw in the sawmill will need replacement in the not too distant future. These are just two of many major and costly replacements that will have to be done.

SUMMARY

There should be no question the Menominees have demonstrated a seriousness of purpose and solid accomplishment in the 4½ years since termination. I would have every confidence they will use the time and aid money in the next 5 years to make their county and their business enterprises into a self-sustaining and firmly built community. They have the people and the assets plus over 4 years of additional local government and business experience to make great strides in consolidating all that has been done. There is an absolute imperative need to get moving immediately on expanding and developing the entire potential assets of this county. It cannot be done either soon enough nor to the extent necessary without substantial help both in the form of temporary aids in education, welfare, and health coupled with the capital funds with which to build a solid foundation so it will not be necessary to come back 5 years from now. Senate bill 1934 with the aids and capital funds is a sound investment in a community that can take care of its future with the timely help of this bill.

Senator NELSON. This is Mr. Frechette, member of the board of directors of Menominee Enterprises. Do you have a prepared text?

Mr. FRECHETTE. No, I don't, Senator.

Senator NELSON. Fine. You may proceed.

STATEMENT OF JAMES FRECHETTE, MEMBER OF THE BOARD OF DIRECTORS, MENOMINEE ENTERPRISES, INC.

Mr. FRECHETTE. I just want to make a short statement. The reason why I do not have a lengthy report to file with the committee is that much has been written and said about the plight of the Menominees since termination. You have heard and will hear more experts who have come to the aid of the Menominees to justify and support the bill which is now before your committee.

Since and before termination, I was closely associated with the move and have followed it very closely ever since. I represented my people before the committees of Congress in the beginning and I was elected to represent our people when this bill was introduced.

The one thing that impresses me very much is the support that exists today from all—from people who come from all walks of life in the great State of Wisconsin, people in government who are experts and who know and can define the needs of our people because of the studies that have been made in the past.

The Menominee Indian Study Committee, of which I am a member, have done a tremendous job for our people. These are all honorable people. They have seen fit to donate their works and efforts to the aid of the Menominee, of which we Menominees are very grateful.

In my 36 years of experience in representing the Menominee people, I have never witnessed an array of witnesses to support an Indian bill in the Halls of Congress. There must be some reason why this support exists and we hope it is impressive enough to convince the Members of Congress of the needs for the aids that are mentioned in this bill.

If all that has been written and said in support of this bill could be boiled down in one paragraph, to me it would mean that the needs of our people are very much called for.

I speak in full support of the bill. Something must be devised to assist us to carry out the objectives of this Termination Act. We cannot do it alone. We tried to convince Congress of that fact at the very beginning. We could see the rough spots ahead of us, but because it is an act of Congress, we must live with it. Some of us can live with termination. Some of us are having a hard time to adjust ourselves to the demands of termination and it is going to be some time before we are able to carry them out, and there are still some of us who will never meet the objectives and requirements of this termination act. We cannot fool ourselves. We know that this is a fact and if help is not forthcoming to see us through the rough spots due to this termination in the near future, a once happy and independent nation of Indians could cease to exist.

On bended knee, we pray to our Great Spirit for his continued help and guidance. I have witnessed ceremonies among our people, both at our churches and even to the tune of the war drum, where these

people actually called for help from the Great Spirit to help them through this trying period.

Something must be devised, not always in the avenues of aids, but something more stable that can support an economy of a people who in the beginning had to devise probably another termination plan 100 years ago so that they could accustom themselves to a way of life that was again established by the Congress of the United States, and that was the Indian reservation way of life. We almost lost in this first transitory period, but due to the efforts of our wise and intelligent ancestors, we were able to survive and we created an economy under which our people could live, but then along came this Termination Act that upset everything, the way of life that our people had established in a hundred years, and it was expected that we could do this transition in a very short, limited time. But we challenge any race of people to make a readjustment in life such as called for in the Termination Act.

I belong to two Indian organizations that are nationally known and when questioned about the problems of termination, one statement I left with them that I hope they will always remember. Termination, in my opinion, is here to stay as far as the Menominees are concerned. I do not think that Congress will retract the act. It puts us in a position, Honorable Senator, that the Menominees must succeed under this termination plan. There is no other way for us but to succeed and we must try to find an avenue to this success because the whole future of our people is dependent on the success of this idea of Congress, and I am sure that our people are going to do everything possible to succeed, and if we do succeed, I am sure that Congress will be the first to make—take advantage of it and say that if the Menominees can succeed, the rest of them can.

This is a challenge that is placed on the Menominee people and we want the Indians of the other tribes in the country to know that we are not taking this thing laying down. We are trying, but a few rough spots are in our way and the bill is designed to relieve those rough spots and we hope that the Congress will come to our aid.

I thank you.

Senator NELSON. I thank you for a very fine statement, Mr. Frechettet, and I agree personally with the presentation you have made. The record being made here by the various representatives of Menominee County and the engineers and the State has been an excellent record thus far. It furnishes a good statistical, factual basis for support for the legislation that is pending.

I appreciate your participation here.

Mr. FRECHETTE. Thank you, Senator.

Senator NELSON. Thank you. We will now call on Mr. Gordon Dickie, chairman of the Joint Legislative Committee and member of the board of directors of Menominee Enterprises.

STATEMENT OF GORDON DICKIE, SR., CHAIRMAN OF THE JOINT LEGISLATIVE COMMITTEE, AND MEMBER OF THE BOARD OF DIRECTORS, MENOMINEE ENTERPRISES, INC.

Mr. DICKIE. Thank you very much, Mr. Chairman. My name is Gordon Dickie, Sr., member of the Menominee Tribe serving on the board of directors of the enterprise.

Let me just make this observation, Mr. Chairman. We have had 13 well-qualified witnesses appear before this committee hearing, experts in their particular field and quite eloquent. The only question I have is, how do you follow 13 witnesses like that? So my remarks are going to be brief.

The Congress of the United States a number of years ago established a policy calling for the orderly termination of Indian tribes from Federal jurisdiction and it is my firm belief that with the proper kind of assistance, at the right time and the right program and the proper financing, the Menominee termination can, and will, be highly successful. This, in turn, could provide the Indians of the United States with a goal to achieve, rather than one to fight and oppose. Indian tribes throughout our country are carefully watching the progress made by the Menominee Indians, and are extremely skeptical of the Menominee's success at this particular time.

Going back prior to termination, I would like to point out to you, Mr. Chairman and the members of the committee, that in the hearing before the Joint Committee of the Senate and House Indian Affairs Committee, Menominee members registered their concern about the need for expanding the present operations, developing new industries, and providing new sources of income and new employment opportunities. The business committee of the tribe, known as the advisory council, after careful study and analysis recommended that an expansion program for the Menominee Indian mills be approved.

On March 27, 1954, this expansion program was presented to the tribal members assembled in general council. A motion was made to table the program to await the results of the legislation pending in Congress for the termination of the Menominee people. The main concern of the Menominee people was, however, the tax problems confronting them in the near future, and their concern with the economic conditions. This concern was so great that the motion to table was overwhelmingly defeated and the original resolution approving the expansion program was adopted by the tribe.

Now at this point, Mr. Chairman, the Menominee Tribe had done every thing within its limited powers and authority to attempt at least to stabilize the economy of the reservation. Included in that program was one of the major projects now under consideration and that was the construction and installation of a veneer plant operation, which would provide needed income employment opportunities not only for the men, but also for the women, something that we do not have even as of now. Unfortunately, the Department of the Interior and the Bureau of Indian Affairs seemed to be satisfied in merely waiting for the termination date to arrive, for no action was taken at the request of the tribe.

As a result, this project again is our No. 1 project here in the year of 1965 and 1966, which is from 11 to 12 years later.

Today we find the Menominees in a very unusual situation, making every possible effort to keep their land, timber, and other resources. But because of the critical situation they find themselves in financially, they have been forced to sell, under the 40-year lease with an option to buy program, choice lands. Now they find themselves slowly losing areas that they once desperately strived to retain.

Senator NELSON. How much—how many leases have been sold and for what amount of money?

Mr. DICKIE. Mr. Kenote, who is in charge of the land program, has those figures.

Senator NELSON. All right, fine.

Mr. DICKIE. Other tribes that have been terminated lean heavily toward liquidating their resources and their assets. This, of course, in our opinion, is not the true meaning of termination and, of course, is the easy way out and only too often leaving nothing for the future. I think history will prove that beyond any shadow of a doubt.

The bill introduced by Senator Nelson, S. 1934, provides the opportunity for the Menominees to retain their dignity and to continue to be self-sustaining, to preserve their forests and their lakes and streams. The Menominee has been a heavy burden on the taxpayer in the past and does not want to be a burden in the future. However, unless this assistance is given the Menominee people at this crucial point, the lakes, streams, the beautiful forests could well be destroyed and lost and the Menominees in general could well become a continuing welfare burden far into the future.

I think the record, Mr. Chairman, will show that every possible effort has been made by the people to adjust themselves to their termination of Federal jurisdiction, that they have made every effort to make it go, and at this point they are in need of a helping hand and certainly if we can't get the helping hand of the United States Government, then I don't know any other place that we can turn.

In the meantime, in order to preserve the scenic beauty, the beautiful waters, with the recommendation of the tribal members serving on the board of directors, future development on the Wolf River has been held in abeyance and further development in the lake country and lake areas has been completely stopped with the exception of fulfilling present commitments. The entire purpose behind this was to take another good, hard look at the overall recreational program to find ways and means of preserving the natural beauty of this entire area and at the same time deriving an income for the members of the tribe and for the taxes so badly needed by the county. Mr. Kenote, of course, will touch on those particular subjects.

Mr. Chairman, I appreciate very much having the opportunity of making this statement. Thank you very much.

Senator NELSON. I thank you very much. We will take a 5-minute recess to allow the reporter to rest her pen a little bit and resume then with testimony from the next witness, Mr. Lloyd Andrews, the district attorney. Is he here? We will have a 5-minute recess and start with your testimony.

(Recess.)

Senator NELSON. We will resume the hearings if everybody will be seated. We will hear next from George Kenote and then from District Attorney Lloyd Andrews.

Mr. Kenote is vice president for land use of the Menominee Enterprises. Do you have a prepared text?

Mr. KENOTE. I do, but I will just summarize from it.

Senator NELSON. Fine, and you will leave with the reporter your text and it will be printed in full in the record, and if you will summarize from your speech, your presentation, that will be fine.

STATEMENT OF GEORGE W. KENOTE, VICE PRESIDENT, MENOMINEE ENTERPRISES, INC.

Mr. KENOTE. First of all, I want to thank the Senator from Wisconsin for the appearance here. I think this takes you back to the days of the senior Robert M. LaFollette, who last conducted this type of hearing on site in Menominee. It was a crisis time at that time and I am sure we are in a similar crisis period now.

By way of introduction, I might say in addition to being the vice president of the company, I served from 1958 through 1960 and part of 1961 as a chairman of the so-called Tribal Coordinating and Negotiating Committee, working with and trying to develop the plan for termination. As has been indicated previously by other Menominee members, during those years we were always under stress by means of meeting deadlines. You could never plan on a long-term basis for 4 or 5 years and you were up against a deadline all the time and as Mr. Clements has indicated, there were plans made out by the tribe for industrial development improvement, but the Bureau at that time, of which I was then an employee, felt that, "We have got an obligation to terminate this thing. We can't take on other responsibilities." Under that situation, I had gone into my own testimony. In April 1960, I filed with the Indian Committees of both Houses in Congress a report on the status of the Menominees at that time.

Again in 1961 we filed an estimate and projection on county costs for Menominee County and the estimate for organizing the county and its related costs was about $576,000. We have proven since that that and more is the level of demand for support of the community.

Now, Menominee Enterprises provides about 92 percent of the community tax support in the county. More importantly, and just as importantly, I suppose, it provides about 95 percent of the earned income in the community. It also provides in round figures $380,000 return on its securities. Now, questions have been raised at times, "Why do you pay the interest on your bonds?" I think it is a firm obligation on the part of the company to do so. The residents are able to pay some of the property taxes they wouldn't ordinarily otherwise have done. They have been able to pick up medical bills. It serves as an increment to supplement quite a low level of average income. Coming about the first part of December, it is a big lift in the Christmas basket. And, as I say, we in the company feel obligated to do all we can and all that is humanly possible to meet this demand.

Now, Menominee Enterprises has just completed its best year in history and this goes back to about 1909 when our wheels first started turning, but in spite of that, we have already one of the greatest problems facing us in the year ahead in the year 1966. We met taxes and interest in 1965 with a reasonable surplus. A quick look at the year ahead for the Menominee Enterprises projects a much different situation.

The question has come up about what is the budget for Menominee County and I have a note here that the budget will be about $620,000. It is levied off of the local resources and somewhere in the neighborhood of $531,000 to $550,000 looks like the levy that will be necessary.

Now, the county has not been able to finalize its budget and we can't quite give a firm figure at this time, but it is in that neighborhood. Now, it is made up of this table: public school tax for 1965–66, the Menominee County share is $252,450 less the Federal aid of $44,000, and this is the final Federal aid, which leaves us $208,450; 92 percent of that leaves $191,774 for Menominee Enterprises to pay. The county budget not being finalized, but they tell us they will raise 17 mills on the valuation, 15 mills for county purposes and 2 mills for highway. Our base valuation for this coming year is $17,511,633, by 92 percent again, it looks like Menominee Enterprises is going to pick up about $273,882 for county support less about $47,800 State refund.

So Menominee Enterprises is roughly looking at $465,600 next year as against $408,500 on the calendar year. That is where Mr. Clements gets the $600,000 increase.

Bond interest payment due December 1965, is almost $380,000. A wage increase just went into effect under the union contract and will cost us in round figures $26,000. It does not take into consideration the social security tax rise in January.

Now, our outlook is we must expect to increase the wages again in September 1966, our labor contract end. I might observe in passing there that we are paying—on the skills and medium skills we are paying equivalent or better than the industry. At the base rate we are paying from 9 to 11 or 12 cents lower than the comparable industry an hour. We must spread some labor more broadly to try to provide employment where our competitors need not do so.

Also, in passing I might mention that for 1966, assuming we sell again 30 million feet of timber and assuming a levy against us of about $465,612, we will pay $15.50 per thousand board feet of product sold. Now, our competitors don't come anywhere near a third of that.

Now I said before, and Mr. Clements verified it, this is the best year in the history of the company. We had $837,000 before an outside obligation of taxes and interest. The point I make here is that we have that in surplus as of September 30, 1965, but we have a TB bill coming to the county in the amount of $65,000.

Senator NELSON. A what?

Mr. KENOTE. A TB bill, institutional care. Immediately that wipes out the surplus that we picked up, plus the wage increases that I indicated.

Now, as Mr. Clements has already pointed out, we have reached our top and have plateaued out on uses from the forest. We have not got the industrial development we need. We are going to be strained very hard to maintain the present level of wages for our workingmen and everyone is agreed that those situations should be upgraded.

Now there was some mention made that average income was somewhere around $3,200 to the families working and this doesn't take into consideration those not working. When you spread $3,200 across a Menominee County family, you are probably talking more in terms of half of that as the average income for a great share of them because the Menominee family is about twice what the average in other family situations is, so you can't pick up the average of $3,000 and think that each family is in pretty good shape. They are not.

Now, to offset some of this burden, we went into a cautious land development program on lakes and streams in 1962. The development of the program was based on an engineering survey and analysis and recommendation. We have not necessarily gone along with a full-scale engineering recommendation. The problem of the engineering survey, preparatory licensing and promotion are time consuming and rather costly. We probably have got $135,000 invested to date and we can't afford to put much more into it.

The net results are not immediately visible. It takes about 3 years to realize the full benefits of each transaction. By that I mean you lease a lot today and the fellow has a year to build on it, 18 months to complete. We are not going to get the tax consequence until the third year, although the company does begin to get its income on rental.

To date we have about 99 lots leased to outside people.

Senator NELSON. How many are on the Wolf River?

Mr. KENOTE. Four. We have suspended any action. We had no action there at all this year and I might say, incidentally, there that the reason there are very few on the Wolf River is that we programed on the basis of 200 front feet minimum and about 330 depth. Now, the price there on the sites runs on those lots about a $6,000 minimum plus the building on those sites commensurate with the lot and you close your market pretty tightly so that there is ——

Senator NELSON. But you have suspended leasing on the Wolf River for the time being, is that correct?

Mr. KENOTE. That's right, and we had never intended platting on the Wolf River. These were selected sites at different intervals. For instance, we would not locate a lot directly opposite another lot across the river so that if you would have a development, you would have a staggered development and use.

Senator NELSON. Do you have any zoning regulations regarding the cutting of trees on the shoreline?

Mr. KENOTE. We control that. We have a 4-foot easement along the river shoreline under the contract so that we can maintain control of the shoreline.

Senator NELSON. Four feet, did you say?

Mr. KENOTE. Four feet, yes; presently under our contracts.

Senator NELSON. I don't know; I don't suppose you can speak for the county on this or the Enterprise on this question, but, as you know, there is a proposal in Congress that proposes the acquisition of wild rivers.

Mr. KENOTE. Yes, I will get to that, Senator, here.

Senator NELSON. And one paragraph in there enumerates the Wolf River for a study. No one knows whether that bill will pass the House of Representatives, though it had passed the Senate. Nobody knows when, if ever, the Congress would select the Wolf as a wild river, but if it did, you are talking about perhaps 5 years from now.

I did state that as a preliminary to my question, that it seems to me the Wolf River is a rare asset, as you are well aware, and one of the few genuine wild rivers east of the Mississippi. Would the county consider negotiating some kind of lease arrangement with the State on an annual basis or something like that for the purpose of preserving the integrity of the shoreline of the river until such time as it would

be possible for either the State or the Federal Government to work out some permanent arrangement that was mutually satisfactory?

Mr. KENOTE. Senator, I will deal with that in this same document.

Senator NELSON. You are dealing with it?

Mr. KENOTE. Yes, I am directly to it. Now, I think it is interesting to discuss briefly the tax consequences and experiences of the Menominee Enterprises in this leasing program.

In 1963 we got going late. Twenty-three lots were leased, improvements commenced by 13. Ten were canceled.

In 1964 these 13 lots improved and assessed at $91,300. Improvements were incomplete.

Senator NELSON. That was the assessed value?

Mr. KENOTE. On those 13 lots, yes; still incomplete. In 1964 we negotiated 42 new leases. In 1965, 55 lots were improved or improvements had started, not complete. The assessment is $390,005. In the same year 44 new leases were negotiated up to date November 4, 1965.

In 1966, estimated—and a pretty solid estimate—these lots will assess out at about $742,775. Improvements are still not complete. Remember, I said there is a 3-year span realizing your benefits.

Now, in 1967 most of these presently contracted lots should be complete or near completion and based on the values that we are experiencing and seeing the assessments, they will close out at about a million and a half dollars in new valuation to the county base. At an estimated rate of $30 a thousand, as what we are in now and expect to raise—and the rate I think is going to go up no doubt—that is 45,000 in taxable taxes, new taxes payable in 1968.

Now, the program authorized now was 600 lots, so we are talking about 100 lots here and 6 times that gives you a pretty good base plus a pretty good new municipal income.

Additionally, Menominee shareholders themselves have taken 23 lots with a 1964 assessment of $90,000. Now, some of those lots were already occupied by older type buildings that we will be encouraging them to update now that financing is available to them, and they have a 1965 assessment of $100,584. It is estimated that at that rate, at that $30 a thousand rate, they will be paying taxes of around $5,700.

Now, in addition to that, outside lessees have paid $47,783 in initial and annual rentals. We have $31,931 in escrowed accounts. That is paid-up contracts. We get the earnings on that $31,000 in addition. If we leave it in there, they will compound.

Now, the net accounts receivable on contracts closed as of September 30, 1965, are $300,226, and when the commitments now made are closed, we will reach approximately $400,000 in accounts receivable. So we are not talking peanuts, and I bring that out, because it is a sacrifice on the part of the Menominees to give up some of this area, but I think at the same time if we go into it cautiously and with all thought to preserve the best esthetics, this is one leg that is going to build and support this community.

I will go on further. This program was temporarily suspended for a new look at direction in the program to pursue. At a rate of improvement of $12,500 per lot assessed, this is on 600 lots.

Senator NELSON. Is that the average improvement put on?

Mr. KENOTE. That is about the average to date, yes. Now, this is plus lot.

Senator NELSON. Yes.

Mr. KENOTE. But it doesn't come out assessed at the full value. Six hundred lots at that rate would give us $7,500,000 plus land.

Senator NELSON. May I ask at what price did you lease lots on the river?

Mr. KENOTE. $30 a foot.

Senator NELSON. Leased at $30 a foot?

Mr. KENOTE. Right.

Senator NELSON. For how long a period?

Mr. KENOTE. Forty years. Now, those will return to us about $14,000 per lot, plus the taxes. Now, what this does, if we went to a thousand lots on that same basis, we come out with—or, excuse me, if we could develop $10 million in new value, this would shift one-third of the tax burden off Menominee Enterprises and off the Menominee people themselves. This type of program adds little or nothing to school, welfare, and other governmental costs because these are nonresident taxpayers. They are coming up from the Fox River Valley; they are coming up from Wauwatosa and other parts of Milwaukee and the northern part of Illinois. We are getting a few from Green Bay now. Now, we need funds for a full-scale development of this consistent with the preservation of the esthetic values and this bill, as I see it, would help to develop a sound program for improving both the economic and social environment of the area.

Now, we have already proposed to the State of Wisconsin by a letter to Governor Knowles, addressed actually to the several different departments including the conservation department, highways, and the resource development department, and we now state it for the Government record, scenic easements on the Wolf River from Keshena Falls to the north line of the county be considered and negotiated at a market-value basis; scenic easements on Highway 55 from Keshena Falls to the north line of the county be considered and negotiated on a market-value basis. Now, we are talking about 200 feet on either side of the Wolf River and 200 feet on either side of Highway 55, about a 19-mile strip.

We talk about market value because we think we can negotiate on no less a basis because this land has high value to us. The Menominee deserve a return on it. They have got to make their living off of it. It has been suggested we give up easements of that nature for 50 cents a foot. That, in language or jargon, is peanuts. We couldn't afford to even talk about it.

Now, we are talking about hunting and fishing rights on the basis less than free public entry to all areas to be negotiated on agreeable terms. Within the easement area hunting and fishing would be open to the public, of course. In the forest areas we would want some growth controls. We have permitted camping, public hunting and fishing under permit since 1959 and camping since 1961. We have experienced some pretty rough use of our forest areas and of our streams. We have even experienced some pretty rough use from Scout campers, from whom you would expect the best of conservation practices. That is our basic reasons and experiences why I think that everybody should be very thoughtful about it and consider it when we are talking about these kind of uses.

We are talking about a State park area in the general vicinity of The Dalles and the Smokey Falls of the Wolf River.

We scaled those returns out, on the basis what could develop if we used selected sites for lot development, in the neighborhood of $30,000 to $40,000 in improvement. Those people that are on there are putting in substantial improvements. The tax benefit to the community and the direct income to the company is something we would forego in these areas.

We have quoted six and a half million dollars for the State park alone. I don't think we are far off base when we talk real potential value when we make that figure. Now, the income from these sources would be escrowed to a trust fund for the retirement of Menominee income bonds, including the million dollars of bonds the State already holds, payment of annual interest where necessary on the bonds, and repurchase of common stock of Menominee Enterprises that might be put up for sale 5 years from now. We have got to look at that program of the bill again.

Now, what does that do for us? Off the top, if possible, we might like to relegate some of that fund to liquidate the—throw it into the public school account, if the law could be made to accommodate that, so that we hold the rate down on the Enterprise and on the Menominee people; I mean, the rate of taxation per year. The other use would be to buy up the income bonds that are for sale, pay the annual interest to the extent possible. I would hope we could do it from the earnings and not from the capital fund returning from the easements and the State park area. That would free up Menominee Enterprise earnings for increased wages, for continued redevelopment and new development.

Now, I don't think we are off base on that. I think, as Mr. Clements mentioned before, I think we are on a sound basis here and that this can be done, so I am suggesting in conclusion then that recreational development can, on a complementary basis, do two things: No. 1, it can achieve necessary preservation of the esthetic values so dear to the hearts of the Menominee people and to the State as a whole; (2) it can develop a tax base, based on a people able to pay without adding to the burden, on which Menominee Enterprises and the community can survive with no more than the normal State and Federal aids available to any other community. With that, Senator, I——

Senator NELSON. Do you have the statistic on the total taxes of the county and what share is paid by the Enterprise or is somebody else going to——

Mr. KENOTE. I have that. I put it in the record.

Senator NELSON. You did list that total in the beginning?

Mr. KENOTE. Yes, I did.

Senator NELSON. You did, all right.

Mr. KENOTE. It is in the record, Senator. Now, there was some question raised previously and I have been asked to discuss another thing that goes back into history somewhat. The Menominees have been often criticized by governmental people and others who didn't know the story about the uses of the tribal funds prior to termination and since 1954, and this is particularly for the advice of new Congressmen and those who did not have time to research it before.

The Termination Act was passed in 1954 and provided for a $1,500 per capita payment. The tribe had about $10½ million on account

then in the treasury at 4 percent. That per capita payment cost $4,881,000 in round figures.

The next two items I want to dwell on at some length. One was in 1955, under the Department of Interior ruling, the Government paid out a stumpage reserve account in the amount of $2,268,240. From 1955 through 1960 they paid out the full stumpage earnings of the company which rounded out to $2,116,184, so we are talking about almost $4½ million. Those two items alone are the backbreaker in this whole picture.

I know something about the history of that, having worked in the Department and in the Bureau. Senator Watkins was insistent that all tribal funds wherever possible be taken off the 4-percent schedule and this is one of the results.

I know how Interior or internal legal opinions are developed. If you have got a particular goal you want to achieve, you can find counsel to write an opinion to fit that goal and that is what happened here. So they paid out four and a half million bucks. We got the per capita shares, which any other group, I suppose, would have voted in a majority, and a large majority, to accept a handout of that nature. We took it, but it depleted our capital reserve account and we were never able to hold above deficit financing since, not since 1955.

Of the $10½ million, $2,400,000 in round figures went for tribal and agency operations. That was equivalent then to community support or taxes. This building and the hospital was renovated in Keshena to the total of $600,000.

That, Senator, is what became of the $10½ million. Again, I say the payout of the stumpage reserve account and the full payout of annual stumpage earnings from 1955 to the termination date was the backbreaker.

Now, for my part that concludes my testimony, but on behalf of W. D. Knight, known more familiarly as Don Knight, I wish to submit a statement.

Senator NELSON. His statement will be printed in the record as such.

Mr. KENOTE. I might say for the record that Don Knight in 1956 and 1957 and 1958 did a very comprehensive resource analysis on Menominee affairs. Since that time he has been added to the board of voting trustees of the Menominee Enterprises and updated his report, well, as of April 1965, and it is a very comprehensive, well-formulated document and I will put it in the record and you have it for the record.

Senator NELSON. Thank you very much, Mr. Kenote.

(The prepared statements of Mr. Kenote and Mr. Knight follow:)

PREPARED STATEMENT OF GEORGE W. KENOTE, VICE PRESIDENT, MENOMINEE ENTERPRISES, INC.

The basis of S. 1934, and its companion bill H.R. 8034, takes into consideration, as I see it, a reasonable period to accomplish a reasonable and necessary goal. This goal was determined by the Menominee Termination Act and must be achieved if the Menominee community is to progress to at least the minimum standards of human existence. I have lived with this problem daily lived since 1960 and for a couple of years before that, during the study and planning years for termination. I believe I know or have seen almost all of the pits and turns—and the successes—during this period. I have aided in the development of need for this bill.

In 1961 and 1962, the first years of termination, we believel and proposed a somewhat similar Federal-Menominee so-called "phaseout" program based on con-

crete projections and estimates of public school and health and welfare tax impacts upon the enterprises and the community. These estimates have proven right. We had hoped that the lower level of the interim relief provided by the Congress in Public Law 87–432 (76 Stat. 3) would suffice. We had also asked for a long-term loan authority for redevelopment. Hard experience has proven the need and demand for this provisional type of assistance if an Indian community long under Federal tutelage has suddenly to make its own way. I believe I had sufficiently alerted the executive and congressional authority at the time. (Report on Menominee, April 1960 and estimate of 1961.)

Menominee Enterprises, Inc., provides about 92 percent of the community tax support in Menominee County. It also provides about 95 percent of the earned income in the community and it provides about $380,000 return on its securities. Much of the latter is used by residents to pay property taxes, medical bills, etc., and serves as a small increment to supplement a quite low level of earnings in the county. We in the company consider this interest payment (formerly stumpage) a necessary obligation to help sustain a somewhat better living condition. We also provide the normal employee benefits contained in a labor contract—something not formerly provided. At this point, we have done all that has been humanly possible under the circumstances to do, and yet we have not done enough.

State and municipal authorities have, I know, sufficiently and correctly calculated the education, health, and welfare, and other demands and obligations to the community. The problem of Menominee Enterprises, Inc., is to meet its fair share of this burden, as the major property owner. If we fail, the total program goes out the window. We are all in it together—by this I mean the Federal, State, and Menominee authorities and people. I believe social conscientiousness demands serious review and relief.

Menominee Enterprises, Inc., has just completed its best year in history, and still has a greater problem facing it. It met taxes and interest in 1965 with a small surplus. A quick look at the year ahead for Menominee Enterprises projects a much different situation, as follows:

Public school tax 1965–66 for Menominee County	$252,450
Less Federal aid	44,000
Total	208,450
208,450 times 0.92	191,774
County levy—17 mills on $17,511,633 times 0.92	273,882
Town levy—estimate $52,000 ($51,000 1964) times 0.92	47,840
Total	513,496
Less State refund—estimate ($47,884 in 1964)	—47,884
Expected total levy on Menominee Enterprises, Inc	465,612
Bond interest payment due December 1965	380,000
September 1, 1965 wage increase (does not include social security rise in January 1966)	26,000
Total	871,612

We must expect to increase wages again in September 1966.

Our earnings ending September 30, 1965, were $837,000 before outside burden of taxes and interest. This was accomplished mainly by the increase in volume of forest production and some new uses. Further increase in this direction is untenable because we are at the maximum allowable cut on the forest under the sustained yield rule.

To offset some of this expected burden, a land development program on lakes and streams was initiated in 1962. Development of the program has been slow due to problems of engineering and survey and preparatory licensing and promotion. Net results are not immediately visible. It takes about 3 years to realize the full benefits of each transaction. The tax consequences and experiences of the program to date are as follows:

1963: 23 lots leased and improvements commenced by 13 lessees (10 canceled), no tax assessments or payments.

1964: 13 lots improved and assessed at $91,300 (improvements incomplete), 42 new leases contracted.

1965: 55 lots improved and assessed at $390,005 (improvements incomplete), 44 new leases contracted to date, November 4, 1965.

1966: Estimated assessment at least $742,775 (improvements not complete and some not started).

1967: Most should have improvements completed, or near completion; if so, they will have close to $1,500,000 in new valuation for the county (at an estimated rate of $30 M equals $45,000 in taxes, payable in January 1968).

Additionally, Menominee shareholders have taken 23 lots with a 1964 assessment of $90,025 and a 1965 assessment of $100,584 estimated (at an estimate $30 M plus $5,715). Shareholders have exchanged bonds or cash tot a total of $54,098.

Outside lessees have paid to the Enterprises $47,783 in initial and annual payments and in addition there is $31,931 in escrowed accounts. Net accounts receivable on contracts closed as of September 30, 1965, are $300,226, and when other commitments are closed it will be approximately $400,000.

This program has been temporarily suspended for a new look at direction or program to pursue. The initial authorization was set at 600 lots. At a rate of improvement of $12,500 per lot assessed, the program would develop at least $7,500,000 in new taxable value. It has been suggested the program should level out at 1,000 lots and this would develop $12,500,000. Buildings now under construction or to be built will be in excess of $12,500 plus the lot. Ten million dollars in new base will shift one-third of the tax burden off Menominee Enterprises and the Menominee people. This type of program adds little or nothing to school, welfare, and other governmental costs. We need funds for full-scale development consistent with preservation of the esthetic values inherent in the forest and waters, and this bill will help to assure a sound program for improving the economic condition and the social environment of the area.

In addition, having already proposed to the State of Wisconsin, and we now make it known to the Federal Government, the following State projects (most of which were initiated by State agencies):

1. Scenic easements on the Wolf River from Keshena Falls to the north line of the county be considered and negotiated at a market value basis.

2. Scenic easements on Highway 55 from Keshena Falls to the north line of the county be considered and negotiated on a market value basis.

3. Hunting and fishing rights on a basis less than free public entry to all areas be negotiated and priced on agreeable terms.

4. A State park area in the general vicinity of The Dalles and the Smokey Falls of the Wolf River.

5. The income from these sources to be escrowd to a trust fund for the retirement of Menominee income bonds, payment of annual interest where necessary, and repurchase of common stock of menominee Enterprises, Inc., on a well-regulated basis—the "fair price" being a major element of consideration.

I am suggesting then that recreational development can, on a complimentary basis, do two things: (1) it can achieve necessary preservation of the esthetic values so dear to the hearts of the Menominee people as a whole, and (2) it can develop a tax base, based on people able to pay without adding to the burden, on which Menominee Enterprises, Inc. and the community can survive with no more than the normal State and Federal aids available to any other community.

PREPARED STATEMENT OF W. D. KNIGHT, PROFESSOR OF COMMERCE, UNIVERSITY OF WISCONSIN, VOTING TRUSTEE, MENOMINEE ENTERPRISES, INC.

This statement is based upon a series of studies made during the pretermination planning stage of the Menominees, and brought up to date within the last year. Both sets of studies involved cooperation between a group of faculty members at the university, first with the Menominee Study Committee of the State legislature, and more recently with the Small Business Administration—university extention group at Wausau.

The essential economic facts are summarized in the attached memo, dated April 24, 1965, and prepared without reference to bill S. 1934. Their relevance to this bill lies in that facts that:

1. The Menominees have made substantial progress since termination in (*a*) expanding and modernizing their lumber operation, (*b*) organizing local government, and (*c*) establishing a lake development program with important tax potential.

2. Progress to date provides the necessary foundation for further development (required to solve the basic poverty problem) but the devices used to date especially in relation to expanding lumber income will not suffice in the years ahead.

3. The essential conditions for the type of future development needed are precisely, (1) the relief from further substantial increases in property taxes on mill expansion funds, and (2) the necessary means for industrial, recreational, and commercial developments outside of mill and lumber operations. These means are privided by bill S. 1934.

The problems of Menominee Enterprises cannot be understood apart from the problems of the county and of the people, for whom the company provides practically the entire economic base. The difficulty is that the company's revenues must provide, directly or indirectly, more than 90 percent of the tax support for local government and about 95 percent of the earned income of the county's 2,600 residents. Thus while Menominee Enterprises' operating profits (before property taxes and bond interest) have increased 40 percent in the last 4 years, and constitute a 20-percent return on current sales, it is doubtful whether they will be large enough to pay the company's high (50 percent of net revenue) and rising (16 percent this year) property taxes and leave enough to cover bond interest.

Since interest on the 4-percent income bonds replaces the stumpage payments to which the Menominee people have been long accustomed, the company has made this payment in full each year although it has never been fully earned. The annual deficits charged to capital surplus on this account have decreased significantly each year, and this year may reach negligible proportions. The prospect of a further substantial property tax increase next year, however, threatens to absorb any earnings improvement in prospect, and to deprive the company of earnings needed both for bond interest and for financing further development and expansion.

The need for expansion, and for industrial and commercial development in general, lies basically in the fact that average family income in the county is only $3,000, about 44 percent of the State average. As indicated by a variety of data on housing, health, and welfare, this figure means that half of the population lives in poverty of a type that calls for prompt and effective remedial action. Only through the development of substantial additional employment opportunities and tax base, can this basic problem ever be solved.

1. 1965 earnings, for the first time, covers bond interest, but the prospect of property tax increases absorbing the margin over bond interest still remains. Note added November 5, 1965.

Since termination of Federal trusteeship 4 years ago Menominee Enterprises has made substantial progress toward the solution of the major immediate problems posed by termination. The 40-percent increase in net revenue mentioned above (from a pretermination level of $535,000 to a 1965 prospect of $750,000 or more) was essential to take over the support of govermnent, without discontinuing "stumpage" payments. It was achieved through a more than 50-percent increase in annual saw log production (and increases of threefold or more in some byproducts) by means of improved equipment and methods, without increasing the labor force. Among other things, average wages and payroll were increased about one-sixth. A second major accomplishment was the organization of county, town, and school government, and placing them on an operating basis. A third accomplishment, which augurs well for the future, was the successful initiation of a program of quality homes on the lake and river frontage. The 80-odd lots sold to date, and the 30 or so homes of estimated $12,500 average value, suggest the potential of an additional tax base as large as $10 million compared with the present base of $17 million, although this goal could be achieved only over a long period of time (e.g., 15–20 years).

Although a number of difficulties and problems remain for solution in connection with each of these three accomplishments, it may be said that these steps constitute a very solid achievement, and provide the necessary conditions for the Menominee people to proceed with the solution of their problems. Had the available cash not been used for plant improvement (and a substantial improvement in production thus achieved), had suitable arrangements not been made to provide governmental services on an efficient basis, and had the lakefront tax base and employment potential not been preserved, further progress toward improvement of the Menominees' economic and social well-being would have been almost impossible. Unfortunately, however, this very substantial progress, having been

largely absorbed by increasing costs of government, is not plainly "visible" to the Menominee people.

In a sense, the accomplishments to date do no more than set the stage for the solution of the Menominees' basic problem. The methods, which have been so successful to date, may well prove inadequate for the future. It will not be possible, for example, to bring about another 50-percent increase in the annual sustained yield of basic lumber products. Developments such as the sale of $500,000 of wood chips will be harder to find. Resort must be had to improvements in grade and quality, and to the continued expansion and development of byproducts, areas in which progress may be slower and less dramatic. Since Menominee Enterprises is not large enough to have its own research, development and methods improvements departments, it will presumably be necessary to draw heavily on sources such as the Forest Products Laboratory and the Conservation Department for technical guidance in this area.

As wages in the mill and in the woods reach levels prevailing in the lumber industry, it now becomes necessary to investigate higher end-use products, which carry larger margins and permit higher wage levels for higher productivity. At some point it may be necessary to bring to the reservation capital, technical know-how and marketing connections available only through established industrial enterprises which may find it attractive to establish a plant in Menominee County. There may also be certain commercial and service areas, where "outside" organizations are in a position to contribute to the Menominees' welfare, in the form of employment opportunities and tax base. The test, in all cases, must be demonstrated benefits to the Menominees in the form of increased income or reduced taxes.

It seems clear that the most immediate prospects, especially as regards tax base, lie in an accelerated development of the Forestedge program for lake and river homes. If 1,000 such homes could be developed, of the $12,500 to $15,000-and-up type, the tax base resulting could equal or exceed $10 million which would shift one-third or more of the total property tax burden away from Menominee Enterprises and the Menominee people.

A summer population, equal to the present permanent population would also go far toward providing a basis for the commercial and "service" developments, needed both to provide tax base and employment directly, and to facilitate industrial development. While the major contribution of commercial and industrial development would presumably be improved employment opportunities and substantially increased family incomes, these developments could also provide additional tax base of the order of $3 to $5 million.

Taking into account natural growth (represented for example by a recent class of 80 Menominees starting high school in a single year), present unemployment and underemployment, and the possibility of substantial increases in job opportunities for women of a type not available in the lumber business, there would seem to be a need for a minimum of 200 to 300 additional industrial jobs over a period of 5 to 10 years. An effort should be made in particular to obtain (1) firms which would process further the lumber and wood products produced by Menominee Enterprises, and (2) firms, commercial as well as industrial, which would provide full-time or part-time employment to women, and to young people just entering the labor market. Industrial prospects of this type will desire specific information about tax prospects, labor supply, and available sites and materials. If such information is not available an effort must be made to develop it.

What is needed above all is a long-range plan extending over a period of 10 years or more, in terms of which all of the various phases of economic development (improvements in the mill and woods, new industry, recreational and commercial developments, etc.) could be related to each other and to the basic goal of expanding the average family income, which in turn would lead to improved housing, better health, and a generally higher standard of living. It might well be possible over a 10-year period for example to obtain:

1. Improvements in end-products both in Menominee Enterprises and through new industry, which would raise the level of both wages and operating profits. (For example, 2 to 4 percent annually—20 to 40 percent if sustained for 10 years. Compare 8 percent in recent years.)

2. Still more substantial improvements in family income through the provision of job opportunities for second and third members of the family, especially for women and for younger people. Off the reservation, it is not uncommon for 30

to 40 percent of all women to be employed, or for numerous part- or full-time opportunities to exist for youngsters. This step, together with step 1, could conceivably raise average family income from the $3,000 level to $4,500 or more.

3. A stepped up recreational program, emphasizing in the early stages quality homes. Fifty such homes a year for 10 years, would add $5 million or more to the tax base, provide some employment opportunities, directly or indirectly (through commercial development), and add little or nothing to school, welfare, and other governmental costs. At the appropriate time consideration could also be given to the motel, cottage, and restaurant aspects of the resort business, especially for the income and employment possibilities involved. Finally, a State park, if held to proportions not threatening Menominee Enterprises or tax-base considerations, might provide a nucleus around which a number of recreational activities could be developed (for example, hiking, riding, guided tours, Indian and woodlore, etc.). Revenues realized from the sale of the park site might well be utilized for development work by Menominee Enterprises.

In developing and setting down on paper, a long-range plan, the following headings might be utilized:

1. Possible technical or marketing improvements in mill and forest operation, featuring especially better utilization, increased production, cost reduction, and higher margin end products.

2. New industrial (or commercial enterprises), promising tax-base and employment advantages and especially either (*a*) higher end-uses for mill and forest products, or (*b*) employment opportunities for women and others of a type not now available (e.g., electronics).

3. Recreational developments, for tax base, employment, and as a basis for commercial and similar developments.

As a final note, the ultimate objective of such a plan might well be to reduce and, eventually, eliminate the existing difference between the level of family income, and the general standard of living (health, housing, etc.) between Menominee and surrounding counties. The basic need for industrial development, within and without Menominee Enterprises, then becomes apparent. So does the recreational and commercial development without which industrial development becomes difficult if not impossible. Even the recreational tax base must be related to the increased after-tax income, thereby becoming available to the people through Menominee Enterprises and otherwise.

Above all, the people must be help to realize that annual income, especially in the form of employment at skilled work (or of business opportunity) is far more important to their individual and family progress than the distribution of cash funds. The welfare of the individual Menominee, and especially the welfare of his children if they remain with their people, depends essentially on the expansion and development of Menominee Enterprises, and of other industrial and commercial enterprises within the county.

TABLE I.—*Present and prospective tax base Menominee County—Estimated*

	1965	1975	1985
Menominee Enterprises	$14,000,000	$15,500,000	(?)
Lake property	300,000	5,500,000	$10,000,000
All other	3,000,000	6,000,000	(?)
Industrial	----------	2,500,000	(?)
Commercial	----------	500,000	(?)
Total	17,300,000	27,000,000	(?)
Menominee Enterprises percent of total [1]	81	58	30–35

[1] As of 1965, Menominee Enterprises percent of collections, estimated at 92 percent.

NOTE.—Tables I and II represent the initial attempt to fit available, assessment, employment, and income data into a comprehensive pattern. They are subject to correction and development as more data become available.

TABLE II.—*Estimated employment and income, Menominee County, 1964*

	Number	Parents	Children	Others
Total population	2,600	990	1,510	100.
Number of families	520	1.9 per family	2.9 per family	0.2 per family.
Labor force	700			

INCOME

	Number	Wages et cetera	Bond interest	Total
Employment	(470)			
Menominee Enterprises	(380)			
Full time	220	$825,000		
Part time	160	176,000		
County	40	150,000		
All others [1]	50	60,000	$285,000	
Underemployed	130	25,000		
Unemployed	100			
Total		1,236,000	285,000	[2] $1,521,000

[1] Includes schools.
[2] $1,521,000 divided by 520 equals $2.827 per family. Implied a 14-percent increase since 1959, but leaves Menominees' average about 40 percent of State average.

Senator NELSON. Now, the district attorney of Shawano County, Mr. Lloyd Andrews.

STATEMENT OF LLOYD G. ANDREWS, DISTRICT ATTORNEY, SHAWANO AND MENOMINEE COUNTIES, WIS., AND LEGAL COUNSEL, MENOMINEE ENTERPRISES, INC.

Mr. ANDREWS. Senator Nelson, my name is Lloyd G. Andrews. I am a lifelong resident of Shawano, Shawano County, Wis. I appear here in support of the bill we are talking about, S. 1934. I appear here also as district attorney of Shawano and Menominee Counties.

I might mention for record purposes that since 1933, over 30 years, I have been very closely associated with the Menominee people and the Menominee Tribe. As a matter of fact, for 5 years in the late 1930's I lived here on the Menominee Reservation as assistant superintendent at the old agency and through the thirties and the forties and the fifties I was also legal counsel for the Menominee Tribe of Indians, and then since 1961 I have been legal counsel for the business corporation, Menominee Enterprises, Inc.

I might say that through the thirties and forties and the fifties life and living here on the Menominee Reservation was peaceful and quiet and any problems that the Menominees had through those years, they settled amongst themselves, but as we all now know and recognize, since 1960 the picture has been entirely different.

Since January 1 of this year, I have been district attorney of these two counties and, as the Senator knows, by legislation with which you are very familiar, Menominee County was attached to Shawano County for judicial purposes and Menominee County has also been required by contract to support prisoners out of the county, out of Menominee County, in connection with law and order problems in the Shawano County jail.

It is interesting to note that in the past 10 months from January 1 to October 31 of this year, there have been 275 criminal cases involving Menominees who have created infractions of the law within their own country and are tried in our Shawano County courts.

Now, these cases involve petty offenses by and large, disorderly conduct, assault and battery, contributing to the delinquency of minors, drunken driving, public intoxication, school truancies, petty thefts and some illegitimacies. Practically without exception, these offenses originate in what we call poverty families or very, very low income families. This I know to be a fact.

The procedures we use, and have inaugurated since January 1 in some effort to help the burden respecting Menominee County as such, is that almost without exception, these people charged with petty criminal offenses have been released out of court on their own personal recognizance; they are sent home on their own word and without exception they come back when they are supposed to be back in court. This, I am sure, although I can't give you the figures, has been some help to Menominee County with respect to the load they have to carry at the Shawano County jail with respect to prisoner board, but for the first 9 months of this year Menominee County has paid to Shawano County under its contract with Shawano County $12,900 for jail board for Menominee County prisoners averaging about $1,435 a month.

But the point I make here in connection with S. 1934 and the aids it provides in the fields of education and welfare and family health is that the great, great majority of the cases I am talking about stem and originate from the very low income or poverty families and I believe that these problems could eventually be substantially solved through the economic factors provided for in S. 1934 industrywise and familywise through its health, education, and welfare provisions. Thank you.

Senator NELSON. I thank you very much, Mr. Andrews. I appreciate your coming.

I will now call on Donald S. Buzard, assistant vice president of the First Wisconsin Trust Co. of Milwaukee.

Do you have a prepared text?

Mr. BUZARD. I do not, Senator. I would be happy to incorporate this into the prepared text and give it to your staff.

Senator NELSON. You can proceed and the reporter will take it down.

STATEMENT OF DONALD S. BUZARD, ASSISTANT VICE PRESIDENT, FIRST WISCONSIN TRUST CO.

Mr. BUZARD. My name is Donald Buzard and I am an officer of the First Wisconsin Trust Co. We are a trustee of the Menominee Assistance Trust which was created by the Secretary of the Interior as part of the termination plan. We hold the Menominee Enterprises' securities for approximately 30 percent of the Menominees, this percentage decreasing each year as the beneficiaries of our trust attain the age of 21.

We support Senate bill 1934. Although our principal interest is in the portions of the bill dealing directly with assistance to Menomi-

nee Enterprises and thereby enhancement of the value of the Menominee securities we hold for our beneficiaries, the school, welfare and health sections of the bill, by reducing the corporation's property tax burden, indirectly have the same result.

The statistical information that we would comment on has been adequately covered by Mr. Clements and the representatives of the Menominee Enterprises and the statement of Dr. Knight, which Mr. Kenote placed in the record, and I will say only that we endorse that testimony as it details the need for the studies and the financing to expand Menominee Enterprises that bill S. 1934 provides.

Menominee Enterprises has had outstanding success to date in developing the economic potential of its logging and lumber business. We have confidence in the present management of the corporation. We think the record demonstrates that the officers, directors, and management of Menominee Enterprises, both Menominees and non-Menominees alike, can be expected to make good use of the funds given them under this bill to study forest product potential and recreational resource development, and if those studies conclude that the company needs capital to realize on these potentials—and we think the studies will—we are confident that the money made available through loans under this bill will be used wisely.

Menominee Enterprises has apparently gone as far as it can go without an infusion of capital in improving its operations, its products and its profits. We would expect the net earnings of the 1965 fiscal year, the year just concluded, to be the high mark for many years to come unless new sources of revenue and more profitable products are developed.

The increasing school costs, welfare costs, health costs and wage levels can only shrink future earnings. We feel the future of the Menominees and their children, who are the beneficiaries of our trust, depend essentially on the expansion and development of Menominee Enterprises.

So as trustee for approximately 900 minor Menominees and 100 others who need assistance in conducting their affairs, we urge this committee and the Congress to act favorably on S. 1934 to give the county and the corporation and the Menominee people an opportunity to develop their economic resources fully and wisely.

Thank you, Senator, for this opportunity.

Senator NELSON. Thank you very much, Mr. Buzard.

I will now call on Gordon Bubolz, who is chairman of the Wolf River Basin Regional Planning Commission.

Your prepared text will be printed in full in the record and you may either read from it or extemporize from it, whichever fits your purpose the best.

STATEMENT OF GORDON A. BUBOLZ, CHAIRMAN, WOLF RIVER BASIN REGIONAL PLANNING COMMISSION, AND MEMBER OF THE BOARD OF DIRECTORS, MENOMINEE ENTERPRISES, INC.

Mr. BUBOLZ. Thank you, Senator Nelson. I am going to extemporize this afternoon. You have had a busy day and so I shall not

read my talk, but will give you my observations and recommendations.

Senator NELSON. Fine.

Mr. BUBOLZ. May I say that in arranging this hearing, Senator, you have performed a humanitarian service to the Menominees, which they very much appreciate and I am sure that the State agencies who appeared here today are also grateful for the opportunity to give their views in identifying the problem of what might best be done to help the Menominees with the problems confronting them.

I would like to say that I am not only chairman of the Wolf River Basin Regional Planning Commission, an eight-county planning commission devoting its efforts to the preservation and development and wise use of the resources of the region, which, as you know, are quite outstanding in many respects; I am also chairman of the Advisory Committee to the Department of Resource Development and a member of the board of directors of Menominee Enterprises and chairman of its Land-Use Committee.

Quite naturally during the first two meetings or so that I served on the board of directors, I observed the decisionmaking practices of the members of the board and I may say I am very much impressed with their sincerity and their thoroughness and complete objectivity in trying to achieve the best results in the operation of their principal industry, Menominee Enterprises.

I think this—that the Government at the time of termination overlooked giving the necessary attention to the economic growth needs of the county which they were confronted with following termination, and this rather surprises me. I don't say that they did this deliberately. I am sure that the Members of Congress who participated in this decision were trying to be helpful in every way, but it was pointed out time and again in the subcommittee hearings which considered the termination that it was necessary to modernize and to secure an expansion of the economy in the county in order that these people might get the income needed to sustain themselves on a reasonably normal basis and to operate their economy successfully.

I want to just refer briefly to a statement made by John A. Carver, Jr., the then Assistant Secretary of the Interior, in testifying before the committee and he said this:

> * * * Everyone seems now agreed that given the present state of the lumber business, and given the present developments or lack of developments in the mill, itself, the proceeds of the mill won't reach all the needs which will follow on full termination.

and he said:

> The principal alternatives are these: To go ahead with scheduled termination but couple it with additional Government contributions to the needs of the Menominees by way of phased-out subsidy payments.

and

> A second alternative,

he said

> is to go ahead with the scheduled termination, but pump additional capital into the mill by way of a loan for modernization * * * this gets to the heart of the problem.

Now, we had at the hearing in April of 1961 Milton H. Mater of Corvallis, Oreg., a lumber industry consultant, and he said this:

> An extensive program of modernization, including acquisition of new machinery and other large capital outlays, is necessary to make the tribe's enterprise competitive in today's lumber markets.

and then Senator Proxmire, who I thought presented the case for the Menominees well at that hearing, in commenting on Mr. Mater's suggestions, said this:

> The improvements which Mr. Mater recommends will require a large capital outlay, and are the main justification for the loan that is provided in my bill. I strongly urge that this loan be approved so that the needed modernization can begin.

Then I will quote just one member of the tribe, Jerry Grignon, a highly respected and dedicated individual, and he said this at the 1961 hearings:

> One of the reasons the tribe is hesitant to accept this April 30 date is that we believe from the facts that have been presented so far, and the information that we have received from technical people, it is almost impossible for the tribe to succeed without modernization. We are not even going to be able to compete with our competitors.

And so there you have in substance the opinions of men of great competence. And what was done to help the Menominees attain their economic growth following termination? I fail to find anything in the record that was done to help them. They were phased out and they were granted additional phaseout aids, but there was no economic grant and it seems to me that should have been one of the basic agreements or parts of the termination, of a $5 million outright economic grant to modernize the industry and to achieve expansion of industry and to create new industry.

Now we know—you know, Senator, and members of the committee, to achieve economic growth, we have to have about four things at least. We need natural resources, and you have the resources here. You need labor and you have labor here. You need capital, which they don't have and which wasn't provided upon termination and, of course, you need the technical and marketing expertise so that you can market your products and get the required income.

Now, they are still producing lumber here like they did 30 or 40 or 50 years ago, cutting the lumber and sawing the boards and selling them. Yes, they are now maufacturing chips as a byproduct, but many of your modern lumber industries are making veneer plywood and they are making particle board and they are making other lumber and products and that isn't being done here. That was covered pretty well, but I say that I think a $5 million grant should have been given outright and these people are leaning over backward in wanting to be fair asking for a $5 million loan.

It is going to be difficult to pay the interest on the loan, not to mention the principal.

Now, that is one area of economic development that needs attention. The other one, of course, has to do with the great recreation industry potential in the county, and we have heard it said time and again, the natural beauty, the geological features, the scenic values and the fast white waters and the fishing opportunities, and there is a great diversity of recreational potential here of the finest quality, but they

don't have the facilities, and the thing that concerns us—the Wolf River Commission is endorsing the national wild river program and we are going to go all out to preserve the scenic and wilderness values, but you have here a distinct and great resource which is not bringing a return, which has potential for an economic return, and we are expected obviously to wait 5 years in order to realize a return, and I made the comment at the outset that I think the problems the Menominees face are not generated by the Menominees. They are generated by the lack of proper attention by the State and Federal Governments to these problems which they face.

Now, if the State and Federal Governments wish to preserve the scenic beauty of the Wolf and the Dalles area, then why don't they come forth with a plan which will provide an income rather than let this tremendously valuable resource asset lie there without producing a return?

And that is one of the problems, and I may say that the Menominees—and I participated in this decision—have decided to hold up and not develop the Wolf River, and this is a wise decision, and to not develop the lakes which are still in their natural state, but you heard Mr. Kenote testify what a tremendous increase in the tax base the new residential and cottage facilities are producing and they are going to be forced to expand these developments unless some source of income is received through the development of the recreational industry.

Now, speaking on the recreational industry potential, this was covered fully at the hearings in Washington in 1961. Governor Reynolds testified, "As I indicated before, the tourist business perhaps is their greatest potential," and then Senator Anderson, who has been very close to this problem, also comments and he says, "I think there is an Apache group in Arizona, the White Mountain Apaches, who have opened up their recreational areas along the streams, and it is the most valuable resource they have," and he said, "I have encouraged them as vigorously as I can, because it does not produce any income now but it can produce a great deal of income," and he goes on to expand on those comments and then he says further, "In case we modify this,"—in other words, the bill was before them at the time—"and make provision for a loan to the lumber mill"—this is Senator Anderson speaking—if we "made provision for a loan to the lumber mill and authorized the Secretary of Interior to make loans for the development of tourist and recreational facilities, that would be a little more popular right now, I think, on the Senate floor," and so on.

So here you have a summarization of the men who were concerned with the problem—develop the economic base and develop the tourist industry and we have had lots and lots of words spoken and many printed and written and what we need is an action program.

OK, what are we as a planning commission doing about it? We are proposing three things: first, that there be a modern resort and lodge patterned along early Indian-type architecture. In other words, the tourists will come here, the conferences and conventions will come here providing they have the resort facilities and this will give employment to the Menominees.

Secondly, we propose a conservation education center to be designated as the Menominee Nature Center. This county has the natural resources, the geological features which will attract youth groups,

adults, and many people to come here. This could be under the direction of a college or university, but employing Menominees as guides and this would, we think, help to stimulate some collateral industries.

A third would be a museum and gift shop and this would have on display many of the Indian artifacts and things that would reflect the early Indian culture.

Now, I think it would be most helpful if the State were to take positive steps to develop a State park in the Dalles area. This would bring a lot of people into the county and create employment, and there is nothing definite apparently in the offing at the present time.

I heard Mr. Beale speak this morning on the great recreational resources, but there was no definite plan on the part of the conservation department and I say that constructively, but I think the State needs to take steps to develop a State park if they are serious about it and I would like to see the Federal Government work out some kind of an interim provision for the preservation of the natural, wild river feature of the Wolf, even if it were on an annual lease basis of some annual payment of a couple hundred thousand a year to compensate the Menominees for delaying their efforts with respect to its development.

Now, getting to the bill in particular, the Senate bill which you have introduced, Senator Nelson, we would certainly support that for this reason, that the Menominees were under Federal trusteeship or wardship for about 111 years before termination and I suppose that most people knew that this was something they couldn't anticipate, all the problems that would be thrust upon the Menominees by reason of the termination and thus phaseout aids were provided, educational phaseout aids, and it is our recommendation that the 5-year term, in view of the great responsibilities that were thrust upon the Menominees by taking over the obligations of running their own county government, building up their economy to the best they could, that the phaseout aids, health, education, and welfare phaseout aids, should be extended for a period of 10 years gradually dropping down in amount.

You have heard the State people testify that the requests were conservative and justified and I think that Mr. Keith of the department of public welfare expressed it well when he said that the Federal Government has some undischarged obligations, unfulfilled responsibility to the Menominees, and I would certainly concure with that observation. I am sure that the Federal Government had no intention of leaving the Menominees in the precarious economic plight in which they find themselves following the termination.

They have the desire and the capabilities to want to earn their way and to be self-supporting the same as residents of the neighboring counties. They are a respected people. They have demonstrated by their progress since termination that they have the desire and willingness to make a commendable contribution to society.

I have been very much impressed with their patience, with their dignity, with their "stick-to-itiveness" of effort. They want to make this thing go and they have made much progress since termination, I think tremendous progress, but we feel that the Government has a further obligation to them which is reflected in the bill which you have drawn up, Senator, and have presented to the Congress and we will certainly give it our every support. Thank you.

Senator NELSON. Thank you very much for your fine testimony and your prepared statement.

(The prepared statement of Mr. Bubolz follows:)

PREPARED STATEMENT OF GORDON A. BUBOLZ, CHAIRMAN, WOLF RIVER BASIN REGIONAL COMMISSION; CHAIRMAN OF THE ADVISORY COMMITTEE TO THE WISCONSIN DEPARTMENT OF RESOURCE DEVELOPMENT; MEMBER OF THE BOARD OF DIRECTORS OF MENOMINEE ENTERPRISES, INC.; AND CHAIRMAN OF ITS LAND USE AND DEVELOPMENT COMMITTEE

Senator Nelson and members of the subcommittee, the decision of the Senate Subcommittee on Indian Affairs, of the Congress of the United States, to hold a hearing at Neopit in Menominee County on November 10 and 11, 1965, for the purpose of reviewing the problems, progress, and economic status of the Menominees since termination of the reservation status on April 30, 1961, is a noteworthy humanitarian service to both the Menominees and the people of the State of Wisconsin.

My close contact and association with the Menominee problems dates back to the year 1944 when I was elected as a member of the Senate of the State of Wisconsin. For more than 8 years, I worked with the Menominee leaders on natural resource programs of the Wolf River region counties with a view to developing a more effective local and regional plan for the protection of the water, wildlife, and natural areas of the great Wolf River region. During my entire acquaintanceship with the Menominee leaders, which included Jerry Grignon, Gordon Dickie, Joe Warrington, George Kenote, James Frechette and others, I found them to be sincerely devoted to furthering the preservation and foresighted development of the region's resources. The Menominees have set the finest kind of an example of conservation stewardship. It was one of the foresighted Menominee pioneers who suggested the sustained yield program which was enacted by Congress in 1908.

You, Senator Nelson, have shown great leadership in inaugurating an outdoor recreation resources preservation and development program, and may I say that we are happy to see your continued interest in this great subject and that of your colleagues in our national Congress; and the interest of this congressional committee in the plight of the Menominees who, from my long personal acquaintance with them and observation of their dedicated performance, have demonstrated both their good faith and ability to measure up to the confidence and responsibilities which were placed upon them by Congress as the result of the termination.

I am sure that your committee and the Congress recognize that when a people who have been wards of the Federal Government for over 100 years are put on their own to provide the needed governmental, educational, health, welfare, and other services, it should be quite obvious, in fact I believe it is a foregone conclusion, that transitional problems will be experienced in respect to which the Federal Government has a responsibility from which it cannot, by a stroke of the pen, divest itself. While it is true that educational phaseout aids for a period of 5 years were provided, what is shocking to those of us who see the present plight of the Menominees is that no provision was made to give the Menominees the economic growth and job opportunity development assistance for which, it seems quite clear now, provision should have been made prior to or at the time of termination.

Menominee County has sufficient, in fact abundant, resources to generate new industry and job opportunities compatible with the continued renewability and the maintenance of the quality of those resources. It must have the capital for plant modernization, for the establishment of new forest products industries such as veneer plywood and particle board. Menominee County's natural areas, its high quality scenic values and recreational resources—which today are in such great demand—have exceptional recreation industry development opportunities. With modern planning methods, such development can take place, thus providing many new jobs and at the same time preserving the scenic and wilderness values for which Menominee County has become noted.

We in the Wolf River region counties wonder why it was that, although members of the Senate Subcommitte on Indian Affairs, which conducted hearings on April 18, 19, and 24 of 1961, indicated a concern about the future economic stability of the Menominees after termination, and they were informed by competent individuals that capital for plant modernization and the development

of new industries was required, no provision whatever was made to help the Menominees in this regard during the period of transition.

It will be helpful here to quote the comments of John A. Carver, Jr., who testified before the Senate subcommitte as Assistant Secretary of Interior:

"* * * Everyone seems now agreed that given the present state of the lumber business, and given the present developments or lack of developments in the mill, itself, the proceeds of the mill won't reach all the needs which will follow on full termination," and he said:

"The principal alternatives are these: To go ahead with scheduled termination but couple it with additional Government contributions to the needs of the Menominees by way of phased-out subsidy payments," and "a second alternative," he said, "is to go ahead with the scheduled termination but pump additional capital into the mill by way of a loan for modernization * * * this gets to the heart of the problem."

Another statement was made by Milton H. Mater of Corvallis, Oreg., a professional lumber industry consultant, to the effect that:

"An extensive program of modernization, including acquisition of new machinery and other large capital outlays, is necessary to make the tribe's enterprise competitive in today's lumber markets," and

Senator Proxmire, in referring to this, said:

"The improvements which Mr. Mater recommends will require a large capital outlay, and are the main justification for the loan that is provided in my bill. I strongly urge that this loan be approved so that the needed modernization can begin."

Mr. Gerald Grignon, who has been a leader of the tribal council for many years and who is the present chairman of Menominee Enterprises, stated on page 119 of the April 19, 1961, hearings:

"One of the reasons the tribe is hesitant to accept this April 30 date is that we believe from the facts that have been presented so far, and the information that we have received from technical people, it is almost impossible for the tribe to succeed without modernization. We are not even going to be able to compete with our competitors. In fact, this little sawmill is going to have to carry a big program of around $600,000 for a county, it is going to have to carry new obligations, itself, when it becomes a private corporation."

The Menominee Enterprises lumber mill is sawing timber and producing lumber on pretty much the same basis as it has been doing for 50 years. Because it does not have the capital to provide plant facilities, it is unable to take advantage of the higher income which would be available to it by producing new types of wood products. Does not the Federal Government, at the time of termination of an Indian reservation, have an obligation of seeing to it that the economy will have at least the basic ingredients and components which will enable the Indians to live in accordance with decent living standards?

Not only in essence but in fact, the forests of Menominee County are an agricultural cash crop which is being produced and maintained on a sustained yield basis. As a cash crop on which the entire economy of the county and its people depends, it is comparable to, and we believe entitled to the same consideration that is given to primary agricultural counties which produce wheat, corn, cotton, soybeans, and other crops which are subsidized by the United States Government in other counties in the United States. The annual appropriation for all types of agricultural subsidies for counties in the United States runs into the hundreds of millions, even billions of dollars. Not only do the Menominees need the capital for plant modernization, the need for which there was a frequently expressed awareness of prior to the time of termination, the amount required for plant modernization to place Menominee County on a solid economic footing would be less than the Federal subsidy for a comparable sized agricultural county.

I am confident, as I am sure the members of this subcommittee are, that it was not the intention of the Congress to create new problems for the Menominees as the result of the termination by failing to provide for capital and plant modernization requirements for the optimum return from the forest products industry commensurate with the sustained yield program. I am sure there can be no doubt about the fact that this plant modernization and expansion is a basic and necessary requirement. This was indicated, as I am sure your subcommittee knows, by the Mater lumber industry consulting firm, and as I have pointed out there were frequent references to this need.

The recreation industry development potential of Menominee County was quite thoroughly gone into by the Senate subcommittee prior to termination in

1961, and although it was made very clear that here is a great opportunity for income and employment for the Menominees, nothing was done to help the Menominees during the 4 years since termination. This, to me, is most disheartening when you realize how much could have been accomplished not only for tourists, who would have had an opportunity to enjoy the natural, scenic, and recreational values of the county; considerable employment would have been provided for the Menominees through such recreation industry development.

On page 104 of the 1961 testimony, Governor Reynolds testified:

"* * * As I indicated before, the tourist business perhaps is their greatest potential. * * *"

Following Governor Reynold's comments, Senator Anderson's comments in response thereto are worth noting:

"* * * I think there is an Apache group in Arizona, the White Mountain Apaches, who have opened up their recreational areas along the streams, and it is the most valuable resource they have. The result of it has been that the Jicarilla Apaches in New Mexico, in northern New Mexico, have decided to take an area of a river where they have some ground and develop it. I have encouraged them as vigorously as I can, because it does not produce and income now but it can produce a great deal. Senator Allott knows, I am sure, of some figures that were released a short time ago, showing what water for irrigation might be worth, and I may use the figures wrong, but I apologize, something like $50 an acre for irrigation of agricultural lands, $100 an acre for industrial use, $200 an acre-foot for domestic water supply, and several hundred dollars an acre for recreation.

"These figures indicate that the highest use of water in certain areas of Colorado would be for recreation and not for industrial or domestic or irrigation purposes. These Indians may have a priceless heritage in recreational opportunities."

Quoting Senator Anderson again:

"In case we modify this and make provision for a loan to the lumber mill and authorize the Secretary of Interior to make loans for the development of tourist and recreational facilities, that would be a little more popular right now, I think, on the Senate floor, than trying to put somebody in the textile business, when the boys from North and South Carolina, and Georgia, and even Senator Pastore from the New England States, with a special textile committee * * *"

It seems to us that provision should have been made in 1961, as part of the termination, for the development of the great recreation potential of Menominee County; but since it was not done at that time, we believe that steps should be taken to do so now.

In respect to plans for an overall, well-considered economic growth and development program for Menominee County, it is my suggestion that the Department of Commerce, under the new Federal public works program designed to accelerate economic development progress, be requested immediately to make an overall evaluation of Menominee Enterprises and Menominee County's economic development needs, including plant modernization and diversification of the lumber industry and recreation industry development. With respect to the latter, the Department of Commerce, in cooperation with Menominee Enterprises, the Wisconsin Department of Resource Development and Conservation Department, would, it seems to us, be able to set a new precedent for the type of recreation and lake development planning which will protect the waterfronts and save the shorelines, enhancing the scenic beauty and natural values which are becoming so precious to us. Undoubtedly, the plans could include a cluster-type development program which would give access to the waterfronts and yet preserve areas in between groups of residences and cottage developments, which will help us get away from the unsightly trend of urbanization of our waterfronts.

May I say that Menominee County has not only gone that extra mile to cooperate in saving the wild river features of the Wolf and the scenic values along Highways 55 and 47, which are among the most scenic highways in the Midwest; they have gone an extra 1,000 miles by waiting patiently for the Federal and State agencies to make up their minds on scenic and natural beauty preservation programs which will save the scenic values and be right, honorable, and just with the Menominees. The recreation resources of Menominee County are a great asset because they are prime recreational resources with wilderness beauty, granite outcroppings, white waters, rapids, eddies, and falls, which millions of people will drive hundreds of miles to see. But Menominee County must have modern tourist and resort accommodations and facilities.

61-408—66——15

With respect to recreation and tourist industry development, the Wolf River Planning Commission would have the following suggestions: (1) A modern resort and lodge patterned along early Indian type architecture. (2) A conservation education center to be designated as the Menominee Nature Center. This facility would be centered around a conservation cyclorama, an amphitheater type structure to lend itself for lectures and group meetings. It could also have rooms for plant, wildlife, and nature science displays. This facility would be made available to youth, adult, and educational groups; a contact with nature conservation education center for which there is a great need. This nature center would provide a nature science laboratory by the development of nature trails, the identification of many and varied kinds of botanical species, by marking the specific geological, topographical, and physical features of the area, and will provide a central focal point for the practical study of ecology and the interdependent relationship of the many species of plant and animal life. Such a facility would, of course, be under the direction of an educational institution such as a college, university, or the department of public instruction. It would give a new stimulus to an accelerated program of the conservation, wise utilization, and development of our natural resources.

A third recreation attraction possibility would be a museum and gift shop, a museum that would include historical evidences of Indian culture and Indian artifacts. These should be preserved, and when put on display in a modern museum, this would attract many thousands of people and provide not only high quality recreation opportunities but also provide employment, directly or indirectly, for the Menominees. The gift shop, of course, would be one aspect of helping to enhance the economy since it would sell many of the things that could be made locally.

It is our opinion, as a planning commission, that in view of the many difficult and challenging problems the Menominees were asked to cope with after being under trusteeship for more than 100 years, that a phaseout period of not less than 10 years for education, health, and public assistance needs should be provided for; and that grants for economic development, and where feasible, loans, should be provided in order that the Menominees can get on their feet which they have demonstrated their ability to do since termination, provided they have the capital and are given the cooperation and technical assistance which is available to other communities, counties, and area groups.

I am sure that the Federal Government had no intention of leaving the Menominees in the precarious economic plight in which they found themselves following termination. The Menominees have the desire and capabilities to want to earn their way and to be self-supporting, the same as residents of neighboring counties in the State of Wisconsin. They are respected people; they have demonstrated by their progress since termination that they have the desire and willingness to make a commendable contribution to society.

They should not have been forced into a position of taking on the abnormally heavy responsibilities without proper Federal economic development assistance at the time of the termination.

Must the Menominees pay an exorbitant price for their citizenship? We feel that undue financial, economic, and social burdens have been placed upon the Menominees. I am quite sure the Congress of the United States did not intend that the Menominees take over such disproportionate hardships as a part of obtaining an equal status of American citizenship. We ask that the Congress make the necessary adjustment to eliminate the abnormal burdens which could not be fully anticipated at the time of termination.

Senator NELSON. Father Marcellus, would you want to testify?

STATEMENT OF FATHER MARCELLUS CABO, O.F.M., PASTOR, ST. ANTHONY'S PARISH, NEOPIT, WIS.

Father CABO. Honorable Senator, Mr. Dunkel, Mr. Spring.

Senator NELSON. Will you identify yourself for the reporter?

Father CABO. Fine. My name is Father Marcellus Cabo. I am the pastor here at St. Anthony's, Neopit. I noticed there are many approaches to this. I have my own too. My own is a personal or a hu-

man approach and it also will be a brief thing, what I would like to say, so I won't occupy too much of the time.

The main point I have in mind is this. I think what is necessary should be supplied and we will do the rest. I didn't say that we can. I said we will do the rest.

So what is needed? Evidently from the testimony that has been given, a lot of things are needed and things that are beyond the control and beyond the help of the ones directly involved. For instance, sanitation—I marked down some of the figures before—welfare, and so on. What is needed? I would like to mention a couple of things that I think were missed, that were not pointed out. For instance, work. I didn't hear this mentioned. Over half of the employable men are not employed. There are about 515 men that are employable age. Not more than 200 are working. In other words, if 300 came to the mill office every Monday, they would automatically have to be turned down. Even if they are begging on their knees, there just is no work. So that is a thought.

Second, all the women in town, that is a labor force that is completely untapped. There is no work whatsoever for any woman in town. Maybe one at one of the grocery stores and we have one at the gift shop.

Then, the cream of the crop leaves. Four years ago we graduated 30 from grade school and this last June, 26 graduated from high school. That, by the way, is a thought too. You hear about dropouts. We had 26 that graduated from the high school of the 30 that finished our grade school, so it shows that one of the things that has definitely improved is their desire to educate themselves, and yet out of this group of those that graduated, practically all are out of town. Some are in service; some are working in Milwaukee; a few are here. So it means really, when you think of it that way, that the cream has left.

A couple of practical things. There is no barbership in town; there is no bakery; there is no cleaning place; there is no drugstore; there is no bank. If you wanted to get your car fixed, you would call Shawano and make an appointment up there, wait an hour or two while they are working on your car, try to keep yourself busy, and then drive back another 20 miles.

Now, here is a thought. I don't know; I might step on somebody's toes, but I don't mean it that way. You want information. I will mention it. We have an antipoverty program here. There are perhaps other programs that may do a lot of good. I don't know. I am not their judge on that, but I do know this: no industry has come as a result of those. I like to see something with vision, something with future, that will think of the future and provide the work. In other words, to put it real bluntly, the major, major need here is work, is industry.

Now, what about is there any hope? What about the future? All I can mention is some of the things that have been done and then I think we can draw a conclusion.

Take, for instance, our school, St. Anthony's School. That hasn't been mentioned at all. We don't get $1 from the county. We are no drain or burden on anyone. Every child is accepted in school. All we ask of the people in town here, we ask $1 a year. That's all that they pay for tuition or anything. We do the rest ourselves.

Our gift shop, for instance, is a major thing there. The church that we have here was built by the Menominees. That was built as a memorial because we knew that termination was coming, so we built a church. Every kind of wood that is grown in the forest is found in church. About 20 kinds are found in church. Right now, today, at this moment we have some men working out in the cemetery. We are building a mausoleum. That is another service to the Indians to avoid the difficulty of winter burial.

Another thought on our part of the community here, we have no debt in our church or school here. We don't owe anyone a cent and our buildings are valuated at about a half a million dollars, just the buildings alone, so we are doing a job taking care of that.

The point is, if we can do that on a small scale, given a chance, I think the whole county could do the same thing.

So all I want to mention in conclusion is this: I would like to assure you that the confidence you have in what you do for the Menominees here, for the people here—and for that matter any other part of Wisconsin—but at least talking for ourselves, that you feel assured that what you do will be done well. It will be a permanent job and it is the old story; you pass the torch on to us and we will take care of it. Thank you.

Senator NELSON. Thank you very much, Father. We will now recess until 10 o'clock tomorrow morning, when we will hear any other witnesses who wish to appear.

(Whereupon the subcommittee recessed, to reconvene at 10 a.m., Thursday, November 11, 1965.)

MENOMINEE COUNTY AID

THURSDAY, NOVEMBER 11, 1965

U.S. SENATE,
SUBCOMMITTEE ON EMPLOYMENT AND MANPOWER
OF THE COMMITTEE ON LABOR AND PUBLIC WELFARE,
Neopit, Wis.

The subcommittee met, pursuant to notice, at 10 a.m., in St. Anthony's School gymnasium, Neopit, Wis.

Present: Senator Nelson (presiding pro tempore).

Also present: William J. Spring, legislative assistant to Senator Nelson, and Robert Dunkel, home office secretary to Representative Laird.

Senator NELSON (presiding pro tempore). We will open the hearings. There are a number of people who want to appear and express their viewpoints on this bill and because of the number, I am going to ask everyone to confine his appearance, his remarks, to 5 minutes. After everybody has had a chance to make his remarks, if anyone wants more time then we will give him more time.

Now, this hearing is on the bill that I introduced in the Senate and the testimony is all being taken down to be printed in the hearing record respecting the bill, so material that is not relative to the bill is not appropriate to this hearing. If there are some things you wanted to discuss with me, some other problems that aren't related to this bill, I would be glad to discuss them with you, but they should not be a part of this hearing record, which is concerned only with the proposal I introduced in Congress and that we are conducting hearings formally on today.

Now, I have a list of people here and there may be others who want to appear. I will be glad to hear anybody. I repeat, I am going to ask everyone to confine his remarks to 5 minutes. I will call first on Mr. Dodge.

STATEMENT OF AL DODGE, MENOMINEE COUNTY, WIS.

Mr. DODGE. Mr. Chairman.

Senator NELSON. Now would you, Al, talk right into that microphone so that everyone will have a chance to hear?

Mr. DODGE. Mr. Chairman, my name is Al Dodge. I am one of the original incorporators of Menominee Enterprises, Inc., and I have been on the coordinating and negotiating committee that worked out plans under the Termination Act for the Menominee Indians. I wish to testify in support of Senate bill 1934. The paramount issues, as is noted, is to find ways and means to preserve the continuity of ownership of Menominee Indian assets for the Menominee people. The bill under discussion provides those avenues that will accomplish that

purpose. It is believed that if such a bill were supported in 1961, the economic condition of the Menominee Indians would be better.

It is my fervent hope that the Congress will go along with this very important measure because it has in effect as its purpose attaining achievement for the success of termination of the Menominees and will possibly affect other Indians that will be so terminated in the future.

I believe it is possible some of the features contained in the bill may be of a duplicate nature, but those particular items probably could be worked out as your committee gets in session, whereas you have certain other authorities under different acts, but I believe over the long period of time in which this particular bill attempts to cover for aiding Menominee Indians in our local government, I believe the purpose over this period is very progressive and should take precedence over some of these short-term acts that are now in the Federal statutes.

I don't want to take up any more of your time, Senator, but just to say that we thank you for your efforts, also for the time you took and interest as you were former Governor of the sovereign State of Wisconsin and also thank you for your efforts in Washington in our last hearing in connection with the Menominee representatives that were there at that Senate hearing.

Thank you, Senator.

Senator NELSON. Thank you very much, Mr. Dodge. The next witness will be Mitchell Sturdevant.

Mr. Sturdevant, we are pleased to have you appear here today. Mr. Sturdevant is president of the International Woodworkers Union of America. You may proceed, sir.

STATEMENT OF MITCHELL STURDEVANT, PRESIDENT, LOCAL IV-302, INTERNATIONAL WOODWORKERS OF AMERICA, AFL-CIO

Mr. STURDEVANT. Well, my name is Mitchell Sturdevant. I am president of the International Woodworkers and I am a Menominee Indian and I live here in Neopit, Wis.

I am here in support of S. 1934. Bill S. 1934 acknowledges the Federal Government's responsibility in this present situation.

My appearance here is primarily concerning better and more housing, which has been omitted in S. 1934. All problems more or less generate from the basic institution of the home.

Discussions of trying to lure new industry into the county, has not made any mention of housing for the people who will move in with the new industry. Housing will have to be made available in Menominee County before any industry considers moving in.

Now, here is—well, I don't have to elaborate on the housing conditions. One look in the town of Neopit here will say more than 10,000 words that we could possibly say.

Now, here is what good housing can do. Neat homes will go a long way to attracting new industry which we so desperately need. Good homes will also improve the tax base, will also give the Indians pride and initiative and community spirit.

Good homes will also give a good, happy, healthy environment. It will decrease juvenile delinquency; it will decrease tuberculosis and other health problems. Even our management force here in the

Enterprise will not live in Menominee County because of lack of housing and the environment, and they pay taxes to Shawano County which could very well be paid to Menominee County.

More homes will alleviate crowded conditions. Now we have homes that have two or three families in a house and more new homes will alleviate the situation.

I see in the bill here you have a request for fixing the sewers. Well, sewers here will not do any good unless you get the plumbing into the houses. Money should be directed to this extent to get house plumbing into the homes and this can be part of that housing bill too if it is available. This is a must for good health and sanitation, providing the house is big enough. So, actually, it doesn't pay to put plumbing in some of our homes, so it emphasizes a need for bigger and better and larger housing.

A lot of homes in Menominee County still do not have electricity. We should do away with coal oil lamps. Appropriations should include extension of electricity to all the county. This also could be part of the housing appropriation fund.

We need housing, extra housing, for new industry if we get it. Let them bring it. We could let them bring in their new personnel, supervisory and otherwise, because after a certain length of time they will demise, too. By that time our people could move into some of those jobs that new industry would bring in.

As far as homes, we have the most beautiful settings perhaps in the State here for good housing. They don't necessarily have to be on a river or a lake to be beautiful and valuable. This housing request need not be paid back by the Enterprise or county, but by the individuals. The money could be issued and collected by an appropriate agency. The houses could be built by collective labor voluntarily. We could raze the old houses and reuse the salvage material, but we need the supervision to construct the houses to build them to State and Federal specifications. I have here an example of one man who built his home at a cost of $3,500. It is a new home. I don't know what it is appraised now, but it is an extremely beautiful home. It is on route 53. Mr. Vernon Teller built it. If one man could do it, we should be able to build a few collectively in the price range.

Now, we get back to bill S. 1934 proper. The union here has been organized since November 1963. This organization was made more or less in desperation. We were grasping at straws for survival from the Bodine regime. Since that time we have made tremendous strides. In the work force, we have just stressed the importance of sobriety and reliability, we now have knocked the drinking problem to a near nonexistency. One bartender told me the workers come in occasionally on workdays, but then they only have one or two beers and they go home, which is a far—this was from Bruce Wilber in Keshena—that is a far cry from the days when they used to close up the taverns and they didn't care whether they went to work or not. These things are changing.

We have made employees down here seniority conscious. They realize that if they have a good and long work record, they have a better opportunity to better paying jobs. We, in the union, frown on favoritism and family appointments. We have stressed production and the workers have come through with flying colors. Also the records—they have set record after record in production.

We in the future will stress thrift and prosperity. That is, I think the laboring class is beginning to realize that you are going to have to save and become more thrifty to survive and I sincerely believe in 2 or 3 years the banks in the surrounding areas will begin to see new bank accounts from the Menominee County laborers. The bank accounts will probably not be impressive, but they will be bank accounts.

Well, as for the tremendous production achievements of the past year, the workers will expect to be remunerated in contract negotiations in 1966. We now receive $1.56 low with no overtime in comparison with $1.74½ of all size mills with overtime; $1.56 here equals $62.40 per week, which equals roughly $3,200 per year, which isn't much for our families here, which are perhaps double the families on the outside, and this also stresses the need for additional industry, especially work for women. Some of our women now, they commute daily to Green Bay, Pulaski, and some work in Milwaukee to help supplement their husband's income. We here in Menominee County desperately need new industry for both men and women.

We of the working class realize that we must strive to make termination a success. Consequently, we have developed a close-knit unit. We are developing hard-driving leadership. With this type of determination, we will succeed in helping make termination a success.

In conclusion, I would like the housing situation to be given a closer look. Even without the housing, I feel bill S. 1934 will make termination a success. The money realized from this bill will be utilized to the fullest extent by the county and the Enterprise and will go a long way to improve the condition of the workingman, who is so important to the success of the Menominee effort.

I also thank you for the privilege of testifying in behalf of S. 1934.

Senator NELSON. We want to thank you, Mr. Sturdevant. One of the purposes of the hearing, of course, is not only to get the varying viewpoints on the bill itself, but to get other suggestions that might be feasible to meet the problems of this county and your suggestion concerning housing is a good one and there may be under the present laws something available that would be helpful or it may be worthwhile to make some additional proposals, so I appreciate very much the suggestion and we will see if we can find something fruitful we can do on the housing side because I think you are perfectly right. It is a very serious matter here in the county and anything that can be done to improve the housing situation would be a very fine con-

I thank you very much.

Mr. STURDEVANT. OK, I thank you, Senator.

Senator NELSON. Mr. Neconish, is he here? Would you give the reporter your full name so that we will have it straight on the record?

STATEMENT OF ERNEST (BLACKHAWK) NECONISH, MENOMINEE COUNTY, WIS.

Mrs. AGNES DICK. I will interpret for him. He said he has given you his name already, Ernest Neconish or Blackhawk.

Senator NELSON. Ernest, is that right?

Mrs. DICK. Yes, that's right.

Senator NELSON. All right, fine. Sit down and we will be glad to hear from you.

Mr. NECONISH (as interpreted by Mrs. Dick). What I have here, the white man is coming here just making fun of it. I don't like that. I want my land just the way it has been.

Senator NELSON. All right.

Mr. NECONISH. I don't want the white law in here. I am a Menominee Indian. I want the Indian law, my own law in here. I don't want the white man's law in here. I know what George Washington told the Indian people.

I was welcomed in Chicago at the conference. Everybody liked me and they liked to hear what I had to say.

The white man has been pushing me around a little too much and I don't like it. I don't want that any more. I want them out. I don't want no white man here.

The Lord put me here to live and he put the Indian here to live and I am one of the Indians. I want all the young people to live good here and to have their freedom and live good here. I don't want them living by the white laws.

Mrs. DICK. I think that is what he means. That will be all for now. Later on he wants to speak again. He is just thinking what to say.

Senator NELSON. Thank you very much, Mr. Neconish. The next witness will be Mrs. Agnes Dick.

Would you give your name and address for the benefit of the record?

STATEMENT OF MRS. AGNES DICK, KESHENA, WIS.

Mrs. DICK. I am Mrs. Agnes Dick, an enrolled eligible Menominee Indian. I am objecting to bill S. 1934 and my reasons are: If you want to aid the Menominees, first get the State of Wisconsin and the enterprise out of here. We got along all right before termination and we weren't a pocket of poverty until the State and enterprise took over our business. There isn't a river or forest in the country that was ever taken better care of than our reservation, and the Wolf River was cared for by the Menominees. Since the white man has taken over they are destroying our forests. We can take better care of the Wolf River and our forests than any white man can ever hope to do.

We do not want a $5 million loan. How can we ever pay the interest on it? It is just another scheme to take our land from us. Before any sales of our land or any loans are made, we demand a reenrollment to find out to whom the title to this reservation legally belongs. We have too many so-called leaders doing our business that are not Menominees and we want out with them first.

Don't tell us that our treaties are no longer valid. The Oneidas of Wisconsin are still using our treaties now and Attorney Andrews admitted in Madison that our treaties were still valid when bill S. 526 which had to do with when the Menominees had to pay for fishing and hunting licenses was argued before a State senate conservation committee. Some of us listened to some so-called officials of this alleged enterprise attempting to convince the committee that our treaties were still valid. It was then that Attorney Andrews made his statement that the Termination Act did not terminate Menominee treaties.

The $5 million loan will not benefit the Menominee Indian people and I am here to present my objection to bill S. 1934. Thank you.

Maybe I will have a chance to read this other one. Have I got time yet?

Senator NELSON. Yes.

Mrs. DICK. It isn't much.

Senator NELSON. Go ahead.

Mrs. DICK. Termination of the Menominee Tribe of Indians from Federal supervision dated May 1961. This act became law as our white brothers from Washington put it, the fact that this tribe was supposedly ready and and was able to take this responsibility of maintaining and running their own business.

Now let me point out that this act or law was violated immediately after its enactment by the person that appointed the members of the so-called county board. If I am not mistaken there were only two tribal members in this so-called board that was appointed in this so-called county board.

According to the spelling of this law only until the Menominee was able to handle its own business could they be terminated. Since then, we have been crowded off our jobs by various people who came from parts unknown grabbing onto what they could get, such as jobs of supervision. And nothing was done about this. Today you will find that this same thing is going on throughout the so-called county. From my observation everyone wants to be boss.

Senator NELSON. Thank you very much for your presentation, Mrs. Dick.

Our next witness will be Mrs. Tucker. Would you give your full name and address to the reporter?

STATEMENT OF MRS. CLARA TUCKER, STOCKHOLDER AND BONDHOLDER OF MENOMINEE ENTERPRISES, INC.

Mrs. TUCKER. I am Mrs. Clara Tucker, a stockholder and bondholder in so-called Menominee Enterprise and also a taxpayer here. I am a halfblood Menominee Indian who was denied my rights to be enrolled by Mr. James Frechette and his enrollment committee. Mr. James G. Frechette is not an eligibly enrolled Menominee himself.

I am opposed to Senate bill S. 1934 for the reason that any loan made under this section, page 5, line 7(b), shall bear interest at a rate which shall be certified by the Secretary of the Treasury equal to the estimated average rate of interest on new long-term borrowing by the United States as of the first day of the month immediately preceding the month in which the loan is made. There is hereby authorized to be appropriated the some of $5 million to carry out the provision of this section.

Question. Mr. Senator, what rate of interest will be charged and what long-term plan is the loan based on? Can you answer my question, Mr. Senator?

Senator NELSON. That is——

Mrs. TUCKER. The question I want to know about is what—the question is, what rate of interest will be charged and on what long-term plan is the loan based on?

Senator NELSON. The interest charged would be the amount that the Government at that time is paying for money it borrows but——

Mrs. TUCKER. You don't know what that would be, and even with an interest as low as 4 percent, the interest would amount to $200,000

per year on the first $5 million, wouldn't it, if it was as low as 4 percent?

Senator NELSON. If it were 4 percent, that would be the first year's interest, yes.

Mrs. TUCKER. How will this interest be paid and what collateral must the Menominees put up to obtain this loan? Will it be our priceless forest or the scenic beauty of the reservation?

In case we are not able to pay that loan, an outright Federal grant of at least $5 million might be favorable for the Menominees providing the so-called officials of the alleged enterprise cannot manage or control such funds. Since the Menominee Indian Tribe is still under protection of the Federal Government, a representative of the Federal Government should be the only lawful manager of such a grant.

Mr. Senator, I thank you for the opportunity of presenting my objections to bill S. 1934.

Senator NELSON. Thank you very much for your appearance.

Our next witness will be Mrs. Margret Wilber.

STATEMENT OF MRS. MARGRET WILBER, KESHENA, WIS.

Mrs. WILBER. My name is Mrs. Margret Wilber, Keshena, Wis., a member of the Menominee Tribe. Mr. Senator, I am glad to be here to oppose this bill.

VOICE. I can't hear you.

Mrs. WILBER. I said, Mr. Senator, I am glad to be here to oppose this bill. We fear this bill. We fear that it means we will lose all. We have an education of fear and distrust. I am not against progress, but if these moneys means we stand to lose all, we do not want these moneys.

We have had that kind of experience in the past. In my opinion, we do not want what we cannot pay back.

We tried hard to listen to what was said here yesterday. We could not hear very good and about the only one we could hear was the Reverend Father Marcellus. To us, he was the only one who made any sense and now I want to talk to you so that you can take these words back to our Great White Father. We do not want to sell any of our land. We need more land and since our treaties are no good and we have a difficult time to get industry in here, we could use more land to fish and hunt.

The treaties were just trickery to get us to give up our land and if that be true, then give it back to us. We are not Indian givers. It is the white man who goes back on his solemn words.

History tells us one of the reasons why we were placed on reservations was because the white man teaches the Indian immoral things and that the white man thinks no more of killing a human being than he does of killing a dog. We have had an example of that in the last month.

So, as they say, these are the hard facts of life. We have had an education and our education has been one of fear and distrust, so we fear these moneys mean we will lose all. We want to keep what we have. We know all about conservation. That is why we want to keep what we have. Many of our people work away from here. They must travel far, in some cases every day, and that is not good to be on a highway every day.

I would like to tell you how they go about getting industry in here. First they go about making a survey. Who can work there, who is going to work there? And they don't go to us or the people, but when they put this sawmill in here, Mr. Senator, they didn't come to us and ask us, "Who can run the sawmill?" The Indians didn't know a thing about running a sawmill when they first put a mill in here.

I could still work in some light factory work. I need work because our taxes are going to be higher next year.

About teaching the Indian to be independent, if we could have had some good advice before termination about how to keep our water power for ourselves, don't you think, Senator, it would be a wonderful lesson in business? A few of us fought hard to keep it, but we were like a voice in the wilderness. Please do not let this happen to us again. Let those who wish to take our land see themselves as we see them. We think they are selfish. Bit by bit, we feel we are losing all. First our water power. What next?

All we need is industry, but must it be recreation? Must the next thing be our land? Why must we entertain the white man? All over the State land is owned by counties, the State and Federal Government. Develop those lands first before you take any more from us. We do not want to be like the Negro who wants very much to be your equal. We know we are of a different race and we want to stay that way. Our values are different. Your values are, when you see trees, your first thoughts are, "Boy, what money could be made from those trees." Our old people taught us, "Do not put a hatchet in that tree unless you are going to use all of it." And when you travel through this reserve, you can well understand the poem by Joyce Kilmer, "Only God can make a tree." As the Indian parent travels through this land of ours, we are grateful that we still own it and pray that the Great Spirit will keep it so. We think of our children who helped us to plant some of those trees and we think that the Great Spirit—we like to think that the Great Spirit held their grubby little hands in His.

I would like to close with this statement. This being Veterans Day, let us remember those of our Indian people who died in vain. Thank you.

Senator NELSON. Thank you very much. Our next witness will be Mrs. Sanford Fowler.

STATEMENT OF MRS. SANFORD FOWLER, MENOMINEE COUNTY, WIS.

Mrs. FOWLER. I am Mrs. Sanford Fowler, a member of the Menominee Indian Tribe, and I for one am very much opposed to this bill S. 1934, the Menominee Indian aid bill, because of the huge amount of Federal money which has already been sent here. Apparently it has vanished into thin air. Yesterday, November 10, 1965, I listened for 5 hours to many white people telling Senator Nelson what to do with my reservation. I apparently have no rights to my resources, property, and land. I do not like these white people telling the real Menominee Indian—talking about the Menominee Indian problems because we Menominee Indians still have our treaties which are still valid. These white people do not have any authority to manage

Menominee Indian affairs. These white people who have no business in my affairs were permitted to talk as long as they wished yesterday on November the 10th, 1965. So today we Menominee Indians are asked to talk about our business in 5 minutes. Of course, this is not the first time this has happened. We have never—we were never given time to present our views.

Senator NELSON. Thank you, Mrs. Sanford Fowler. Thank you very much. After we have given everybody a chance to speak, if you wish to speak some more on this bill, you will be privileged to do so.

Our next witness will be Mrs. Blumreich.

STATEMENT OF MRS. MARY BLUMREICH, NEOPIT, WIS.

Mrs. BLUMREICH. Senator Nelson, I am Mrs. Mary Blumreich, an eligible, enrolled Menominee Indian of Neopit, Wisc., and I am here opposing bill S. 1934 for these reasons: Before termination date, May 1961, we had a hospital, clinic, doctors, nurses, general store, and even a jail. Our so-called leaders got rid of our moneymaking concessions such as our electric utilities and telephone and the mills quit making wood so the people living here are not longer able to buy firewood.

Now they have sold our fuel oil business and truck and we are not able to buy fuel oil. Our self-elected leaders had better get a large supply of moccasins because they are going to need them for the many trips they are going to be making to Washington for aid. They are just beginning their begging trips.

We received a Federal grant already for sewage since termination, but the contractor who did the work did not complete his work and left our yards and streets in terrible condition and only two Menominee men were employed on this sewer project.

So I am objecting to bill S. 1934 as it will not be beneficial to the real Menominee Indian people.

Thank you, Senator Nelson.

Senator NELSON. Thank you very much. Our next witness will be Mrs. Constance Deer.

STATEMENT OF MRS. CONSTANCE W. DEER, KESHENA, WIS.

Mrs. DEER. I am Mrs. Connie Deer, a white woman married into the tribe since 1934. I am opposed to S. 1934. It works like this. I am poverty stricken. Somebody says, "That poor, hungry person, I will give her $100," which I am glad to get because I spend that money for groceries. I eat up the groceries. I have neither the $100 nor the groceries and I am still hungry.

You have heard some of these real Menominee talk about their treaties. Here is a white man talking about treaties with the Indians. Senator Mike Mansfield said:

> When we entered into a treaty with a sovereign nation, we entered into a treaty with an equal. I have never gone on the theory that the Indian is a second-class citizen of this country. As a matter of fact, I think we have treated the Indians pretty badly down through the years.

In July around the 20th, I got into a correspondence fight with Gen. Dwight D. Eisenhower. The sentence I would consider one of the

most outstanding for all Federal Government policy which shall have to be reversed is, Eisenhower said:

> I agree that much of the white man's treatment of the Indians in the North American Continent has been highhanded and often tinged with injustice.

I would like to point out that Mr. Eisenhower did not say that, "I agree that much of the Republican or Democratic treatment of the Indians." He said "white man's," and that takes in both prominent political parties. They have both had a hand in the mess we have here now.

There is nobody in any situation from the U.S. Supreme Court down to the lowest judiciary person that can show me where a legal county with 7 valid treaties exists in the 50 States of the United States.

Yesterday I listened to quite a few people talking about Menominee. It is not. It is Menominee County, and I didn't say that. The record, the U.S. constitutional record, points that out.

Here is another saying by another person. He happens to be a Republican, Senator Arthur Watkins:

> So it is doubtful now that from here on treaties are going to be recognized where the Indians themselves have gone to the point where they have accepted citizenship in the United States. So that question of treaties, I think, is going to largely disappear.

This white man says that he has been given some kind of almighty power to change the U.S. Constitution, which in article VI says that a treaty is the supreme law of the land. It also says that notwithstanding any constitutional further law or State law, it still remains the supreme law of the land.

It is impossible to call this a legal county. In fact, Governor Reynolds didn't call it that. He called it a provisional county, which means a temporary.

Now, some of the expenses that have been incurred since this mess was forced upon the Menominees by the white man, by the State in 1959 when all this was supposedly enacted, by the Congress in 1954 when they could not read the Constitution of the United States, when they forgot and violated their own oaths; here we have $75,000 a year to run the mills on electric Wisconsin Power & Light. I have a copy of both so-called contracts of this company and there is not a valid signature anywhere on them and they operate here. The Menominees pay $6,250 a month for their own electric, which the Wisconsin Power several years ago say they bought for $100,000. It didn't take them 2 years before they had recovered their purchase price and they didn't buy anything. They invaded in this place. The Menominees were running with their own electric very satisfactorily.

Another expense—you go up to the hospital building and what do you see? You see a lot of people that cost the Menominees money making up records, busying themselves with this and that, and it doesn't feed nor shelter the Menominees. They had a hospital well run, well equipped, well staffed, that helped the Menominees.

There is no county courthouse in this country. That is another expense that they didn't have and they don't have to have now.

Another expense—in this so-called enterprise there is an alleged board of directors. At $1,000 a month, there are nine of these people, $1,000 a month, $250 a week. I heard Jim Frechette say yesterday that some of us can get along with termination and some of us can't.

I think every single one could get along with termination if, like Jim Frechette, they were getting $250 a week just to sit around to try to think up better ways to swindle the Menominees out of everything.

I also say that this so-called land use program is not what it is supposed to be. There is under the Menominees' treaties, which Senator Mike Mansfield himself has said, "When we entered into a treaty with a sovereign nation, we entered into a treaty with an equal." He didn't say we entered into a treaty with England as an equal or with France or with anybody else exclusive of American Indians. He said everybody and that is what the U.S. Constitution says. It does not differentiate that there are special treaties that are excluded as the supreme law of the land. It is these Menominee Indian treaties along with the rest, and you have heard where these Indians believe in their treaties. They believe in their Constitution of the United States.

You take the constitution of the State of Wisconsin, article I, section 2, says, "There shall be neither slavery nor involuntary servitude in this State, otherwise than for the punishment of crime, whereof the party shall have been duly convicted." Servitude means the condition of a servant or slave. Now, in law it is a right in virtue of which the object, as land, is subject to certain use or enjoyment by another person. That is what is happening to the Menominees' land. The Menominees are in servitude, slavery, bondage to State law that has no right in here.

In article—I think it is XII—section 1, of the State constitution—that's right—it says, "There shall be never passed in the State any law impairing the obligation of contracts," and treaties are one type of contract.

Nowhere in any of the treaties of the Menominees is anything, any provision, for what is going on now.

The Constitution of the United States likewise has such a provision.

I believe also that with the mess that is going on today, that the gravy train riders, when termination and 108 has been repealed, should be discarded. These people are a tight little clique of about 20 families. They are called upper crust, who have held for years the best jobs and have decided—you see in the papers the Menominees said that and the Menominees said this. Up right now is a $6 million deal to sell Menominee land. There is no land for sale. When you buy land, you have a title. The Menominee Enterprise, I heard Clements say yesterday, owns most of the land. These lies are things that have been spread amongst a gullible public and the white men who have been handling this, as highhanded and often tinged with injustice participants in such a crime, have gone along with it. It is too bad that some of these white men are not illiterates, but they are educated, intellectual, and a good many of them have taken oaths to support the Constitution that protects the Menominee Indian treaties as the supreme law of the land. The State law is not and has no place in here.

When you have people who have so much money, access to it, you can be sure that after 4 years when they have had what every year the so-called stockholder meeting reports—last year it was about, I think, $4 million—then they come here and they said, "We are poverty stricken."

This bill does this and this and so much millions or thousands for this, but it doesn't say what collateral. I saw Senator Nelson nod

his head. The collateral, if it can't be paid, will be our land. The loan is not going to be backed up by Menominees' land. The Menominees have treaties and there is a title in the 1854 treaty which belongs to the Menominees. The United States gave it to the Menominees under treaty. Those treaties have not been dissolved nor can they be, so the collateral used for this $5 million loan will have to be something else.

Now, if these Enterprise so-called people who are making a go of this with almost $4 million in 1 year have 5 million more on their gravy train, what is going to happen? You can guess. I doubt very much if anybody will have to make any kind of a guess what these people are going to do. They are going to have a good time as long as the money lasts and down to Congress again—gimme, gimme, gimme. That is the way that will work.

Now, the expenses incurred—as I said before in this example, I have spent my hundred dollars; I have eaten up my groceries; I have neither; I am still hungry. What is going to happen here is $6 million the State says we will buy. They can't do that. They can't get the title. The Menominees own the title. If not, the Federal Government owns that title. They gave it to the Menominees and the 1817 treaty is a protectorate status, the big Nation over the little.

Now, right up here we have a Senator who is on the Interior and Insular Committee, one of the Federal Government departments to protect the Menominees, and I understand the other night—maybe last night—he was telling a bunch that, "We should buy Menominee land," and I would say that after somebody as a lawyer, which he is, then a State legislator, now as Governor—then as Governor—now a U.S. Senator, that is four times that I know of he has taken the oath to support the U.S. Constitution and he comes out with advice in Menominee County—I heard him yesterday.

With seven treaties, you cannot possibly make a legal county with seven treaties. You are going to have to dispense with the so-called county or the treaties and the Federal Government is still using them through the Oneida Indians. They are protecting the Oneida Indians, but they aren't protecting this.

You take the money, over $395 million spent to protect the rights of the black man, and what has happened to the Menominees? Gimme, gimme, gimme; these fellows that run the show want more money. There are Menominees here whose only commodity they know is the Federal Government food, but these so-called officials, that is the only commodity they want because that is the only one they need is more money. Thank you.

Senator NELSON. Thank you very much. Your statement will be included in the record.

(The statement referred to follows:)

STATEMENTS, REMARKS, PERSONAL OPINIONS & TRUTHS, EVIDENCE, PROOF & FACTS HEREIN WRITTEN OUT BY MRS. CONSTANCE W. DEER, MENOMINEE INDIAN RESERVATION, KESHENA, WISCONSIN, SUBMITTED TO A HEARING HELD IN NEOPIT, WIS., NOV. 10–11, 1965, AND CHAIRMANNED BY USA SENATOR GAYLORD NELSON

Although this hearing seems to be stressing information for or against the federal government money assistance bills to the Rightfully Enrolled Menominee Indian Tribe and NATION of Wisconsin there never, as yet, has been any federal government bill stressing the United States Constitutional RIGHTS, the State of Wisconsin Constitutional RIGHTS (insofar as this state's con-

stitution supports the Constitution of the United States), the Rightfully Enrolled Menominee Indians' seven valid treaties' RIGHTS and the Rightfully Enrolled Menominee Indians' human RIGHTS. Obviously such a glaring ommission admits to one conclusion; the Rightfully Enrolled Menominee Indian Nation and Tribe of American Indians HAVE NO RIGHTS other than those granted by us whiteskins.

It is vividly evident in the famous 25 worded statement written to me by General Eisenhower, July 23, 1965, & personally signed by him, "I agree that much of the white man's treatment of the Indians in the North American continent has been high-handed and often tinged with injustice" that General Eisenhower makes no distinction between the two dominant political parties, Republicans & Democrats. The General blames such mistreatment of American Indians upon WHITEMEN, & that rightly includes both Democrats & Republicans as well as hordes of other whitemen.

I am opposing this USA Senator Gaylord Nelson-Congressman Melvin Laird federal money aid bill to the Rightfully Enrolled Menominee Indian NATION and Tribe because it is NOT the answer to the problem, only a week & insufficient stopgap, temporiarly, to "the white man's treatment of the Indians in the North American continent" and such a federal money aid bill solves nothing permanently. It is similar to someone who recognizes my poverty (which is just as acute as that of any Rightfully Enrolled Menominee Indian (I've resisted three bribes & promised myself to sink or swim with the rightfully enrolled Menominee Indian NATION and Tribe) so gives me $100 & tells me, "Go buy yourself one hundred dollars worth of groceries because I notice you are very very poor & hungry." Happily I accept the one hundred dollars, spend it all on groceries, go home, eat up the groceries, & soon find myself walking around & back in the same situation as the $100 giver first found me, only now I can tell this person, "I took your money, used it for groceries, ate them up & now I have neither that one hundred dollars, the groceries but I'm still hungry." This money bill of federal funds'll supply needs for a short while for those poverty stricken rightfully enrolled Menominee Indians. After that money has been spent & whatever it bought has been used up the rightfully enrolled Menominee Indians will still be poverty stricken.

Another sentence in the same letter to me says "Since I am now a private citizen and have nothing to do with official matters, I can suggest nothing more to you."

An enlightening editorial in the Green Bay Press-Gazette, Sept. 12, 1965 entitled Citizenship and the Constitution, in part, tells a story all whitemen who've had a hand in being highhanded to Indians in the North American continent & dealing those human beings tinged-with-injustice burdens should read. "For the Constitution is a living document. It is as relevant today as on Sept. 17, 1787. It endowed us with a concept of government and a charter of liberty . . . The Constitution is still the certain guarantee of our basic rights. It is still the promise of protection from government—and by government—In these days of rising crime rates and public tolerance of law violations it is well for everyone to give a few minutes to the Constitution and the duties of citizenship."

Herein we visualize truthfully that because General Eisenhower is now a private citizen he cannot, yea, must not shrug off his duties as a private citizen, one of which is to remove forever his admitted "much of the white man's treatment of the Indians in the North American continent has been highhanded and often tinged with injustice" and insist all whitemen likewise as guilty as the General is in this way also remove their guiltiness by reversng such diabolically inhuman whitemen misbehavior. Nowhere in the USA Constitution, state of Wisconsin Constitution, Rightfully Enrolled Menominee Indian Nation-Tribe's seven valid treaties and in human rights is there provision for one or a group of human beings to mistreat another human or group of humans in a "highhanded and often tinged with injustice" manner.

A different remark by USA Senator Mike Mansfield sheds light on his type of American Indian thinking. He states: "When we entered into a treaty with a sovereign nation we entered into a treaty with an equal. I have never gone on the theory that the Indian is a second-class citizen of this country. As a matter of fact, I think we have treated the Indians pretty badly down through the years."

The mutterings of a man who views himself as a godsend to humanity throws light on his self-confident opinion he can change the Constitution of the United States by his loner decisions in American Indian matters because somewhere

he'd been given an almighty power to so do. Then USA Senator Arthur Watkins states " * * * So it is doubtful now that from here on treaties are going to be recognized where the Indians themselves have gone to the point where they have accepted citizenship in the United States . . . So that question of treaties, I think, is going to largely disappear."

The provision, in part, of the United States Constitution, Article VI dealing with the supreme law of the land has this to say about treaties . . . "and all treaties made, or which shall be made, under the authority of the United States, shall be the supreme law of the land." There is no provision, not even any amendment, which provides that "exclusive of treaties made between the United States of America and the Indians in the North American continent" (per General Eisenhower's letter) thus said USA Constitutional provision INCLUDES ALL treaties made between the United States and ANY nation which means any American Indian nation including the nation of the Rightfully Enrolled Menominee Indian Tribe of Wisconsin. Senator Watkins' assumptions that said USA American Indian treaties dissolve themselves when Indians accept citizenship in the United States is as stupid as that man has shown himself to be in the field of USA Constitutional law & American Indian treaties' law when both are applied to "the Indians in the North American continent." He seems incapable to understand that American citizens have treaties' rights but North American Indians (& North American Menominee Indians) have EXTRA treaties rights, their own special American Indian treaty(ies) rights and the treaties' rights which us whites are protected under as well. No American citizen, unless he/she be a rightfully enrolled MENOMINEE Indian, has any protection under the seven valid treaties belonging exclusively to the American rightfully enrolled Menominee Indians of Wisconsin. Nowhere in their seven valid treaties is provision for what is now being forcibly shoved onto them, is such provision.

In the rightfully enrolled Menominee Indians' first treaty, 1817, Article V it is agreed & contracted between signers: "The undersigned chiefs and warriors as aforesaid, for themselves and those they represent, do hereby acknowledge themselves to be under the protection of the United States, and of no other nation, power or sovereign, whatsoever." Here is a definite protectorate agreement-contract-treaty setup between a large nation and a small nation. The word *protection* means to cover over, defend, shield, support. The word *protectorate* means a relation of authority assumed by one state over a dependent one, whereby the former protects the latter and shares in the management of its affairs; also, the authority so assumed, or the period of its exercise, or the country so protected. This is still the present status of the nation of the rightfully enrolled Menominee Indians with its protector, the United States of America, because NONE of the seven valid treaties of agreement between these two nations have been dissolved, only violated by the larger nation, the United States of America.

In the 1856 treaty-agreement-contract between the United States & the rightfully enrolled Menominee Indian Nation and Tribe of Wisconsin, Article 3, section one, it is written & agreed-contracted "That in case this agreement and the treaties made previously with the Menominees should prove insufficient, from causes which cannot now (be) foreseen, to effect the said objects, the President of the United States may by and with the advice and consent of the Senate, adopt such policy in the management of the affairs of the Menominees as in his judgment may be most beneficial to them; or Congress may, hereafter, make such provision by law as experience shall prove to be necessary."

The word manage, in essence, is defined in a descriptive way regarding the word *protectorate* as "a relation of authority assumed by one state over a dependent one, whereby the former protects the latter and *shares in the management of its affairs.* Here is a direct connection identifying the legal duties, as contracted in a lawful agreement called a treaty which is STILL VALID that the United States is obliged still to share in the management of the affairs of the Nation of the rightfully enrolled Menominee Indians.

Supervision is the act of supervising, superintendence, to oversee, *manage*, to control, direct, to conduct, guide, administer, to direct affairs, to carry on business or affairs, to govern, to conduct affairs. P.L. 399 allegedly terminated federal supervision i.e., manageing, controlling, directing, guiding, administering & governing the affairs of the rightfully enrolled Menominee Indians yet their still valid 1856 contract-treaty-agreement has not been dissolved, hence all this which comes under the collective meaning of supervision-protectorate-protecting is still valid & still lawfully under the control, authority, supervision, protection, protectorate, responsibility of the United States federal government via a still valid treaty-contract-agreement made in 1817 & NEVER terminated. The Menominee Indian

Termination Act is therefore invalid because it seeks to terminate federal supervision over the rightfully enrolled Menominee Indians when such has been assured in their still valid 1856 treaty-contract-agreement under the term of manage.

The word administer means to *manage* and of course, manage means to administer. That the word protectorate is applicable to a protector-country over another country I am sure is correct. The word manage is found in the rightfully enrolled Menominee Indians' 1856 treaty but nowhere is the word terminate found in any of the seven treaties-contracts-agreements with the rightfully enrolled Menominee Indians.

In the United States Constitution, Article VI is found a listing of all who are required to keep this Constitution—"judges in every state" (yet look what the majority state highest court judges did in their illegal alleged decision regarding rightfully enrolled Menominee Indians' hunting, fishing, trapping treaties' rights); anything in the Constitution *or laws of any state* to the contrary notwithstanding" tells us that no matter what other Constitutional provisions, amendments, or state laws are made to the contrary of the USA Constitutional provision that a treaty is the supreme law of the land such state law & even such USA Constitutional law is NOT valid &/or does it become legally superior to this one USA Constitutional provision that a treaty is the supreme law of the land. Now look at the many Wisconsin state laws being forced & enforced regardless of their being USA UNconstitutional upon rightfully enrolled Menominee Indians, their rights, in their affairs & upon their reservation. NO state law of Wisconsin nor of any state is supreme law in the land of the rightfully enrolled Menominee Indian Nation & Tribe because no such state laws lawfully come before the rightfully enrolled Menominee Indians' treaties' law provisions. Once again, let me call attention to this section of the USA Constitution "anything in the Constitution or laws of any state because Congress feels it is lawfully & legally superior to the USA Constitution all of its members under oath promised to defend & support by enacting what they call a Congressionally setup Menominee Indian federal supervision termination Act. I've just proved wherein the two treaties, 1817 & 1856, belonging only to the real Menominee Indians does not provide for termination of federal protection, managing of real Menominees' affairs, federal supervision, protectorate status etc & the USA Constitution proves that a treaty is the supreme law of the land. NO where in the real Menominees' seven valid treaties is their treaties-contracts-agreements provision for what is happening to the real Menominees now, to their rights, to their assets, to their forests, to their property & to their possessions. But General Eisenhower already summed up his honest conclusion of what he knows us whiteskins have been doing all these years to "the Indians in the North American continent" and Senator Mike Mansfield has summed up his honest opinion of the legal & humane status of American Indians in the same North American continent.

Article 4, 1856 treaty states: "This instrument shall be binding upon the contracting parties whenever the same shall be ratified by the President and Senate of the United States." Such was ratified April 18, 1856; proclaimed April 24, 1856.

Here is another still binding contract that "the President of the United States may, by and with the advice and consent of the Senate, adopt such policy in the management of the affairs of the Menominees as in his judgment may be most beneficial to them. . . . ." Herein is further still valid permission "or Congress may, hereafter, make such provision by law as experience shall prove to be necessary" which those skimming over these last sixteen words may interpret as permissive to PL 399. But Congress may NOT make any law even experience shall prove to be necessary unless it is within the provisions of the USA Constitution which provides a treaty as supreme law of the land & the rightfully enrolled Menominees still have a protectorate-federal government managing-protecting, controlling, authority and supervision-supervisory responsibility over the rightfully enrolled Menominee Indians of Wisconsin.

USA Constitution, Article I, section 10, Powers Denied to the States—Specifically Forbidden Powers, provides: "No state shall enter into any treaty, alliance, or confederation; grant letters of Marque and Reprisal; coin money; omit bills of credit; make anything but gold and silver coin a tender payment of debts; pass any bill of attainder, ox post facto law, *or law impairing the obligation of contracts*, or grant any title of nobility." Now, a contract can be in various forms &/or types. A treaty is one type of contract & the laws of Wisconsin now being forcibly enforced upon the rightfully enrolled Menominee

Indian nation, its land & in its affairs have no legality whatsoever, yet they are being considered as supreme law over the USA Constitutional provision that "No state * * * shall * * * pass any * * * law impairing the obligation of contracts"—This hearing would never be necessary if it were not for the 1959 Wisconsin state officialdom violating of the USA Constitution beginning with the then Governor Gaylord Nelson, Atty General John Reynolds, Lt gov Philleo Nash & the entire (less nine members in the Assembly) 1959 Wisconsin state legislature AND the 1954 United States Congress, the 1954 United States President who was Dwight D. Eisenhower & the 1954 USA Attorney General whose legal capabilities should have warned both the 1954 Congress & President Eisenhower the Menominee Indian Termination federal supervision terminating Act is United States Constitutionally UNconstitutional. But thus, after nearly 190 years do us whiteskins continue to substantiate General Eisenhower's concise summation of July 23, 1965: "I agree that much of the white man's treatment of the Indians in the North American continent has been highhanded and often tinged with injustice."

In the Constitution of the State of Wisconsin Article I, Section 12 is written and provided: "No bill of attainder, ex post facto law, *nor any law impairing the obligation of contracts, shall ever be passed*, and no conviction shall ever work corruption of blood or forfeiture of estate." Here again is proof that this state's constitution (recognizing the identical provision in the USA Constitution) includes a similar provision wherein state laws can never impair contract provisions. Since, as above pointed out, a treaty is definitely one type of contract it is provable state law IS IMPAIRING, in every way thinkable, those still valid seven contract-treaties-type contracts. Herein, without the least effort of anyone beyond time spent to delve in to these matters, lies proof the state officials of 1959 beginning with Governor Gaylord Nelson, Atty General John Reynolds, Lt. Gov. Philleo Nash & the 1959 Wisconsin state legislature (less 9 assembly members) violated this state's constitution, the United States Constitution & their official oaths when they "enacted" the package of what they consider to be the turning of Menominees' country into a Menominees' "county" & from there on developed the whole unlaw diabolically communistic-run system of genocide, extortion, swindling, torture, stealing, frauds, fear, force, corruption & reprisals.

Article I, section 22, Wisconsin Constitution provides * * * Maintenance of free government * * * The blessings of a free government can only be maintained by a firm adherence to justice, moderation, temperance, frugality and virtue, and by frequently recurrence to fundamental principles." IF the state officials of 1959 and thereafter'd been trustworthy, adhering to their official oaths to keep both the USA & state Constitutions the rightfully enrolled Menominee Indians'd not now be in the poverty predicament they're in today nor would the state be facing, some day, huge, huge lawsuits by the defrauded-of-their-rights rightfully-should-be-enrolled Menominee Indians. That redress WILL arrive for the many wrongs forced upon these real Menominees is inevitable. When laws are spelled out as clearly as is the USA & State of Wisconsin Constitutions there is absolutely no thinkable reason why public officials taking oaths to support both constitutions in their entirety (not just the constitutional sections which suit them nor the portions which they desire to apply to whomever they wish to win favor with) should not do so excepting these officials have now proved beyond any doubts they are educated idiots & intellectual imbeciles. I predict that Arthur Watkins'll become the most expensive jackass ever elected to Congress, Dwight D. Eisenhower'll become the expensive Presidential jackass & Gaylord Nelson'll become the most expensive state governor jackass ever elected. Why? Because there'll come a time when redress for all these wrongs done the rightfully enrolled Menominees'll arrive & neither this state nor the United States are untouchables especially as both of them have by now run up a sizeable record of propetuating, supporting, encouraging & prepetuating genocide, extortion, swindling, torture, stealing, frauds, fear, force, corruption & reprisals, among the many things done to the rightfully enrolled Menominee Inidans, none of which is permissible under the USA & State of Wisconsin Constitutions.

Article I, section 2, of the Constitution of the state of Wisconsin provides: "There shall be neither slavery, nor involuntary servitude in this state, otherwise than for the punishment of crime, whereof the party shall have been duly convicted". Servitude, means the condition of a servant or slave * * * state of slavish dependence; bondage. In law * * * a right in virtue of which the object (as land) is subject to a certain use or enjoyment by another person

or for the benefit of another thing. Servitude, slavery, bondage means the state of being subject to a master. Servitude implies in general lack of liberty to do as one pleases, but specifically, lack of freedom to determine one's acts, laws, conditions of living etc; Slavery, subjections to a master who owns one's person and may treat one as property; Bondage means the state of being bound, formerly as a serf but now, more often like a prisoner by chains, to a state of complete subjection to the will of another.

Involuntary means without will or choice, not willingly. The State of Wisconsin Constitution prohibits slavery, nor involuntary servitude & in violation of that section of the state of Wisconsin Constitution we have now a real Menominee Indian state of slavery to state laws, state officials, state politicians, state bosses & state "legalities" which even the state's supreme court of 1963 (barring one lone dissenter) says are legalities * * * NOT "legalities" * * * get me? Rightfully enrolled Menominee Indians fought unsuccessfully against involuntary servitude, slavery, victimization by many criminal whose criminalities shall go down wrapped up in the package of 25 words General Eisenhower wrote me July 23, 1965.

July 12, 1961 I received an unsigned letter about bigwig salary figures. The one writing such was too scared of reprisals to sign any name. Dealing with salary figures then & what has been learned later it is interesting to note WHY these bigwigs want more, more, more, more federal funds. This money is the only commodity they like or want to know about. It matters not to them that the federal food commodities are for others, the laboring class (if such a person is lucky enough to have a job) because the money commodity these upper crust-elite is only for them. A James Caldwell & his wife together get civil service retirement of *$550 monthly*, plus her job at $110 per WEEK & his at $135 per WEEK (this in 1961).

George Pecore gets $350 per month retirement plus $8,000 per yr salary as warehouse manager. George Washington Digney (known around here as Kenote) gets $420 per month retirement plus $14,000 per year as bigwig something-or-other of this phony enterprise outfit. The phony president of this phonier enterprise (I heard) receives $25,000 a year. Figure out what these money amounts come to a week. These high salaries paid to a gang of criminal lazybones is the reason the real Menominees are now poverty stricken & I've not mentioned ALL the high salaries. There is a gang of socalled vice-presidents of this phony corporation & a slew of un-needed clerks & what-nots rightfully enrolled Menominees never had to have before but these criminals are money hungry & in with the clique controlling things here. REAL Menominees go to these thieves & thugs humbly asking for any sore of work, sometimes they get it but sometimes an outsider does instead.

There is only ONE out for solving this mess here & it is the ONLY legal & lawfully right move: Permanently repeal, immediately, of House Resolution 108 because it is a viciously diabolical attempt to force upon other human being everything these Congress members wouldn't want forced upon themselves. Then have The Menominee Indian Termination Act permanently & immediately wiped off the statute books of the United State of America because PL 399 is simply NOT a law. I rightly say that ANY bit of legislation which is enacted by Congress that is obviously in violation of the Constitution of the United States is automatically invalid, therefore it never was a law & doesn't need the USA Supreme Court to declare it USA UNconstitutional which I'm convinced (because of past USA Supreme Court Menominee Indian discriminatory entics) this USA Supreme Court'd not declare.

Here is a screening appeal by a man, A. D. Clements, Joseph E. Frechette & a George Washington Digney (you know as Kenote) of why, why, why the laborers MUST *not* strike for higher wages than they're getting even though this George rakes in with his retirement pay, $14,000 "salary" now & an estimated amount as a phoney trustee together which roughly adds up to at least $2,000 a MONTH. HE doesn't want to have to find work (nor can he, I'm thinking) that pays such wages for doing absolutely nothing but sit around with these others figuring out how to better swindle the rightfully enrolled Menominee Indians, so doesn't want to lose his job. I'm reliably told that the phony board of directors gang of criminals rakes in $1,000 a month apiece & there a lot of others' "salaries" we know nothing about the amounts of. I was told by Myron Grignon himself that he was only one allowed to see these books full of employees together with their rake-ins they call salaries. So you under-stand there IS something to hide that STINKS. It is the same old ritual, the real Menominees pay while their masters say.

Here this George wails about all the various expenses facing real Menominees. He says nothing about the huge salaries rightfully enrolled Menominees are forced to pay out but he does admit the real Menominees' forests are doing all that is possible to meet these expenses, MOST of which (my provable opinion) are unnecessary & absolutely illegal. George never mentions the HUGE expenses of these useless hangers-on whose snatch-in share of loot called their "salaries" is a secret. I'm sure if these "salaries" were known together with those getting them & those responsible for having them paid there'd be a lot of hasty & forcible exits from the reservation forced by enraged real Menominees who have a bare pittance of crumbs doled out to them by those who control things here. Imagine, just 20 families are knit into a tight little controlling clique with over half the good paying jobs taken up by this gangster criminal uppercrust elite fake Menominee group. It is rightly reported that the entire reservation is run by these bums who've parasited off real Menominees' resources & assets for years & still are, only now they're taking for themselves bigger & bigger "salaries" while some of you federal officials came up here to see what can be done for the poverty stricken rightfully enrolled Menominees. I've shown you what ought to be done. General Eisenhower has told you through those 25 words written to me what HAS been done, & you know this form of viciousness is comparable to two groups of cannibals, one more loathesome than the other because the first group lives off their DEAD victims (giving them peace in death before eating them up &/or living off them while the other second group is like the cliques around the reservation who live off their LIVING victims & continue to feed off their LIVING victims because this group does not give their victims peace in death. This second group is the most loathesome alive & the United States President of 1954 Dwight D. Eisenhower, (& USA Presidents thereafter inclusive of LBJ) USA Attorney general of 1954 & thereafter inclusive of Katchenbac 1954 USA Congress & thereafter including now & state officials of 1959 & thereafter including governors, attygenerals, ltgovernors, legislators, judges etc ALL belong to this repulsive second group.

The USA & this state's American Indian policy, especially towards their rightfully enrolled American MENOMINEE Indian victims runs something like the jingle "Black is white; Short it long; Tall is short & right is wrong"———

Only a humanitarian & lawful approach to the rights of Indians in the North American continent including real Menominees'll end whiteman's tinged-with-injustice highhandedness & immediate action in wiping out forever HR 108 & PL 399.

Constance W. Deer.

Senator NELSON. Thank you very much. Our next witness will be Mr. William Grignon.

STATEMENT OF WILLIAM GRIGNON, MENOMINEE COUNTY, WIS.

Mr. GRIGNON. I will just stand up.

Senator NELSON. If you will try to speak loud enough.

Mr. GRIGNON. I think you will hear me loud enough.

Senator NELSON. Fine.

Mr. GRIGNON. I am going to be a little off on this first thing. I want to ask Senator Nelson a question. This is a termination of Federal supervision over certain tribes. I want to ask the Senator, is this book [indicating] put in the Government register, the Federal Register?

Senator NELSON. Which book are you referring to?

Mr. GRIGNON. This termination hearings and stuff, congressional hearings.

Senator NELSON. I don't understand your question.

Mr. GRIGNON. Well, is it in the Federal Register?

Senator NELSON. These hearings?

Mr. GRIGNON. This one here, the 1954 [indicating].

Mrs. CONSTANCE DEER. Senator Nelson, he is trying to ask if that whole book was put in one of the congressional books or Federal Register like the termination of 1954.

Senator NELSON. I don't know if it was put in the Congressional Record, but is it part——

Mrs. DEER. It is part of a record, but he wants to know if that is in the Federal Register.

Senator NELSON. That I don't know.

Mr. GRIGNON. Do you want to see it? [Showing book to Senator Nelson.] I think it might be. I just picked this book up.

Senator NELSON. This is the official hearings in March 1954 on the termination proposal.

Mr. GRIGNON. The thing I asked the Senator for was I want—this was printed for the termination for the Menominees. Now, I would like to ask him again another question. Why wasn't this—there is things here that has been knocked out where it says—one of them turned land over to the Menominees. Another one says here we are going to have—oh, there it 14 of them—to take care of their roads and there is a lot of stuff in here that wasn't taken care of.

I think if Mr. Andrews was here—I told him about that yesterday and he says, "That's don't mean nothing." Then according to that, the termination don't mean nothing if this book ain't right.

The next thing I would like to talk about, the logging on the reservation. There is 4 years now that we have been having the Enterprise here and it seems like we are always going in the hole and I think one of the things that the Menominees should do is get these fellows in different mills and have them come up here and see where we are wrong, what we are doing wrong that we can't make it with the 20 or 30 million what they cut. They used to cut only 20 million and took care of all our stuff before and now they are cutting 30 million and it seems to bother them a lot. I think that we should practice something else. If we can't make Enterprise work, they should give us a chance to practice something else to make it work. Otherwise, they are only going to last here a few more years and we will all be sunk.

I want to thank you for this hearing.

Senator NELSON. Thank you very much, Mr. Grignon. I appreciate your appearance. We will now hear from Mr. Frank Skubitz.

Mr. Skubitz, if you would give the reporter your name and address for the record.

STATEMENT OF FRANK SKUBITZ, KESHENA, WIS.

Mr. SKUBITZ. Frank Skubitz, Keshena, Wis., white man married to an enrolled Menominee, five children.

Honorable Senator, reporters, distinguished guests, enrolled Menominees, I stand before you today like I have at many hearings both in Madison and locally on the reservation. I ask that justice be done for my people, especially my family. I say that my moral obligation, my legal obligation is the protection and preservation of the assets that my family possesses. When you take those assets away from them illegally—illegally—you have hurt the bottom, the root of this society.

When I say that you have taken away, in value I cannot appropriate the amount. Only time can tell the evaluation of it, but when you

have taken away the fishing and hunting rights of my family, it may run into tremendous thousands of dollars. I cannot speculate the exact figures, but it has been taken away. It has been taken away without my consent.

I have minor children. You have forced me, forced me over my objection, to put their assets into trust of the First Wisconsin Trust Co. in Milwaukee. I know that if I was placed as a guardian by the courts in the State of Wisconsin, I would have to make a report at least once a year saying that I have protected their rights and their assets to this amount that has been left under my guardianship.

Every time that the Enterprise sells one parcel of land or leases one parcel of land without depositing equivalent amounts of money to the deposit of my family, they have swindled and stolen value which they should have. How many hundreds of lots they have sold, I know not, but it has been many. They have sold the power company, the telephone company, and so forth. I see nothing deposited at the First Wisconsin Trust Co. to their account.

Today they are minors. Twenty years from now, they will be adults. When they question me, "Why weren't my rights protected?" what can I say?

You are probably a family man. I know not, Senator, but I say this. If you were sitting here in my place today, would you not stand up and defend the rights of your children when this great company comes along and says, "The land that you fought and sweat for, that you cleared with your hands," and says, "Today you pay for it." The price is set down by them. They say, "If you don't like it, you can arbitrate it," but the arbitrator is the same man, the man, the board of directors.

Do you come here from Washington and say that you are here to protect my family, these enrolled Menominees, and leave these squanderers stand here and defeat us time after time? Land that they buy, they buy 30 or 40 acres of land for a squander of a penny compared to the thousands of dollars that we want.

I ask for no amnesty; I ask for no punishment. Let them sue if they say I am not right in what I say here today.

I think I have been very fortunate. I have made money on this reservation. I have made it through sweat and hard work, but every single dollar I have—so mark this in your book, Senator—I will spend to defend the rights of my family the same as every Menominee here should.

When you come here and you ask to support a bill, I say, Senator, this—if you borrow and consent to letting them borrow that money, collateral must be presented and that collateral is there if the payment is not made. It can be foreclosed and taken away from them and that means some more property from my family is going away.

I didn't want to be a stockholder in this Enterprise. I didn't want to have no bonds that mean nothing, and anybody with common sense cannot deny that that bond is a fraud, the same as the stock is a fraud. The bond has no value. It guarantees you nothing and yet you give it consideration and you know what happens to it, Senator. I will tell you in case you don't understand.

They knew that the Menominees had no money to subsist by and in order to get relief and welfare to feed their families, they had to put the bonds up as collateral to the State of Wisconsin. Over 40 percent

of the bonds are turned over to the State, but what did the State do? They wasn't so interested in whether their stomachs were full. The first thing they asked them before they give them anything was, "Did you buy your land? If you didn't, we will take that out first." Secondly, "Did you pay your taxes? If you didn't, we will take that out. Then from there on, we will proceed and let you draw on your bond."

Let me say this, Senator. You terminated through the Congress of the United States the Menominees because you said that they were capable of handling their own affairs. They were now educated enough to mingle in with the white society, but then you turned around and said they weren't capable of handling their own funds, so we must put a protector over it. I don't know how you can be capable of running your own affairs, but not capable of handling your money. You must be capable all the way or not capable at all.

So what you must do is—like a sore that you may have on your hand; you put a bandage on it and cover it to make it invisible to the naked eye; it will not remedy the illness that causes the sore—you must get down to the root of the problem. The problem is this, that, Senator, I will say in honesty and fairness with no mockery intended that whatever your wages are, I will be glad to pay them fully, all expenses, to take you and show you the problems, one after the other, with your own naked eye so that you can see them so that you will be fair and honest when you go back to Washington and report the situation as it truly is because unless you correct the sore that causes these problems, any appropriations you make, any bills that you pass, will not solve the problem. You must get at the root of that sore.

I say I am opposed to the bill because I have seen year after year—and I have been here, and that is 26 years, Senator—the frauds that have been committed, the handling of business which would make mockery anywhere else. I cannot trust people to handle the money of my family under those conditions.

Thank you, Senator.

Senator NELSON. Thank you very much, Mr. Skubitz.

[Applause.]

Senator NELSON. Our next witness is Mr. Roy Peterson.

Mr. PETERSON. I would like to stand also, please.

Senator NELSON. Yes.

Mr. PETERSON. Mr. Senator——

Senator NELSON. Give the reporter your name and address for the record.

STATEMENT OF ROY PETERSON, NEOPIT, WIS.

Mr. PETERSON. My name is Roy Peterson. My address is Neopit, Wis., and I am primarily interested in conservation and have been interested in conservation for a long time. Now, I notice in your bill here, S. 1934, that on line 15 it says, "The Secretary of the Interior is authorized to cause to be conducted in cooperation with theMenominee County of Wisconsin, a study in connection with the outdoor recreation resources."

Now, in connection with that and also being interested in conservation for so many years, up until a few years ago we have been stocking our streams with trout obtained from the Federal hatcheries.

We obtain these trout through Minneapolis. Now, Mr. Joe Frechette and myself are usually the ones who send in the application.

The club, conservation club, on the reservation built some dams and rearing pens down at Keshena. We put out approximately 20,000 trout a year to plant in the streams. Shortly after termination, the application blanks where were sent in to Minneapolis to get Federal trout were changed and our status changed also.

The only way we could get trout was through our club. We couldn't get them as a tribe no more, so as a result our priority went down and we expected less trout and we knew it, but in receiving trout in this manner, the State added a tab on the side of the original application blank, so we had to make a double application.

The application we sent to Minneapolis, we filled out. The other part of the application was made out by the State. For some reason or other, they decided that they didn't want to give us any more trout, so as a result we have just been taking from the streams and not putting.

Now, these people here are natural conservationists. You don't have to tell them where trout will live and stuff like that. You ask them to do something, they are going to go out and do it. That has been my experience with them.

Now, in this study here, Mr. Senator, could that line 15 be—from there on down to 22 be amended to provide to authorize the Secretary of the Interior for us to secure trout from Federal hatcheries to stock the streams. Right now we are in a spot where we are orphans and with the increased pressure of fishing on the streams now, it is going to be a matter of time only until the streams are depleted.

So what I am trying to find out now, could that be added to the bill so that we could obtain trout and maintain our planting program?

Now, we have—before we go any further with that, in our plan the moneys from selling permits to fish on the reservation were to go to buy trout to restock. Now, that was nothing but a joke. I don't know where the money went for the permits that were sold, but we never got any money from anyone to restock any fish and, as far as I know, there has been very little or any trout restocked in the streams. Now, could we amend that, Mr. Senator?

Senator NELSON. Everything that is put in the record will be—when it is printed, we will examine for purposes of any modifications or changes in the bill that might seem to be helpful and that would be one consideration that we would certainly examine to see whether it is feasible to consider in this bill.

Mr. PETERSON. The reason why I am concerned is, now, if we are going to keep fishing from now until after the study is over, we aren't going to have any trout left and if we can maintain the level and with the natural growth in the streams, well, we may keep our trout.

Senator NELSON. Fine.

Mr. PETERSON. Thank, you, Mr. Senator.

Senator NELSON. Thank you very much for your appearance. Our next witness is Mrs. James Caldwell.

STATEMENT OF MRS. JAMES CALDWELL, NEOPIT, WIS.

Mrs. CALDWELL. Thank you, Senator Nelson. I am Mrs. James Caldwell of Neopit, Wis. I have eight children, four of them still in

high school. Prior to termination I was 9 years with the Menominee Reservation School Board; that was under the State, and now I am in my fourth year as a member of the Shawano School Board of Joint School District No. 8. Menominee County was made a part of that school district by the Termination Acts.

My concern is for the children of Menominee County, whom I represent, and I am quite concerned about the impact on those children if they are not given adequate attention in school.

As you can see, if the district, the rest of district 8, has to carry the burden, the financial burden, for educating these children, there is bound to be some impact on those children which will carry over from the parents. As of now, we have carried our share of the budget which is about 21.6 percent this year, I believe, and we have approximately two-ninths of the children in district 8. There are about 1,000 children of school age this year attending schools, about one-third in the parochial schools and one-third in the high school and one-third in the public schools and these children must have their full education.

If district 8 does not get the Menominee County share of the school budget, they will have to cut corners necessarily and all the children will suffer and then I feel that the negative social impact on our children may undo some of the good we have done up to date. As of now, or last year, 150 percent more children graduated from the Shawano High School from Menominee County than did 10 years ago and we feel we have made a lot of progress, but we want to continue making progress, and I am speaking strictly for the financial aid provision in the bill under discussion.

I feel that this means we must have some financial aid to help the Menominee County people pay their full taxes. Taxes are a burden that they have assumed within the last 5 years. It is something new and it is a little hard to work into the budget. For instance, I have in my purse now a list of names of parents who are not able to pay for their children's hot lunch last year. This disturbs me. It disturbs me a great deal because if the parents can't even pay the $1.25 per week per child for the children's hot lunch, they are going to have more difficulty trying to meet their taxes and if Menominee County can't collect their taxes, they can't pay the school district and, in turn, the school district has to cut corners on the educational advantages for the children.

So on behalf of the thousand and some children that I represent as a member of the nine-member school board, I must say that the educational provisions of this bill must be passed. We need it, and we need it very badly. Thank you, Senator Nelson.

Senator NELSON. Thank you very much. Our next witness will be Mr. Arnold Gruber.

STATEMENT OF ARNOLD GRUBER, SUPERINTENDENT OF SCHOOLS, JOINT SCHOOL DISTRICT NO. 8, MENOMINEE AND SHAWANO COUNTIES, WIS.

Mr. GRUBER. I am Arnold Gruber, superintendent of schools, Joint School District No. 8, which embodies all of Menominee County and parts of Shawano County. I am not authorized to speak for the board of education. I am speaking strictly as Arnie Gruber.

Since 1942 I have been involved in educational problems, not only of Shawano County children, but at one time Menominee Reservation children and now Menominee County children. I guess I will always be concerned and I will always be interested and always be in support of any measure that will make possible more adequate educational opportunities for any children, especially for the Menominee children. I guess I always will be interested in any measure for any assistance that will help make possible the development of education which might be patterned to the unique needs of any particular group.

I document these statements by assuring Senator Nelson that we have participated in Federal assistance along the way. We have been involved in the National Defense Education Act; we have taken advantage of that in providing better educational facilities. We have taken advantage of the Economic Opportunity Act, and we are currently involved in drawing up participation proposals for the Elementary-Secondary Education Act.

I feel that the district is handicapped at the present time in its normal problems. The district is already renting six rooms from parochial institutions in Shawano. It still has 13 one-room schools and it has an overpopulation in most schools. These probably are not problems that are unique to any particular area, but in addition to these problems, we do feel that we have problems which are unique to our particular area.

With this in mind, I would say that I personally and I think individually anyone that is involved in education would be in support of this bill insofar as it is able to make possible tax relief and additional opportunities to provide more adequate education for the Menominee children.

Thank you.

Senator NELSON. Thank you very much, Mr. Gruber. Our next witness is Mr. LeMay.

STATEMENT OF ANDRE LeMAY, MENOMINEE COUNTY, WIS.

Mr. LEMAY. My name is Andre LeMay, former county board member and chairman of the rural area development, and I am appearing in favor of these bills H.R. 8034 and Senate bill 1934 because in my experience on the county board and with rural area development, we need additional sewer and water facilities in Menominee County to attract industry and to keep the taxpayers' cost on installation of sewer and water down.

We had a problem last year, for instance, where we had to hook up to one house in Keshena where they tunneled under the road at the cost of over a thousand dollars to the taxpayers in Menominee County. This piece of sewer and water extension should have been put on in the original sewer and water contract. They cut down the amount and so they did what they had at that time—with the money they had, and it is not complete.

This is only one case and there have been several cases where choice lots within the villages could be utilized for better housing if they had the facilities of sewer and water.

As a member of the county board—when I was a member of the county board, we had to go to the State of Wisconsin for a couple

of years for help, financial help. We asked the welfare department for this help because the county government couldn't raise enough taxes to adequately support the communities.

The educational part of it, of the bill, is very, very important. The educational facilities in Shawano should be extended and expanded for the Menominee children. Also, the welfare program part of the bill should be—I am strongly in favor of that.

All of these things tie in together and it all ties into the necessary things that should have been done at termination to make Menominee County go.

The people in Menominee County connected with the community action program under the Office of Economic Opportunity have done a tremendous job with what they have to work with so far in Menominee County.

I am rather skeptical about the accelerated public works bill, though, because I have heard the term used so many times "unique" in connection with Menominee County. For instance, we submitted a bill or an application to the public works program to replace a bridge in Keshena, only to find out that we were so unique that this bill wasn't really written for Menominee County. After months of rulings and interpretations and all this sort of stuff, we found out that the money was gone and we didn't qualify anyway and this has happened time and time again and it is my opinion that the only way to solve these problems is an outright grant from the Federal Government to rectify these problems.

Thank you, Senator.

Senator NELSON. Thank you very much, Mr. LeMay. We appreciate your appearance.

We will now hear from Father Connolly.

STATEMENT OF REV. THOMAS E. CONNOLLY, DIRECTOR, COMMUNITY ACTION PROGRAM, MENOMINEE COUNTY, WIS.

Father CONNOLLY. As director of the community action program here in Menominee County since the first of this summer, I have been extremly involved with the local people in their efforts to develop self-government and to develop an approach that is particularly their own to the problems that they themselves have seen here in their communities.

I think since 1961 the people of Menominee County have shown a great deal of activity and interest, perhaps unparalleled in any community of a population of about 2,500 in such a short period of time, I think particularly when we consider the history and the fact that for a hundred years practically, all decisions made here in this area were made by outside personnel, by Federal employees, so that very little power of decision and activity was left in the hands of the Menominee people themselves.

And, as you are very much aware, that in 1961 when termination of the reservation status was forced upon these people very much against their own will, many of them felt particularly unprepared for the job that lay ahead of them. I think we have to give them a great deal of credit for the energy and enthusiasm that they have shown and again give them a great deal of credit for the interest that they have

shown since last summer when we were confronted with a community action program under the Office of Economic Opportunity.

At first they thought this would be another Federal program with very few concrete results locally in the community and as they were able to help plan programs and actually see their own results materialize, I think they have shown a great deal of effort in this area.

Even before I came upon the scene, I have been impressed by the activities that have taken place, the development of a program for an overall economic study of the county, the development of a rural area development committee, of a small business development center to process small business loans, of the efforts of those present in FHA housing, 37 new homes with a very successful repayment schedule, the development of an active school PTA, the development of an active labor union organization.

I think there has been a great deal of activity on the part of the Menominee people trying to make a success of something that everyone told them was impossible. I think most all professional opinion and advice in the early sixties was against the formation of a separate county, but the Menominee people seem to want to maintain their own community. Surrounding communities supported them in this decision and as I have been able to read the record, against the advice of State and university professionals, the Federal Government enabled them to set up their own county structure, and I think they have tried with a great deal of effort and with a great deal of highly commendable enthusiasm to make a success of this.

At this time the county structure and their enterprise corporation find themselves in a real bind. I think there is a definite moral obligation on the part of the Federal Government, which forced the situation on these people in 1961, to help them make a success of what they have tried to do so well.

This enabling legislation, granting them added funds in these areas, will take the pressure off the county tax structure and enable these people to fulfill their own dreams and their destinies and develop the type of communities they really want, and without this, it may be very difficult and it may indeed be impossible for this distinct Menominee community to maintain itself in the future, and over and above this on the level of national Indian policy itself, ever since House Concurrent Resolution 108 was passed stating it was the intent of Congress to terminate Federal responsibility over Indian tribes throughout the country as soon as it was at all possible, this has been seen as a tremendous threat by tribes throughout this country and they have pleaded again and again to have this resolution repealed and Congress has refused to repeal this resolution and the Senate Subcommittee on Indian Affairs has been insisting upon putting termination riders upon almost all private legislation that is going through that committee today and the tribes are afraid; the tribes are worried throughout this country and the idea of termination is seen as a threat which hangs over their heads which prevents them from making positive plans for the future.

Two weeks ago I was called to the Northwest to discuss with tribes there the implications of termination among the Menominees and on the future of the tribe there in that Northwest.

If it is the sense of Congress that they do want to encourage and sometimes almost force this type of a situation upon the Indian peoples

against their own better judgment, then it seems to me that there is a great moral obligation on the part of Congress to help these people to make a success of the situation that Congress has forced upon them.

I think this bill has been well studied, and undoubtedly well prepared to meet the problems of this local community in their generous and difficult task of helping their people develop the type of a community they need and they want.

So that perhaps the mistakes in Federal policy in the past can be changed so that this whole program may in the future prove itself to be a success because the funds will have been projected whereby these people can fulfill their aspirations and can maintain their community and can live their lives in dignity without worry and threat that situations beyond their control are overwhelming them at every turn.

So with these few remarks, I would like to thank you for making this appearance and being with us in Menominee County and to encourage you to try with all diligence to fulfill these needs and these requests of the Menominee people, and if you are able to do this for them, I am sure that they will have a great deal of gratitude in their hearts for you and that the future success of Menominee County will have depended a great deal upon this bill because you have been able to obtain its passage and this will mean a lot, not only to the Menominee people themselves, but to Indian people throughout the country who are trying desperately to find a solution to their problems and a way of life that they can look forward to in their future.

Thank you very much.

Senator NELSON. Thank you very much, Father Connolly. Now, is there anyone else who wanted to appear before the committee on this bill or anyone who had any further remarks they wanted to make?

STATEMENT OF MRS. AGNES DICK, KESHENA, WIS.—Continued

Mrs. DICK. Mrs. Dick, Mrs. Agnes Dick. Mr. Nelson, I would like to ask you now if there is anything that can be done about cutting the high wages out here? That would be of help here. You know, we have such high salaries here that we have to meet that, you know, most of the money that is sent here from the Federal Government goes to the high salaries here and everybody knows that here.

And, now, look at, for instance, the welfare. Now, we have a heavy load down there. We never seen anything like it in all our lives. Now, it is too bad you couldn't spend a few minutes to go and see the welfare down there where the hospital used to be, you know, to sort of look it over there. Well, that place is almost filled up with welfare workers now. I don't believe in that: hiring so many welfare workers here. We don't need that many. Instead of having welfare workers here, why don't we get our hospital back? That is what we need, our hospital here, so that our people when they get sick, we could go there. It is pretty hard for us, for us all to try and fit in that Shawano Hospital, and we don't have the money to go in the Shawano Hospital and other hospitals and we don't believe in that.

And I think that now you should look at this: the high salaries here. There is some that is getting paid too much here for work and there is some here that is working that really isn't needed.

Now, for instance, like that welfare, them welfare workers. Before termination we only had one welfare worker here and that woman took

care of everything. She took care of the whole reservation and we got along good and she didn't get the salary that this—the whole welfare is getting here. She got a very small salary and she got along with our people. This way we don't know where we are at. We don't know who is a welfare worker. Now I heard they are getting two more people to come in and work again. Now, most of that money is going to them, most of that money that is sent in from Washington, I suppose.

Senator NELSON. The reason we are conducting hearings here is to give everyone a chance to express his viewpoint about the bill and to make suggestions about what Congress might do to be helpful to the economic situation here in the country. The general objective of the bill is to attempt to make some provision to raise the various standards of facilities here to a level they should have been at the time termination occurred. The testimony at this formal hearing must be limited to the proposals in this bill.

The questions that you are raising are really questions for the local government to settle and it could not be settled by any legislation that we would pass in Washington.

Mrs. DICK. Mr. Nelson, do you think this hospital question would come in line with this? No?

Senator NELSON. I hadn't given that any thought, but the question of the health status of the people in this county is, I think, a proper consideration for the Congress and for this bill.

Mrs. DICK. I think that is one of the most important things here. We need a hospital here and we have been asking; every year we ask if we could get our hospital back. That is the main thing we need here. Look at how many people died already for lack of medical care and we need a hospital here. Everybody knows that here. That was a pity that they took our hospital from us.

What a nice hospital we had. It was all modern, remodeled and everything and we had doctors and nurses working there. We got along good before termination, but this termination ruined everything for us. We don't like termination.

Senator NELSON. Is there anything else?

Mrs. DICK. That's all.

Senator NELSON. All right, thank you. Is there anyone else who had anything further before we close the hearings?

Mrs. DEER. Could I just say a couple of words here?

Senator NELSON. Yes.

STATEMENT OF MRS. CONSTANCE W. DEER, KESHENA, WIS.—Continued

Mrs. DEER. This is Mrs. Deer talking again. While I was listening to some of these folks, especially Mr. Skubitz, these thoughts run through my mind. The U.S. Constitution apparently plays quite a role in the U.S. Congress conduct, or it should. Now, in the 1817 treaty of the Menominees, there is a clause, article V, whereby the Menominees put themselves under the protection of the United States and of no other nation, power, or sovereign whatsoever. Now, protection in that sense means that the United States has agreed through a treaty contract setup to protect the Menominees for this Nation as a protectorate. The word "protectorate" means whereby the protector shares in the management of its affairs.

Now, Public Law 399, its purpose was to terminate supervision. I believe I can rightly claim that under the U.S. Constitution and through this protectorate setup, which is set up in a treaty protected by the Constitution, that Public Law 399 is unconstitutional because it seeks to remove a protection that the Federal Government agreed in 1817 to maintain, which still is valid.

Senator NELSON. Well, Mrs. Deer, the purposes of this hearing——

Mrs. DEER. I know what you are going to say.

Senator NELSON. We would like to have your remarks addressed to the bill.

Mr. DEER. Now, this bill—I am coming to that.

Senator NELSON. All right.

Mrs. DEER. Now, this bill is a result of the U.S. Congress or the U.S. Federal Government in protecting, defending, shielding, sheltering, or supporting this tribe through their treaties. The setup that is now in order is a very expensive setup. I will pretty well assure you that the money that you may give in this $5 million loan will not be repaid under the present management, which is pretty well supported by their past mismanagement, by the fact that we, the Menominees, pay—and those that are in control—see, I was told by Myron Grignon that he is the only one that has access to the payrolls. Now, that is Menominee money and nobody knows what sort of salaries they get. I don't know what sort of salary Myron is paid and these people that the Menominees apparently are getting out of their funds, but I do know this, that Leo Bodine was paid $25,000 a year. Now, I don't know if Mr. Clements gets that, but on that particular level, I would assume so. That, on a 40-hour workweek basis, comes to $104 a day.

You don't get that much. You get $22,000, probably some expenses, but we don't need people at $25,000 that are going to clear cut, that have got a pile of sawdust up there we never had, that have done nothing but ravage these forests. If you could go back in the woods there, you would see bare spots there. You must have seen some of them up on the plane when you went up there and you can see some of this big machinery. The old Menominees, they logged with handsaws and when they went into the woods and there were young trees growing, they did not damage them like with this big machinery they have now. Those young trees are uprooted. Those things the Federal Government under the U.S. Constitution and under the protectorate status of our 1817 treaty are opposed to. Go ahead and look after.

So they turn everything over; they say, "No more supervision," and they have supervision; they have authority, control, responsibility, and protection of these people. They have not dumped it. They just say they have.

Now, here is another thing. Will you tell me why the U.S. Constitution protects you, a white man, me, a white woman, and not my Menominee Indian friends? What do you call that? That is discrimination, pure and simple.

Senator NELSON. I would——

Mrs. DEER. Now, here is one more item that I would like you to think about. There is an 1817 law which the current Attorney General dug up. It is still valid. It is in 16 U.S. statute books and I haven't run across any information whereby it has been repealed. It is something similar to your Civil Rights Act. In there it gives quite a bit

of this protection that the Civil Rights Act has, but it has quite a bit to do with rights.

Now, when the State of Wisconsin Governor of 1959 and the attorney general OK'd the State coming in here, they involved the State in a lot of lawsuits eventually because they accepted the fact that in the Public Law 399 the tribe had—the Federal Government had terminated the tribal role, which is genocide because there are people born since 1954 that are not on that tribal role and they do have rightfully enrolled Menominee Indian rights. You wait until they grow up. Don't think they won't be able to sue the State for loss of their rights. I am leaving a record to that effect. This State, through that particular 1959 misbehavior of the legislature and all of you folks that were entrusted to see the State kept out of trouble, has been now involved in a series of heavy lawsuits that some day will bankrupt the State, and we can do the same with the Federal Government.

These are laws, Senator Nelson, that are good for you as a white man, for me as a white woman, but they are no good for the American Indian.

Now, you come up with the answer. The only answer is discrimination and that is what the Congress spent hours on; that is what Senator Dirksen and all the rest of them went ahead for a whole year and they passed this because of the black man, but I have never seen anywhere, and I don't think you have either, where a bunch of people get up on their hind legs, in a sense, and all of them go for American Indian rights like they have for the black man's rights because the American Indians are only between 500,000 and 600,000, a very negligible vote, and 20 million black people amongst their number have quite a good, sizable vote. That is the only reason.

But this is the mess, Senator Nelson, this mess here.

Senator NELSON. Mrs Deer, just a moment.

Mrs. DEER. Yes.

Senator NELSON. This is an official record of a hearing on the bill.

Mrs. DEER. I know that.

Senator NELSON. I am pleased to have your viewpoints, but I want to conclude the hearing and what you are addressing yourself to is not concerned with this bill. So if you would just conclude your remarks on the bill we can close the hearings and then if you wanted to say something that has nothing to do with this hearing, that is perfectly all right with me.

Mrs. DEER. This is one thing that is making this particular bill necessary are the—just like the Attorney General said here—are these high salaried people. These are the expenses, Senator Nelson, that have come under these things that I was just telling you about. There are expenses and nobody gets out of that and I didn't make that record. The bill you and Mel Laird have got there missed those things that are expenses here and the Menominees took care of them before, all of them, but you know what they told me, that now all they took care of is a certain little bunch of an upper crust clique with the high salaries and the real Menominees get the crumbs and that is why you have got that bill.

Senator NELSON. Thank you.

I have to leave for Racine very shortly. If you wanted to say something more, Mr. Neconish, you may, and then we will conclude these hearings.

STATEMENT OF ERNEST (BLACKHAWK) NECONISH, MENOMINEE COUNTY, WIS.—Continued

Mr. NECONISH (interpreted by Mrs. Dick). I just heard it. I just now understand. They want to borrow a loan, these people here. I don't want any loans borrowed from the Federal Government. I don't want it. I don't want our land taken away from us. This is my land and I don't want to give it up.

They are just not doing right here anyway with the money they send here and I don't believe in getting a loan here and I don't want that money from the Federal Government if it is going to cause us to have to let our land go. I want to keep our land. I don't want any land given up.

Mrs. DICK. He said he was with the white man; he said he come from toward Antigo where he lives. He said this white man come and bought some lumber up to the mill and he was with him. This white man bought four pieces of lumber, nice lumber, he said, and all he paid was $4 for that—$1 for four pieces of lumber. He doesn't think that is right.

He seen a lot of that, he said, where the white man comes here and gets lumber cheap and he goes out and he sells it for a higher price. He has seen a lot of that, he said, with his own eyes.

In the woods it is the same way, he says.. They are really ruining the timber out in the woods; the loggers, I guess he means. That is what he means, the loggers are really ruining the timber out in our woods. He doesn't like that. He doesn't approve of that.

One white man told him, "They are really ruining you people's property there. It is too bad," they tell him.

He said somebody else is getting the benefit of all the money that you Indians should be getting. Somebody else is getting the benefit of it. He said you Indians are not getting it. You Indians should be living good.

He said, when you leave here, are you going to straighten things out there in Washington and have it better here for us and look after what we have here?

Senator NELSON. Well, the purpose of the hearings is to attempt to get at some of the problems you have got here and see if we can be helpful about it. It is a pretty big order for me to straighten out Washington, I might say.

Mrs. DICK. He said what you should do is have an investigation here, a congressional investigation, and let them come here and see what is going on here, what they are doing to the Menominee Indian Tribe.

We have been asking for that too for a long time, every meeting we have here.

He said another law, they can't cut that small timber down, but that is what they are doing, he said. That is what they are doing and he said they are cutting anything, he said, and he don't like it at all.

He said he told them before to stop selling our land and this George Kenote is still going right after selling our land at the lakes. What right has he got selling our land? He says it is leasing.

What is the difference, leasing land and selling land? What is the difference there? Can you explain that to us, Mr. Nelson?

Senator NELSON. Well, in a lease the person who pays for the lease doesn't own the land and at the end of a certain period of time it—what he is really paying for is the right to use the land for a certain period of time, but he does not become the owner.

Mrs. DICK. But does the land belong to the Indian then?

Senator NELSON. Yes.

Mrs. DICK. Oh, he is just renting it?

Senator NELSON. The lease is a sort of a rental arrangement for a period of time; yes.

Mrs. DICK. Oh, them white people tell us, order us right out of there. They tell us that is their land there. You can ask any Indian here. They will tell you the same thing. They ordered us right out of there. We can't go near our lakes any more if they got their cottage built there. Now, he must know about it, this old man.

Mr. Nelson, he wants this enterprise right out, he said, and this George Kenote, too. He has done enough damage here, he said.

He said George Washington put a law in here. He said anybody does wrong here to the Indian people, he said they got rights to order them out. Out they go, and that is what he wants. He wants George Kenote out of here and he wants the enterprise out. They are doing us wrong. They ain't making money for us.

I would like to have them prove it, they are making money for us.

Senator NELSON. Thank you. Yes, Mr. Mr. Grignon.

STATEMENT OF WILLIAM GRIGNON—Continued

Mr. GRIGNON. I am not going to take up much time. I just want to ask the Senator a few questions.

Just a minute ago you said about the land selling that they weren't—do you mean to say that these people is going to live here?

Senator NELSON. I don't know anything about these leases. I have never looked at them, so I don't know anything about them.

Mr. GRIGNON. Oh, another thing I have been asking for every time I go to Madison is for an investigation of all our money since the time that the termination has started. Now, could we get an FBI investigation on that? That is what I wanted to know.

Senator NELSON. Well, I don't think that would be an appropriate agency to examine the financial affairs of the enterprise or the county, but I would be—for purposes of this hearing again, I am trying to emphasize I would like the remarks confined to the bill. If there is something you wanted to say to me that doesn't have anything to do with this bill after I close these hearings, that is all right, but I should not be taking any testimony that isn't related to the bill.

Mr. GRIGNON. Are you going to be here yet?

Senator NELSON. I would be willing to stay a few minutes. I do have to get down to the southern part of the State.

That will conclude the hearings here. I appreciate very much your coming here, as part of the audience and as witnesses, to give me some information so that I would have a better understanding of what the problems are that confront the county here and so that we can attempt to prepare a good bill that would be helpful.

Thank you very much.

(Whereupon the subcommittee recessed, to reconvene subject to the call of the Chair.)

MENOMINEE COUNTY AID

THURSDAY, FEBRUARY 17, 1966

U.S. SENATE,
MANPOWER AND EMPLOYMENT SUBCOMMITTEE
OF THE COMMITTEE ON LABOR AND PUBLIC WELFARE,
Washington, D.C.

The subcommittee met at 10 a.m., pursuant to call, in room 4232, New Senate Office Building, Senator Gaylord Nelson (acting chairman of the subcommittee) presiding.

Present: Senator Nelson.

Also present: Representative Melvin Laird, of Wisconsin.

Committee staff members present: Stewart E. McClure, chief clerk; Stephen Kurzman, minority counsel.

Senator NELSON. We will call this hearing to order on S. 1934, the Menominee County aid bill. We welcome all those who have come here to testify and to attend the hearing.

This is the third day of hearings to be held on this bill before this subcommittee. Last November 10 and 11 this committee conducted hearings in Neopit, Menominee County, Wis., to determine conditions there and to give all in the county who wished to express their views an opportunity to be heard.

There is no doubt in my mind but that termination of the tribal status of the Menominee people in 1961 left them without either adequate provision for health, welfare, and education needs or the basic economic institutions that are crucial to growth and stability.

Recognizing this, the Congress authorized at that time and appropriated certain funds for a 5-year transition period. But the funds, as many predicted at that time, have proved most inadequate. The county remains not only the poorest in the State, but its financial condition, dependent upon but a single industry, is desperate.

Our hearings in the county established the nature of that need in detail. They also established the inadequacy of the original Federal aid. For example, the funds provided for sanitary sewers proved only enough to get the mains into the ground, not enough to connect the mains to the people's homes.

If the county is to survive at all, it must have additional funds to ease the burden of taxation on its single industry while that industry has time to expand and a well-planned tourist program can be developed. Funds are also desperately needed now to provide adequate levels of health, sanitation, and welfare.

Congress has a standing moral obligation to make good on its responsibilities to the people of Menominee County, to provide a genuine opportunity for a stable, independent future.

The purpose of this bill is to meet that obligation. It was drafted to provide 10 years of aid for education, health, and welfare, to finance carefull economic planning, and to grant the long-term loans needed to establish a stable economy.

The purpose of today's hearing is to hear representatives from Federal agencies—from HEW, the Office of Economic Opportunity, the Departments of Agriculture, Commerce, and Labor—present and spell out in detail what can be done for the county under existing law.

The hearings in Neopit underlined the need for Federal aid. Today's hearings, we hope, will detail what aid is currently available. From these two hearings we hope to fashion a bill and a report that will gain the support of Congress and bring genuine assistance to the people of Menominee County.

Our first witness this morning will be Mr. Ralph K. Huitt, Assistant Secretary for Legislation, Department of Health, Education, and Welfare.

Mr. Huitt is accompanied by departmental representatives. If you would like to have them join you at the table, Professor Huitt, you may proceed with presenting your information in whatever fashion seems to fit your purpose.

As you know, our objective here was, as I stated in my opening statement, to bring before the committee a representative of each of the appropriate agencies who could advise us as to all of the possible programs, Federal programs, that are presently available under current law for the purpose of giving aid to the county. Then, after we have that information, we will be able to draft a bill that meets other problems that may not be covered by present legislation.

We are glad to have you come here today, Mr. Huitt.

STATEMENT OF RALPH K. HUITT, ASSISTANT SECRETARY FOR LEGISLATION, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE; ACCOMPANIED BY CHARLES E. HAWKINS, LEGISLATIVE REFERENCE OFFICER, WELFARE ADMINISTRATION; ALAN W. DONALDSON, ASSOCIATE CHIEF FOR PROGRAM, BUREAU OF STATE SERVICES, COMMUNITY HEALTH SERVICE, U.S. PUBLIC HEALTH SERVICE; E. S. RABEAU, M.D., CHIEF, DIVISION OF INDIAN HEALTH, BUREAU OF MEDICAL SERVICES, U.S. PUBLIC HEALTH SERVICE; B. ALDEN LILLYWHITE, DIRECTOR, DIVISION OF SCHOOL ASSISTANCE TO FEDERALLY AFFECTED AREAS, U.S. OFFICE OF EDUCATION; AND ALBERT L. ALFORD, DEPUTY ASSISTANT COMMISSIONER FOR LEGISLATION, U.S. OFFICE OF EDUCATION

Mr. HUITT. Thank you, Mr. Chairman. We are delighted to be here. Our reports on this bill and similar bills, I think, will show our Department is sympathetic to the need for some additional transitional help to Menominee County.

We have not known how much help that should be or what the character of it should be, and we have urged there be an inquiry such as this, which would give guidance as to what form additional transitional help should take.

I think we are doing about what we can under our programs now and I am very happy this morning to bring with me departmental representatives.

If it pleases you, Mr. Chairman, I would like to submit for the record my testimony, which is quite long, and introduce the departmental representatives and then ask one from each of the three agencies to give you a brief summary of their program activities in Menominee County.

Mr. Charles E. Hawkins, who is legislative reference officer, Welfare Administration; Dr. Alan W. Donaldson, who is associate chief of program, Bureau of State Services, Community Health Services of the U.S. Public Health Services; and Dr. E. S. Rabeau, who is chief of the Division of Indian Health, Bureau of Medical Services in the Public Health Service; Mr. B. Alden Lillywhite, who is director of the Division of School Assistance to Federally Affected Areas in the U.S. Office of Education; and Mr. Albert L. Alford, who is Acting Assistant Commissioner for Legislation in the U.S. Office of Education.

If I may, I would like to ask that Mr. Hawkins and Dr. Donaldson and Mr. Lillywhite briefly summarize the programs respectively of the Welfare Administration, the Public Health Service, and the Office of Education.

I will ask Mr. Hawkins to go first.

Senator NELSON. Your statement as submitted to the committee, consisting of some 18 pages, will be printed in full in the record and you may, if you wish, at any time elaborate on that statement.

(The prepared statement of Mr. Huitt follows:)

PREPARED STATEMENT OF RALPH K. HUITT, ASSISTANT SECRETARY FOR LEGISLATION, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Mr. Chairman and members of the subcommittee, I want to thank you and your committee for inviting the Department of Health, Education, and Welfare to discuss assistance available to Menominee County through various health, education, and welfare agencies. As a resident of Wisconsin, I am particulary grateful to know of the concern of this committee to help the Menominee Indians to adjust to their new situation. There have been very few terminations of Indian reservations in our history, and they are not easy to accomplish. Most terminations have resulted in the absorption of the reservation population into an existing political subdivision. The creation of a new county is rare indeed, and creates financial problems that, as in the case of the Menominees of Wisconsin, may be too great for the county to bear alone.

Subsequent to passage of the Menominee Indian Termination Act in 1961, Congress authorized, in Public Law 87–432, special funds to aid the new county in its transitional period.

I should like now to describe briefly the principal programs in our Department which assist, or may be used to assist, the Menominees. The programs are administered by the Public Health Service, Welfare Administration, and the Office of Education, respectively.

PUBLIC HEALTH SERVICE

Except for the construction of sanitation facilities authorized by special legislation, direct Federal services to the Menominee Indians were terminated April 30, 1961, when the Menominee Indians lost their reservation status and became a new county known as Menominee County, Wis. Even before the termination, however, the Public Health Service had provided only limited services to the Menominee Indians. From July 1, 1955, when the Indian health program was transferred to the Public Health Service from the Department of the Interior, until 1961, the Service conducted no medical care program for the Menominees. We merely continued those services which had been provided by the Department of the Interior and which included only the services of a sanitarian aid and con-

sultative services on medical care. Four months prior to the termination of Federal services, however, the Public Health Service, in cooperation with the Shawano County Welfare Department and the State welfare department, operated an ambulatory medical care program for the Menominee Reservation with a doctor, a nurse, and supporting staff. Since the reservation status ended, the Indian health program has not been directly concerned with the Menominees' health needs, except under special legislation which authorized construction of sanitation facilities.

In June 1960, following completion of an engineering study to determine sanitation facilities construction needs of the three communities of Keshena, Neopit, and Zoar, on what was then the Menominee Indian Reservation, the cost of water supply and sewerage improvements was estimated as follows:

A. "Necessary" for correction of most urgent deficiencies in water supply and sewerage	$117,000
B. "Required" for replacement, extensions, and additions to water and sewer systems to meet State regulations	548,000
C. "Desirable" for providing maximum balance and design in the systems	292,000
Total needs, three communities	957,000

Funds were appropriated in fiscal year 1961 to permit accomplishment of the work deemed "necessary" by the engineering study. That "necessary" work was done under Public Law 86–121, the Indian Sanitation Facilities Act, and was completed in January 1963.

In April 1962, Public Law 87–432 was enacted, authorizing the Surgeon General of the Public Health Service to construct under the act of July 31, 1959, Public Law 86–121, "such sanitation facilities on the former Menominee Reservation as he finds are reasonable nad justified and to expend for this purpose not more than $438,000"; $438,000 was appropriated, and most of the work described as "required" by the 1960 engineering study was completed in December 1964.

According to the engineering study, there still remains an estimated $402,000 in work to be done on the water and sewer systems serving the communities of Keshena, Neopit, and Zoar. Much of this work falls in the category that the engineering study characterized as "desirable." On the basis of information now available as to past construction and future needs, we estimate that the remaining work which needs to be done in these nonrural communities would cost $200,000.

None of the previous estimates of sanitation needs for Menominee County considered the approximately 170 families living in the rural areas of the county. The needs of those people are certainly as great as those residing in the communities. We estimate that $300,000 would be required to provide them with safe and adequate individual water supply and waste disposal systems. The total estimated cost of providing necessary sanitation facilities for both rural and nonrural Menominee Indians would then be $500,000.

Tuberculosis is the health problem which has had the greatest economic impact upon Menominee County. The district branch of the State health department provides good preventive health services; however, relatively little is being done to provide necessary hospitalization for those already infected with the disease. For a short while, the State of Wisconsin was able to bear the full cost of tuberculosis hospitalization for the Menominees by considering them as patients-at-large, that is, patients with no legal residence in any county. This could not be continued long, however, as technically and legally the Menominees, from April 30, 1961, were part of a county in the State. The State no longer bears the full cost of hospitalization, and Menominee County has had great difficulty in paying its share.

A Public Health Service special project grant in 1965 and 1966 has provided a tuberculosis case finding and followup program for the county ($25,795 Federal funds have been granted for this purpose).

Now turning to the Public Health Service programs in which the county could be eligible to participate:

Public Health Service formula grants go to the Wisconsin State Health Department in the following categories:

General health grants
Cancer control
Heart disease control
Chronically ill and aged
Tuberculosis
Dental
Hospital and medical facilities
Mentally retarded facilities
Home health services

The allocation of these funds is made by the State of Wisconsin on the basis of the State plan. However, it should be noted that the mounting of an effective local health program for the residents of the county is seriously impeded by the absence within the boundaries of Menominee County of a hospital, health department, or even a practicing physician or dentist.

In addition to the formula grants there are a number of project grant programs in the Public Health Service which provide a mechanism for Federal assistance in the solution of special problems. The tuberculosis control project mentioned above is one example. The vaccination assistnace prgoram could be used to assist in improving the immunization status of the children in the county.

Formula grants, Wisconsin

	1965	1966	1967
General health grants	$204,200	$202,800	$202,700
Cancer control	69,500	69,000	69,000
Heart disease control	140,800	190,000	189,700
Chronically ill and aged	255,000	266,100	266,200
Tuberculosis	45,200	44,300	43,800
Dental	10,000	12,500	12,500
Hospital and medical facilities	4,617,819	5,391,423	5,671,072
Mentally retarded facilities	186,036	242,173	298,286
Home health services		190,700	130,600
Total	5,528,555	6,608,996	6,883,868

WELFARE ADMINISTRATION

The Children's Bureau

Through the grant-in-aid mechanism, this Department administers Federal funds to assist State and local governments to provide a number of health and welfare services for people. For example, through the Children's Bureau we administer grants to provide a wide range of preventive health services for mothers and children including well-child supervision and immunizations, services of public health nurses, and screening tests for vision and hearing; diagnostic, medical, hospital and followup care for crippled children; and a wide range of social services for children in their own homes and in substitute homes.

Federal funds for these programs are granted to State health and welfare agencies and administered in accordance with State plans. The State agency determines where the Federal funds are to be used within a State, and for what purposes, within the guidelines established by title V of the Social Security Act and the Department's regulations. We understand that child welfare services, and services for crippled children are available to the children in Menominee County, and that the State has a plan for extending maternal and child health services to the county. There is nothing in Federal statute or regulations to prevent a State from putting a larger and disproportionate share of Federal funds for maternal and child health services, services for crippled children, and child welfare services into a particular county. Indeed, the legislative language in parts 1 and 2, the health grants provisions, encourages emphasis on rural areas and other areas of economic distress.

In addition to the grants-in-aid for child health and welfare services which are distributed on a formula basis to all States with approved plans, the Children's Bureau administers two project grant programs which provide Federal funds on a project basis and require only 25 percent matching. Under the maternity and infant care projects, authorized to help reduce the incidence of mental retardation caused by complications associated with childbearing, grants may be approved to provide necessary health care for prospective high-risk mothers (and their infants) who would not otherwise receive such care. By the end of 1965, 30 projects had been approved in large cities and in rural areas and high-risk maternity patients are receiving good quality prenatal, maternity, and aftercare and their infants are getting pediatrics care. The Children's Bureau has an appropriation of $30 million for these projects for the fiscal year 1966.

Another program, the newly authorized grants for comprehensive medical care for children and youth of preschool and school age, permits the Children's Bureau to approve projects to provide pediatrics care to children and youth in low-income families. These projects may be administered by State health or crippled children's agencies, medical schools, or teaching hospitals affiliated with medical

schools. Projects are expected to provide care for all of the problems presented by the children served by the program, either through direct services or appropriate referral to other sources prepared to provide at least equivalent services. Both medical and dental care must be included for children of school age; children with emotional as well as physical problems are to be accepted.

The 1967 appropriation request includes $35 million for these projects; the Bureau has an appropriation of $15 million for the remainder of fiscal year 1966.

Public assistance programs

The Federal Government makes grants to the State of Wisconsin under the public assistance titles of the Social Security Act to help the State provide financial assistance and other social services to certain categories of needy persons. Under the Federal law, the State program must be in effect in all political subdivisions of the State and there must be financial participation by the State. In Wisconsin, as in many States, the non-Federal share of the costs is met from State and local funds.

The State now has in operation in each county of the State the following programs approved under the public assistance titles of the Social Security Act: (1) Old-age assistance (OAA); (2) medical assistance for the aged (MAA); (3) aid to the blind (AB); (4) aid to the permanently and totally disabled (APTD); and (5) aid to families with dependent children (AFDC) for children deprived of parental support or care because of the death, absence, or incapacity of a parent. (There are now pending in the legislature bills to extend AFDC to families in need because of the unemployment of a parent and to authorize community work and training programs for recipients of AFDC.) We understand, also, that the State hopes to be able to establish a new program of medical assistance under title XIX of the Social Security Act, possibly by July 1, 1966.

Recipients and expenditures for Menominee County under these programs for December 1965 were as follows:

Program	Recipients	Expenditures
Old-age assistance	30	$3,626
Medical assistance for the aged	2	194
Aid to the blind	4	695
Aid to the permanently and totally disabled	24	1,943
Aid to families with dependent children	[1] 263	8,565
Total		15,023

[1] In 65 families.

Menominee County is 1 of 26 counties included in a recently approved project under the work experience program established by title V of the Economic Opportunity Act. Title V provides Federal funds to State and local projects to help needy persons improve their employability and to increase capability for self-support. The 26-county project has been approved for 1,500 trainees at a cost of $2,921,400. As of January 27, 1966, no trainees had been assigned pending recruitment and assignment of project staff.

OFFICE OF EDUCATION

In 1961 Menominee County was created out of part of two existing counties from lands formerly constituting the Menominee Indian Reservation. Jurisdiction of the Federal Government over the Menominee Indian Tribe was terminated and they assumed the responsibility of self-government. Although a separate county was created for administering most of the local public services, Menominee County became a part of Shawano Joint School District No. 8 and the children in this county have attended school in the joint school district since that time. The Federal assistance authorized by section 1(a) apparently is to be used toward Menominee County's contribution to the costs of this joint school district.

Prior to the termination of tribal status in 1961, the school district covering the Menominee Indian Reservation as well as the Shawano School District No. 8 were both applicants under Public Laws 874 and 815 for impact area aid for current operating expenses and for construction of school facilities. Our records indicate that these two school district received during the period fiscal years 1954–62 a total of $796,470.65 in aid under Public Law 815, construction aid. For

the period fiscal years 1959–62, the districts received an average of $80,000 per year in operation and maintenance money under Public Law 874. The Federal property which gave rise to their Federal entitlement was the Menominee Indian Reservation. This Office did considerable work with these two school districts at the time they were consolidated into one district when the new county was created. Upon termination of tribal status, the Menominee Indian Reservation became non-Federal property and could no longer be used as a basis for eligibility and payment under the impact area program. Although there is a large Federal property directly to the north, this joint school district has not been eligible for Federal assistance since the consolidation and termination of tribal use in 1961. Accordingly, we do not have firsthand knowledge of conditions in the school district and the problems of fiancing their school programs.

Although we do not have firsthand knowledge of the school district's present condition, some data were accumulated which shed some light on the school district's present financial status. The assessed valuation for Joint School District No. 8 is $81,500,000. Of this total, $16,900,000, or approximately 21 percent, is in Menominee County. The school district's total budget for the 1964–65 school year was $1,689,644 and the average daily attendance was 3,112 children. This amounts to a cost of $542 per pupil. Of the total current costs, $242,000, or a little more than 20 percent, was the share from Menominee County which had around 900 of the 3,112 students. However, of the $242,000 contribution from Menominee County, $83,000 came from the fourth-year payment under Public Law 87–432 which meant that the district was required to provide from local taxes only $154,000. It is our understanding that the district still has coming to it from this authorization $44,000 for fiscal year ending June 30, 1966, to help meet its local share of the educational costs.

State aid is paid on an equalization basis in Wisconsin and the district received $365,000 in operating funds and additional grants in the form of school lunches and other benefits brought the total State aid to $475,000.

The tax rate for school purposes in the joint school district is 14 mills and the average for the State of Wisconsin is 16 mills. The joint school district has an assessed valuation for each child in average daily attendance of a little more than $26,000 which is well above many school districts in the United States. On the basis of these data, it does not appear that there is any undue burden placed on the county to finance its educational costs. However, Menominee County has about $18,000 assessed valuation for each child which is substantially below the average in the entire school district as a whole indicating that the part of Joint School District No. 8 not in Menominee County is better able to pay its share of the educational costs than is Menominee County.

In addition, the ability to finance education is only one part of the responsibility of a local governmental unit and it is difficult to determine need or burden for financing one public service without considering all other public services. Consequently, the figures given above for the public school program do not reflect the real burden on the county. In this connection, it is our understanding that a substantial part of the total of $16,900,000 assessed valuation in Menominee County is represented by standing timber. While this represents real value, it is not easily converted into cash for financing public services. Income results only when timber is cut and only a part of the timber can be harvested each year. It is our further understanding that taxation is heavy on the major industry, the Menominee Enterprises Corp., which is having a difficult time.

Our records in the Office of Education do not provide the detail necessary to determine the actual participation of Menominee County in Federal support programs. We have, however, talked to the State department of education in Wisconsin and can provide the following general information on participation by Menominee:

Title I—Elementary and Secondary Education Act of 1965

A total of $132,985 has been allocated for the current school year to this school district. Approximately 210 of the 496 children in the low-income level are from the Menominee County part of the school district. Applications under this program are approved by the State. An application has been submitted and approved by the State which will work with junior high school students who are failing in their classes. It is expected to operate during the summer. Another project working with junior high school students also is being developed but has not yet been formally submitted. The State also is working with the school district in developing several other types of programs under this act. It is expected that by the end of the summer the full allotment will have been

used. One of the major problems in the district, as is true for many districts in the Nation, is the provision of facilities for special education programs in addition to those necessary for the operation of regular school programs. Another problem which also is common to many school districts is the lack of qualified staff for these special programs.

Vocational education

This school district has an ongoing vocational education program that is characterized by the State as primarily prevocational. They have training in agriculture, homemaking, and beginning work in shop and mechanics. Under the vocational program for special demonstration projects, Shawano was 1 of 31 school districts in the State of Wisconsin selected for participation. This program is just getting underway and the State indicates that it will include training in welding and machine shop work, typing, and perhaps some other vocational areas. Orders have been placed and some of the equipment has been delivered.

National Defense Education Act

This school district is utilizing the full amount available to it for all titles under the National Defense Education Act. It has an ongoing, fully accredited counseling and guidance program and participates in the special education in math and science. In addition, a special counseling program aimed at high school dropouts or potential dropouts was authorized for the district under the National Defense Education Act. This program operated last year and some 70 to 80 percent of all participants came from Menominee County. It is one of three such special projects in the State, operated in places where there was a substantial number of children from minority groups.

School lunch program

This school district is participating fully in the school lunch program administered by the Department of Agriculture. In addition, the State had some funds available and Shawano was one of four districts in the State selected for a special program. It is aimed at providing additional services to particular children who are most in need.

Adequacy of school facilities

The State reported that the junior and senior high school facilities in the district are adequate for the enrollment. The elementary school facilities in Menominee County at Neopit and Keshena, which were built in part with Federal funds authorized under Public Law 815, are adequate for the elementary children in those areas. There is some pressure for new facilities at the elementary level in that part of the school district which was old Shawano before consolidation.

Conclusion

So far as we are able to determine, Joint School District No. 8 and Menominee County appear to be participating effectively in programs supported by the Federal and State Government. Taking into consideration all of the above-mentioned circumstances, however, we believe that some additional payments to Menominee County for its share of the joint school district costs during the period the county is adjusting to self-government is justified. We do not have sufficient information on the total financial picture in the county to judge whether or not the amounts specified in the proposed bills or the length of time for which they are authorized is justified. A more detailed review of the circumstances in the district, together with advice from the State department of education in Wisconsin, would be needed to make a specific recommendation in dollars on this point. We do feel, however, that the payment authorized by the proposed bills for fiscal year 1966 should be reduced by the amount which we understand the district is expected to receive, $44,000 for its final year's payment under Public Law 87–432. We also feel that the legislation should specify that these payments are to be made to the school district in addition to all other State-aid payments that would otherwise be made to the school district.

In making this recommendation, we realize that congressional authorization for specific payments to specific school districts generally is an undesirable precedent. However, Menominee County, in our opinion, comes in a special category. It is the policy of the Federal Government to terminate Federal jurisdiction over Indian tribes as rapidly as they are able to assume the responsibility of self-government. In the past this has occurred infrequently. It is our opinion, therefore, that this special authorization is justified in order to achieve the specific purpose of helping the Indian tribes to obtain self-government.

Accompanying me today are five representatives from HEW who have particular knowledge of our programs in Menominee County and who would be glad to answer any questions you might have. I would like to introduce to you: Charles E. Hawkins, Legislative Reference Officer, Welfare Administration; Alan W. Donaldson, Associate Chief for Program, Bureau of State Services, Community Health Service, U.S. Public Health Service; E. S. Rabeau, M.D., Chief, Division of Indian Health, Bureau of Medical Services, U.S. Public Health Service; B. Alden Lillywhite, Director, Division of School Assistance to Federally Affected Areas, U.S. Office of Education; Albert L. Alford, Deputy Assistant Commissioner for Legislation, U.S. Office of Education.

Thank you, Mr. Chairman for the opportunity to appear.

Senator NELSON. Who did you call on first?

Mr. HUITT. Mr. Hawkins of the Welfare Administration.

Senator NELSON. Mr. Hawkins.

STATEMENT OF CHARLES E. HAWKINS, LEGISLATIVE REFERENCE OFFICER, WELFARE ADMINISTRATION, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Mr. HAWKINS. The Welfare Administration is responsible for a considerable number of programs, primarily authorized under the Social Security Act. In most instances these are programs of grants to States in which a State plan is operative and our dealings are essentially with the State and not with individual counties. There are a few exceptions, which I will note.

The first group of programs are those administered by the Children's Bureau. This consists of, first, the maternal and child health program for which the State of Wisconsin received for this year a grant of $750,131. The State has wide discretion in the allocation of this grant to counties within the State. The State has a plan to provide for some services in Menominee County.

The crippled children's program, which is also one of those within the scope of the Children's Bureau, is another grant to the State. This year that grant amounted to $820,400. We do have reports for the last fiscal year which show that a few severely handicapped children in Menominee County received services under this program.

Senator NELSON. These are grants to the States?

Mr. HAWKINS. They are grants to the States.

Senator NELSON. Are they matching funds?

Mr. HAWKINS. There are matching requirements. In most States, and I am sure this is true in Wisconsin, the Federal funds are substantially overmatched by State and local funds—I mean, matched beyond the Federal statutory requirement for matching.

Senator NELSON. And these funds are to be allocated by the State to assist——

Mr. HAWKINS. In these programs they are allocated by the State according to a State plan. There is not the requirement of uniformity that exists in some of the other programs I will be discussing in a minute.

Senator NELSON. You mean, there is a requirement of uniformity in what way?

Mr. HAWKINS. There is no requirement, for example, in these programs that they be operative in every county in the State.

Senator NELSON. But for crippled children they must go to children who are physically handicapped?

Mr. HAWKINS. That is correct, and there were six such children last year in Menominee County who received services under the program.

Senator NELSON. But these funds are limited to aid children who are handicapped?

Mr. HAWKINS. That is correct.

Senator NELSON. And each child, no matter what county he is in, would qualify the same as a child from any other county, I assume?

Mr. HAWKINS. Congress last year in the Social Security Amendments of 1965 inserted in both the maternal and child health program and the crippled children's program for the first time a requirement that by 1975 these programs had to be available to children needing the services, wherever they might live within the State. This has not been true up to the present time.

Senator NELSON. What basis would the State allocate funds other than on an equal basis to children with equal handicaps, no matter where they might live in the State?

Mr. HAWKINS. These are clinical service programs and have been related to the health facilities and I would assume that applicants from any part of the State might apply, but the services are frequently not provided in the crippled children's program within the county and are not necessarily available statewide.

The child welfare services program is a social service program. There have been the services of a child welfare worker in Menominee County for several years. This is another program in which the Federal grant is to the State. That grant this year amounted to $863,140.

Senator NELSON. How much of that money went into Menominee County?

Mr. HAWKINS. Apparently most of the costs of salary of the child welfare worker who serves children in Menominee County. I cannot give you a dollar figure, because our arrangement is with the State; but the State plan calls for the individual child welfare worker whose services are in Menominee County at this time.

There are two other Children's Bureau projects grant programs. One is the maternity and infant care program, which was authorized in 1963 as part of the mental retardation package and which has some 30 projects in the country at the present time. There is not such a project in Menominee County.

The other of these special project grant programs is one for health of children of school and preschool age. This was authorized only last year. A considerable number of applications have been received, but the projects are not actually underway and there has been no application for Menominee County.

There is some question as to whether the county is sufficiently developed in its facilities at this point, that either of these projects would be appropriate for that county alone.

The public assistance programs are on a somewhat different basis. Here the titles of the Social Security Act, which authorize and require a uniform program be in effect in all parts of the State—these are the programs of old-age assistance, aid to families with dependent children, aid to the blind, aid to the permanently and totally disabled, and medical assistance to the aged.

The numbers of individuals and the amounts that they received for the month of December 1965 are detailed on page 10 of Dr. Huitt's statement. In total for that month, the amount involved was about $15,000. In other words, an annual rate is about $180,000 a year for somewhat more than 300 needy individuals in Menominee County.

Here again our dealings are entirely with the State, the State of Wisconsin, for the last fiscal year; the Federal funds accounted for about half of the total amount that was expended, State funds for a little more than 30 percent, and local funds for between 18 and 19 percent.

Now, the amount of local funds going in is not necessarily uniform from county to county. I believe Wisconsin has had an equalization formula of sorts, and what the county's share of this $180,000 a year is, is really a matter between the county and the State.

The effect of whatever its required contribution may be on the finances of the county would be presumably the major concern, because the needy people in the county would be getting help on the same basis as they would in any other county in the State.

Finally, the welfare administration by delegation administers work experience programs under title V of the Economic Opportunity Act. Menominee County is 1 of 26 counties in northern Wisconsin for which a project involving some 1,500 trainees has been authorized. The personnel is not in operation and the trainees have not as yet actually been assigned in Menominee County.

Senator NELSON. Do you know how many trainees there will be in Menominee County?

Mr. HAWKINS. I am unaware of any precise allocation by county on the number of trainees. The project was submitted by the State. Presumably, the 1,500 would be distributed according to the number of people qualifying and who could benefit from the work experience and training in the individual counties.

Senator NELSON. Is this the youth opportunities?

Mr. HAWKINS. No; this is the work experience program.

Senator NELSON. 1,500 have been authorized?

Mr. HAWKINS. A project has been funded which will cover 1,500 trainees.

Senator NELSON. None of these programs that you mentioned are special programs for Menominee County; they are all general?

Mr. HAWKINS. None are special programs for Menominee County. There is no program here where the Federal Government is dealing directly with Menominee County.

Senator NELSON. Or where there is any special benefits for Menominee County as such?

Mr. HAWKINS. That is correct.

Mr. HUITT. Mr. Chairman, may I now ask Mr. Donaldson to speak for the Public Health Service?

Senator NELSON. First, I would like to welcome Congressman Melvin Laird, who is the author of a companion bill to this one in the House of Representatives and who represents Menominee County as one of the counties in his congressional district.

We are happy to have you here.

Representative LAIRD. Thank you.

STATEMENT OF ALAN W. DONALDSON, ASSOCIATE CHIEF OF PROGRAM, BUREAU OF STATE SERVICES, COMMUNITY HEALTH SERVICES, U.S. PUBLIC HEALTH SERVICE

Dr. DONALDSON. The financial assistance from the Public Health Service is similar to the kinds of financial assistance that Mr. Hawkins spoke to. Moneys can go into the State of Wisconsin from the Public Health Service in two forms: the formula grant programs and special project grant programs. I would like to speak briefly about each one of those.

In regard to the formula grant programs, there are a number of categories in which funds are provided to the States, including such things as general health grants, cancer control grants, heart disease control grants, grants for the chronically ill and aged, tuberculosis, dental health, hospital and medical facilities construction, construction of facilities for the mentally retarded, and home health services grants.

Now, all of those formula grants require matching on the part of the State, usually on a 1-to-1 basis, although there are variations in the formula for matching the distribution of the funds and the allocation of services provided from those funds are made on the basis of a State plan.

In this connection, then, it is difficult to say how much of each of those types of formula grants, how many of the dollars from each of those grants may have gone into Menominee County. Our reporting system back from the State does not identify specific geographic utilization of those funds, but the amounts which were provided to the State under each of those formula grant programs is indicated in Mr. Huitt's statement.

The other source of funds is through the special project grant programs and we have special project grants in cancer control, in community health services, particularly for the chronically ill and aged, in migrant health, in neurological and sensory diseases, tuberculosis, vaccination assistance, and in venereal disease control.

The special project grant programs can be given either to a State or to a local health jurisdiction.

As you know, Menominee County does not have a county health department. It is part of one of the districts, one of the district setups of the State, so that in terms of providing the project grant directly to the county without a local county health structure to which the grant could go, this is impossible.

However, it is possible through the State to negotiate a project grant which will relate to a specific area in the State. In the case of Menominee County this was done in 1965 and is continuing in 1966 in connection with a tuberculosis project grant. The total grant to the State of Wisconsin of $88,000—something over $88,000—was provided, of which $25,000 was earmarked for Menominee County. This provided for a survey by skin testing, tuberculosis skin testing, of the entire county. They were able to reach about 2,200 people, which means that about 300 were not contacted on the first survey.

Each one of those individuals then was skin tested and of the 2,200 who were skin tested, 425 showed reactions, tuberculin positive reactions. These reactors were then X-rayed and as a result of the X-rays, four individuals were found to have active clinical tuberculosis, and these individuals were hospitalized.

The remaining reactors were put on isoniazid prophylaxis, under this project. This was done in 1965; in the current year there is a continuing followup of the program to insure that those individuals who are on prophylaxis continue to take the drug and this must be done for a year, and also to reach the 300-odd individuals who were not contacted on the first survey.

Senator NELSON. How many reactors were there?

Dr. DONALDSON. 425 of the 2,200 who were skin tested.

Senator NELSON. How does that compare with an average situation elsewhere?

Dr. DONALDSON. Well, there are tuberculous areas in the country, so one cannot make a generalization for the country at large. In highly tuberculous areas the reaction rate could be even higher than this.

This would be considerably higher, however, than for the country at large, but one must recognize that tuberculosis is not uniformly spread across the entire country.

Senator NELSON. What comparable reaction do you get for the Nation at large?

Dr. DONALDSON. Mr. Chairman, I am not prepared to give you an exact figure. I can get this and provide it to you.

Senator NELSON. I wish you would submit it for the record so that it could be placed at the end of your testimony.

(The information referred to was subsequently submitted for the record.)

TABLE 14.—*Comparison of tuberculin testing in selected areas*

	Age group			
	Under 5	13 to 15	15 to 19	25 to 34
U.S. average, 1960–62	0.6	4.1	7.7	19.0
Milwaukee	.4	1.5	6.0	21.0
Wisconsin State, 1964–65	.14	.88	+2.4	12.6
Menominee County	1.6	5.6	8.0	35.0

NOTE.—Figures in table represent percent positive reactors.

Senator NELSON. Supposing you did a survey and it was not a highly reactive area, one that was in another part of the State of Wisconsin, for example, would you have any notion what the number of reactors would be out of 2,200 people?

Dr. DONALDSON. What I like to do, Mr. Chairman, if you will agree, is give you some comparable figures for different parts of the country for comparative purposes. I would be a little uncertain about giving you actual figures now.

Senator NELSON. Without having the statistics, it is my understanding that Menominee County's reactor rate is very, very high compared with the rest of the State of Wisconsin. I think it would be helpful to have in the record some statistics that show the comparison.

Dr. DONALDSON. We will provide these for you.

This is the only special project activity in which we have had a direct relationship with Menominee County.

Senator NELSON. Were the $25,000 of Federal funds granted on a matching basis?

Dr. DONALDSON. No, the special project grants do not require matching. This is all Federal money.

Senator NELSON. And as to this particular program, will there be further special project funds for the purposes of followup in this situation in Menominee County?

Dr. DONALDSON. Yes. In this current fiscal year there is a second project grant with the State of Wisconsin of which a portion again has been earmarked for the follow work in Menominee County to do the things that needed to be done after this first survey.

I do not have an actual dollar figure of the amount of the grant that went to the State of Wisconsin for this year in regard to Menominee County.

Senator NELSON. Do these funds for this special project in Menominee County include all the necessary funds for treatment?

Dr. DONALDSON. The funds provided under either the formula grant for tuberculosis control or the special project grants do not provide for inpatient care in the hospital.

They can provide for the case-finding activities carried on, on in the case of Menominee County the projects have been revised to provide for the drug, prophylactic drugs, isoniazid.

Senator NELSON. Paid for by the special project fund?

Dr. DONALDSON. Yes, sir.

Senator NELSON. Then are the physicians who conduct treatment paid under the special project fund?

Dr. DONALDSON. No, I think the physicians who would be involved in this would probably either be private practicing physicians in the surrounding area or would be employed by the State health department.

Senator NELSON. So the special project funds provide the medicine but——

Dr. DONALDSON. And provide for the case-finding activities. People were used to go around and do the skin testing——

Senator NELSON. That is from the special project funds?

Dr. DONALDSON. Yes, sir; and the X-rays of the reactors were paid for out of the project grant.

Senator NELSON. That was some 400 X-rays?

Dr. DONALDSON. 425.

Senator NELSON. But the followup treatment, the administrative cost of the followup treatment, whether it be nurses or doctors, is not paid for under the special project funds; is that correct?

Dr. DONALDSON. Well, the use of the drug for those who were reactors, but were not clinically active cases, is covered by the project. The hospitalization of the four individuals who were found to be clinically active tuberculous patients is not covered by the project.

Senator NELSON. That is paid for by the State?

Dr. DONALDSON. Yes, in part. It is my understanding that in the State of Wisconsin the State does not bear the entire cost of the hospital care for a tuberculous patient.

Senator NELSON. My understanding is contrary to that, but my memory may be faulty. We can supply the information for the record. I think the State does pay full cost of tuberculous patients without relationship to ability to pay. That is not your understanding?

Dr. DONALDSON. It was my understanding that, and I would defer to your greater knowledge of this, but it was my understanding that the State was able to assume the cost for the hospitalization of tuber-

culous patients above a certain level, which was related to the tax base of a particular county.

Now, in this case they could pay for the entire care of individuals, but the total number of individuals from a given area might not be covered by the State payments.

Senator NELSON. We will get that information for the record. I had thought that the individual did not assume any liability for treatment for himself.

Dr. DONALDSON. I think it is true as far as the individual is concerned, but I think the county and the State have to share the cost.

Senator NELSON. I was using the "State" meaning "State and county."

Senator NELSON. Now, in the administration of the drug and the treatment, subsequent to the survey and the X-rays, whatever cost is involved in that for personnel, that is, the nurses or the physician in the administration of the drug, that cost is not paid for by the special project; is that correct?

Dr. DONALDSON. Yes; it is.

Senator NELSON. That cost is also paid for?

Dr. DONALDSON. This completes my remarks.

Senator NELSON. None of the other programs you mentioned are special programs for Menominee County?

Dr. DONALDSON. No, sir.

Senator NELSON. Thank you very much, Dr. Donaldson.

Dr. Rabeau, I understand you are the Chief of the Division of Indian Health, which had responsibility for the construction of sanitation facilities in Menominee County.

Dr. RABEAU. Yes, Senator.

Senator NELSON. In order to save time, I would like to give you some written questions about the sanitation facilities in the county. Would you be willing to submit your answers for the record?

Dr. RABEAU. Yes, sir.

(The response to Senator Nelson's request of Dr. Rabeau follows:)

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE,
PUBLIC HEALTH SERVICE,
Washington, D.C., March 25, 1966.

Hon. GAYLORD NELSON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR NELSON: This is in reply to your request for information relative to the need for sanitation facilities on the former Menominee Indian Reservation in Wisconsin.

An engineering study was authorized by the Public Health Service during fiscal year 1960 to determine the sanitation facilities needs of the communities of Keshena, Neopit, and Zoar, on the Menominee Indian Reservation. On the basis of this study, the needed work was divided into three categories:

(*a*) Facilities necessary for correction of the most urgent deficiencies.

(*b*) Facilities required for replacement extensions and additions to water and sewer systems so as to permit the systems to meet State regulations.

(*c*) Facilities which were desirable for providing a maximum balance and design of the systems.

In 1961, a project was authorized and provided for the accomplishment of work in the "necessary" category. This project permitted construction of the well, water mains, sanitary sewers, water and sewer laterals and sewage lift stations in Keshena; sanitary sewers in Neopit; and a community type water distribution system and individual waste disposal facilities together with sinks and water closets for nine homes at Zoar. A garbage and rubbish collection and disposal system was established for all three communities. The cost of this work was $117,000 of Federal funds plus $15,310 of contributed tribal funds.

Work included in the "required" category was completed under a project authorized by Public Law 87–432 at a cost of $438,000. This project provided for further improvements and additions to the water and sewer systems at Keshena and Neopit and was completed in December 1964. Savings resulting from on-site engineering changes enabled the completion of some work in the "desirable" category. These improvements consisted of further extension of sewer and water facilities, including a lift station and the placing of a large number of curb stops in existing water service lines. No new service lines were installed from the curb to the homes.

With regards to the remaining sanitation facility needs, it should be noted that since the termination of the Menominee Tribe on April 30, 1961, no Public Health Service staff has worked on the reservation except in connection with the special sanitation facilities project authorized by Public Law 87–432. Based on information available in our files, these needs include: further additions and improvements to the water and sewer systems at Neopit and Keshena, service connections to 63 homes at Keshena and 10 homes at Neopit, and provisions of individual water and waste facilities for rural Indian homes which cannot be connected to community systems. It is estimated that the remaining work would cost $200,000 for the community portion and $300,000 for facilities to serve rural homes.

Many homes on the reservation which are not now connected to the community water and sewer systems are served by inadequate and unsafe sanitation facilities. Some families have no water source of their own and must haul all water for domestic use. Nearly all of the rural homes now use pit privies for waste disposal, most of which are in disrepair and are hazardous from a health standpoint. There also remains a need for garbage and refuse disposal facilities to serve the rural Indian homes.

As to the need for these facilities, a PHS study in eastern Kentucky in 1954–56 showed that by merely bringing running water into the home a twofold reduction was achieved in the incidence of diarrheal disease morbidity, and ascaris and shigella prevalence. Further, the installation of a flush toilet in the home resuted in a fourfold to sixfold reduction in the incidence of these diseases. (See chart attached.)

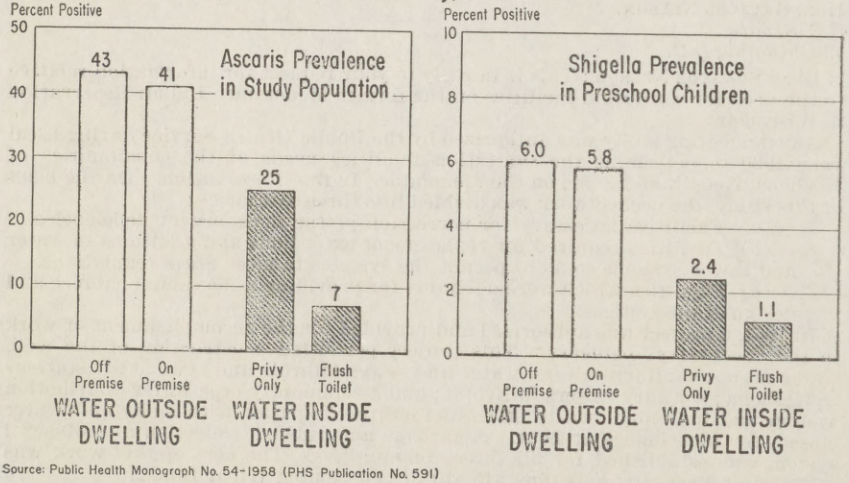
Sincerely yours,

E. S. RABEAU, M.D.
Assistant Surgeon General,
Chief, Division of Indian Health.

RELATIONSHIP OF ENVIRONMENTAL FACTORS TO ENTERIC DISEASE

ASCARIS AND SHIGELLA INFECTIONS
ACCORDING TO SELECTED SANITARY FACILITIES

Eastern Kentucky, 1954-1956



Source: Public Health Monograph No. 54-1958 (PHS Publication No. 591)

Mr. HUITT. I would like now, Mr. Chairman, to ask Mr. Lillywhite to speak for the Office of Education.

STATEMENT OF B. ALDEN LILLYWHITE, DIRECTOR, DIVISION OF SCHOOL ASSISTANCE IN FEDERALLY AFFECTED AREAS, U.S. OFFICE OF EDUCATION

Mr. LILLYWHITE. Mr. Chairman, my name is B. Alden Lillywhite; I am Director of School Assistance in Federally Affected Areas in the U.S. Office of Education.

My job is to administer the federally impacted area program. The various other Federal-assisted programs in the Office available to this school district in Menominee County are administered by other divisions in the Office. However, I undertook yesterday to obtain a summary of the information about these programs. Since they are all State grant programs, I undertook to obtain it from the State and will explain it insofar as I am able to answer your questions.

The one program that I know the most about, the impact area program, no longer operates in this school district. I think I should say that we are a little bit different in the Office of Education than either of the other two speakers—Public Health or the Welfare Administration—because, as you know, Menominee County joined with Shawano School District, and became the Shawano School District No. 8, so we have a school district within another county and the entire Menominee County itself joined together as one school district.

Funds for these various education programs go to this school district, which in all of the discussion you will remember include both Menominee County and old Shawano School District.

Mr. Laird will remember a special hearing that he held and some of the people here in the audience will remember some considerable negotiations that we had with respect to the impacted area program as they approached termination of tribal status.

A number of problems developed and we are trying to get the maximum amount of money to the two school districts before they combined or after they combined and before the program ended, particularly for facilities. We were able, under the Public Law 815, to make grants—I think there was probably several grants totaling $796,479. This is shortly before termination.

If I recall correctly, it was used either to build an elementary school or an addition at both Keshena and Neopit on the reservation and some additions to the junior and senior high school facilities in Shawano proper.

Senator NELSON. It was all used for construction?

Mr. LILLYWHITE. All of the $796,000 was used for construction. Now both of these school districts were eligible for grants for maintenance and operation each year up until termination of the tribal status. The reason for the noneligibility after that time is that the Indian reservation which gave rise to the Federal connection of children ceased to be Federal and that is what gives rise to the money under the public impacted area program, so that there is no longer eligibility for this school district. They did receive on an average—

the two separate districts that are now one—about $80,000 a year for the last 3 or 4 years prior to termination of the tribal status for current operating expenses.

Senator NELSON. That money is provided at the termination of the bill for some operating school cost payments to continue for a 5-year period after termination?

Mr. LILLYWHITE. Yes, that was authorized in the termination bill and the Office of Education did not administer that program. I think it was administered through the Bureau of Indian Affairs—I assume the Department of the Interior—but that authorization was not given to the Office. We do know what it is, however, from the bill.

Senator NELSON. What was the total amount paid after termination in the phaseout? I think it was a 5-year period. Do you have that?

I think it is important to get into the record that the Congress did recognize at the time of the termination that the condition was such on the reservation that Congress had a continuing obligation to pay moneys for support of health, education, et cetera, after termination had occurred.

Mr. LILLYWHITE. I think that we can get that. We probably will have it before I finish my description of the other programs.

It was a reducing amount each year and the final year's amount, as you know, was $44,000, and I think that is for the 1965–66 school year; the one we are in is the final payment under the first termination grant program.

We will put that in the record. That is the only one we have at the present time. As I say, this authorization was not given to the Office of Education for administration, but we can easily get the amount.

Senator NELSON. I just wanted it emphasized at this point in the hearing, because the issue will no doubt be raised by some that since the termination there is no continuing congressional obligation toward an existing legal county which is no longer under the legal jurisdiction of the Federal Government. However, Congress did recognize at the time that an inadequate provision had been made for facilities and for the education of the members of the tribe, so they passed special legislation, in effect, saying that Congress recognizes this and will pay moneys for education, even though the status of the tribe has been terminated—even though the tribal status has been terminated and they are now a county like any other county in the United States.

Mr. LILLYWHITE. The information was just handed me. It was authorized by Public Law 87–432, approved April 4, 1962, as a transitional measure. The total authorization of $660,000 for education grants on a descending basis, by the Secretary of the Interior over a 5-year period, ending April 30, 1966.

Senator NELSON. For purposes of having the record clear for the Members of Congress who will read it, I will at this point insert in the record a copy of the act which spells out these appropriations.

(The act referred to follows:)

Public Law 87-432
87th Congress, H. R. 4130
April 4, 1962

An Act

To provide assistance to Menominee County, Wisconsin, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in order to provide financial assistance to Menominee County, Wisconsin, for a transitional period after April 30, 1961, the Secretary of the Interior is authorized, notwithstanding anything contained in the Menominee Indian Termination Act of June 17, 1954 (68 Stat. 250), as amended (25 U.S.C. 891–902), and the proclamation of the Secretary of the Interior pursuant thereto dated April 26, 1961 (26 Fed. Reg. 3726), to make grants either to the State of Wisconsin for distribution to the County or Town of Menominee or directly to said county or town, for contributions to joint school district costs, in not more than the following amounts: Menominee County, Wis. Assistance.

(a) during the year ending April 30, 1962, $220,000;

(b) during the year ending April 30, 1963, 80 per centum of the amount aforesaid;

(c) during the year ending April 30, 1964, 60 per centum of the amount aforesaid;

(d) during the year ending April 30, 1965, 40 per centum of the amount aforesaid;

(e) during the year ending April 30, 1966, 20 per centum of the amount aforesaid. 76 STAT. 53.

Any grant made under this section shall be made only upon such written assurances relating to control and supervision by responsible State officials to insure that the grant is used for the purpose intended as the Secretary may require. No grant shall serve to diminish the amounts which the County or Town of Menominee is entitled to receive from the State as provided by its laws, except so far as such diminution arises from treating the grants as if they were taxes raised by said county or town for purposes of determining what amounts, if any, the State is required to pay to said county and town under its laws. 76 STAT. 54.

Sec. 2. The Surgeon General of the Public Health Service, Department of Health, Education, and Welfare, is authorized to construct under the Act of July 31, 1959 (73 Stat. 267, 42 U.S.C. 2004a), such sanitation facilities on the former Menominee Reservation as he finds are reasonable and justified and to expend for this purpose not more than $438,000. The authority granted by this section shall expire at the end of fiscal year 1965.

Sec. 3. There are authorized to be appropriated such sums, not in excess of $1,098,000, as are required to carry out the provisions of this Act. Appropriation.

Approved April 4, 1962.

Mr. Lillywhite. I will not attempt, Mr. Chairman, to summarize the basic information about the school district's assessed valuation and the costs per child and the relationship between the county part of the school district and the other—the little bit we know about it—because that is already in Mr. Huitt's testimony.

I thought I would just very briefly summarize the other programs of the Office which put money into this joint school district. The first one is title I of Public Law 89–10, the Elementary and Secondary Education Act of 1965. That program, as you know, bases grants to each

county on the number of children between the ages of 5 and 17 in families with less than $2,000 income multiplied by 50 percent of the State per capita cost.

Senator NELSON. This $2,000 figure is based upon size of family without regard to the number of children in the family; is that correct?

Mr. LILLYWHITE. Yes, that is family income, and that is determined by the Census Bureau.

Senator NELSON. So that if the family size is higher than average, actually less money is being contributed per child in a situation where the family averages larger——

Mr. LILLYWHITE. It is the number of children in these families at this income level that is counted for payment to determine the total allocation to a county.

Senator NELSON. I am not sure I understand this. The measuring stick is whether or not the family has $2,000 or less of income?

Mr. LILLYWHITE. That is right.

Senator NELSON. So, how does that work, if a family has $2,000 or less income with one child, they would be eligible for——

Mr. LILLYWHITE. For a grant of one-half of the State per pupil cost, if it had 10 children, there would be 10 children counted for the payment.

Senator NELSON. What happens if the family income is $2,500 and they had 10 children?

Mr. LILLYWHITE. Well, it is my understanding, again this is the program with which I do not work—it is my understanding that the family is not counted at all.

Senator NELSON. Then the inequity in that formula is perfectly obvious, I take it, to everybody?

Mr. LILLYWHITE. This was the formula provision put into the Elementary and Secondary Education Act that the income level was the $2,000 per family per year, and all of the children in all of these families in each county would be the number for which payment was made to the county.

Now, the payment is made to the—not to each individual family, of course, or for each individual child; the allocation is made on a county basis. Where the school is not coterminus with the county boundaries, then the State department of education determines how the county amount is allocated between school districts within the county.

It was my understanding in talking with the State yesterday—and by the way, they have been extremely helpful—whenever you call them they seem to have the information at their fingertips about this matter in particular, which was a little bit beyond my belief to think that I could get in a half-hour's telephone conversation this much specific information.

Senator NELSON. That is the kind of government we have in Wisconsin. [Laughter.]

Mr. LILLYWHITE. The total number of children according to the information Mr. Alan Kingston gave me yesterday was 496 children from low-income families in this school district; 210 of the 496 come from the Menominee County part of the school district. That is not quite 50 percent.

I think that the total school population in Menominee County—I do not have that figure—runs somewhere around 25 percent of the

total in the school districts. Thus the ratio of the low-income children obviously is higher in this county part of the school district than the entire school district.

In any event, this program is just getting underway. As you know, it was authorized last April. Appropriations were made last fall, and it is a mammoth job to get it in operation. Guidelines and regulations and methods of operating are sent out by the Federal Government, but the State approves individual projects developed and submitted by school districts.

We were informed that this school district has submitted an application to the State, which has been approved by the State. They have not sent the official notice in here. The first project they choose to use this money for was work with junior high school children that were failing in their grades.

According to the information I got, the project will not operate until the summer and primarily, I believe, because there is not adequate facilities to run a normal operating program and also to run these special programs.

I think I could say that that has been a fairly common problem in trying to put these special programs into effect.

Another project is on hand in the State department, which is under review for working with junior high school students in the very beginning grades, and I did not get specifics on just what that was. There are two or three other projects that the district is developing to do other things with the low-income or the educationally deprived children, and the State assures us the way things are going that they will have expended their entire authorization under this Elementary and Secondary Education Act before the summer is over.

This act requires no State contribution.

I should say, Mr. Chairman, in the count of children, not only the children in families having an income of $2,000 or more, but the aid to families with dependent children, the children in those families also are counted in this formula basis.

The next one I had—I am taking a little more time than I should probably—is the vocational education program authorized or operated by the Vocational Education Division in the Office. The State of Wisconsin always has had, in my opinion, a very, very fine vocational education program and a really comprehensive one.

They report an ongoing vocational education program in Shawano Joint School District. They would characterize this ongoing program as pretty much prevocational in agriculture, homemaking, beginning work in shop and mechanics. Under a special program in the Vocational Education Act for demonstration projects Shawano was 1 of 31 school districts in the State of Wisconsin selected for participation.

This program, again, is just getting underway and the State indicates that it will include training in welding, machineshop work, typing. This is as far as they have gone. They are still developing it; they looked at some orders yesterday while I was on the telephone. The materials are being delivered and the program is ready to get underway.

This program, as you know, does require State matching and the State reported there was no problem in the school district for the matching funds.

The National Defense Education Act has several titles that apply to the school district. The States reports that there is an ongoing fully accredited counseling and guidance service under title V of the National Defense Education Act; that it is one of the very good ones in the State; that the district is participating fully in title III which provides the equipment and materials for special training in math and science and now has broadened to other areas of the curriculum.

The State also apparently have some additional funds for a special project under the National Defense Education Act in this district, aimed at a counseling program for high school dropouts or potential dropouts.

This was conducted last summer and from 75 to 80 percent of all the children that participated in this special counseling project came from the Menominee part of the school district. This was only one of three special projects in the entire State and this district was selected. I understand they wanted to have three projects where there were substantial minority groups, to see how this guidance program would work out.

That is all of the information on the programs of the Office of Education.

I did include the school lunch program because of the thing they reported was very interesting. Although it is operated by the Department of Agriculture, it is operated through the State, and the State reported that they had an ongoing school lunch program and was participating fully in all aspects of that program. Also there were some special funds available to the State for some demonstration projects and Shawano was picked for one of these projects and now is getting special funds to, as I understood it—and I know very little about this, because we don't deal with it in the Office—they were to seek out children who needed the services of the school lunch program.

I presume they needed food more than the normal school lunch program, and was giving it to them. This was just starting out so that there was not much information available to report on it.

The only final thing I have with respect to education is that the State reports that the junior and senior high school facilities are reasonably adequate for the enrollment and, as I stated at the beginning, we were able to give some additions there with Public Law 815 funds, that the elementary school facilities built on the Menominee Reservation at Keshena and Neopit are reasonably adequate for the elementary children there; that there is some pressure in what was the old part of the school district, regular Shawana School District, on the elementary facilities, but otherwise they are in reasonably good shape for school facilities.

Mr. Chairman, that ends the description of the programs of the Office.

Senator NELSON. These title I funds are for additional education efforts under the law and, therefore, it is perfectly clear that these funds in no way help relieve the tax burden of Menominee County; is that correct?

Mr. LILLYWHITE. Yes; that is correct. Their specific purpose is to provide special educational services needed by educationally disadvantaged children, and I think in general that that is true with all of these special programs that I have enumerated.

Now, the impact——

Senator NELSON. I think the Congress specifically made the law clear that the level of educational effort in any school district had to be maintained and that these title I funds could be only used for additional education effort. The reason I make that point here is that it has been suggested from some parts of the Federal Government that these funds would help the tax relief or the tax-burden problem in the county and I just wanted it clear in the record that it would not.

Mr. LILLYWHITE. The one program that would have helped on the basis of taxation—I say, that would have helped, that did help; the impact area program, as you know, helps replace local loss in local tax base, or provides an educational cost for children connected with nontaxable property and the district is no longer eligible for this program.

Mr. LILLYWHITE. What it was trying to do is compensate school districts for having to educate children living on property that they could not be taxed for school purposes.

Senator NELSON. So it was not for the purpose of relieving the tax base; it was compensating them for placing a burden on them that they did not previously have?

Mr. LILLYWHITE. That is precisely it.

Senator NELSON. Thank you very much.

Does that cover what you have, Mr. Huitt?

Mr. HUITT. Yes, sir.

Senator NELSON. The record will be left open for a period of time and so if we have some additional questions to submit, Professor Huitt, I assume that the Department could respond in writing so we could include it in the record.

Mr. HUITT. We will be pleased to do it.

Senator NELSON. Mr. Thomas Harvey, Special Assistant to the Assistant Secretary for Economic Development. Mr. Harvey?

Mr. HARVEY. Thank you, Mr. Chairman.

Senator NELSON. Do you have a prepared statement?

Mr. HARVEY. Mr. Chairman, I do have a prepared statement.

Senator, it is a relatively brief statement and I think it states the case about as succinctly as I might otherwise do, so if I might quickly read over it, I think it might point up the issues you may have some questions about.

Senator NELSON. All right.

STATEMENT OF THOMAS HARVEY, SPECIAL ASSISTANT TO THE ASSISTANT SECRETARY FOR ECONOMIC DEVELOPMENT, DEPARTMENT OF COMMERCE

Mr. HARVEY. Mr. Chairman, I want to thank you and your committee for the opportunity given the Department of Commerce to present its views on S. 1934. This bill would provide continued special Federal aid to Menominee County, the former reservation of the Menominee Indians, whose trust status was terminated by Congress in 1961. These aids are intended to ease the adjustment to self-sufficiency of the Menominee Indians, who are the majority of residents in the county.

In your letter you requested a statement on past and existing agency programs to aid Menominee County and also information on what additional programs the county may be eligible to participate in.

Menominee County was designated a redevelopment area under the Area Redevelopment Act in February 1962. It continues to be eligible for assistance under the Public Works and Economic Development Act.

Since the date of designation, one business loan to set up a wood products plant was requested under section 6 of the Area Redevelopment Act. The application was turned down because ARA felt the promoters lacked experience in the field of wood products, and because the Wisconsin Conservation Commission found that the area surrounding Menominee County could not supply birch in the quantity and quality the proposed operation would require.

Under the accelerated public works program, Menominee County filed an application on September 19, 1963, requesting a $37,000 grant for construction of a bridge to cost a total of $74,000. The application was withdrawn by the applicant on October 8, 1964.

From 1962 to 1965, no direct request for technical assistance was received from Menominee County. Menominee Enterprises, which took over ownership and management of the former tribal forest lands and lumber mill, was one of the recipients, however, of business counseling from the University of Wisconsin's regional economic development center at Wausau, whose operations were funded under an ARA technical assistance contract.

Under the original contract, members of the center, whose work it was to advise small businesses in all the designated counties of northern Wisconsin, visited Menominee Enterprises in order to make a management analysis and provide recommendations.

On December 14, 1965, the Economic Development Administration approved a technical assistance project for Menominee County to be carried out in three phases: first, a study of the possibility of commercial tourism in the county; second, a study of the possibility of creating satellite industries to Menominee Enterprises; and, third, a study of the possibility of developing other types of industries in Menominee County.

This study will take approximately 1 year. We are currently negotiating a contract for this project. The project applicant is the Menomiee County Rural Development Committee which prepared the county's overall economic development program.

I should like, at this point, to relate some of the previously mentioned projects to the provisions of S. 1934.

Section 3(a) of the bill authorizes the Secretary of Commerce to cause a study to be made of the lumber resources of Menominee County in order to obtain detailed recommendations concerning the development of those resources.

The Menominee County overall economic development program, filed by the Rural Area Development Committee in accordance with the requirements of the Area Redevelopment Act, contains a summary of timber resources and proposals for timber use and the commercial development of forest products now exploited inadequately or not at all. Development of a maple sugar industry and possible establishment of a high-grade veneer mill were among the proposals in the overall economic development program.

The management analysis of Menominee Enterprises by the University of Wisconsin regional economic development center, above re-

ferred to, pinpointed accomplishments and possibilities with the lumber resources even more narrowly. A study was made of the lumber. This mill has maintained a profitable operation by means of modernization.

The study noted points at which work techniques, work flow, or further modernization would increase its profitability. Recommendations were made on this point, and on the need to handle the cutting and milling of high-grade hardwoods in such a manner that competitive advantage could be gained in transportation costs. The study also recommended establishment of secondary, complementary enterprises for end use of hardwood edging, slabs, and culls.

Section 3(b) of the bill authorizes the Secretary of the Interior to conduct a study of outdoor recreation resources and their potentials for development in the county. The technical assistance project recently approved by the Economic Development Administration for Menominee County has the consideration of tourism possibilities as one of its three objectives. The second objective ties in with section 3(b) of the bill regarding future development of the lumber resources, and the third objective of the technical assistance study complements the other two by directing attention to wider economic development possibilities.

Sections 1 and 2 of S. 1934 would authorize appropriations to the Secretary of Health, Education, and Welfare, to make grants to Menominee County for school, public welfare, and health and sanitation purposes. The Economic Development Administration and several other agencies administer funds for construction of sanitation facilities.

Menominee County is eligible to apply for funds from EDA and from other agencies as well. Working arrangements for coordinating these programs are now being developed among the agencies. Menominee County's overall economic development program notes a need for adequate public utilities.

Senator NELSON. Do you know how much has been put into public facilities at this time—sewerage and such as that in that county?

Mr. HARVEY. No, sir. Nothing under the Economic Development Administration and nothing under the area redevelopment program, Senator.

Senator NELSON. You say moneys are available under the Economic Development Administration; on what basis, what formula?

Mr. HARVEY. Moneys for grants to Menominee County are available on the basis of up to 80 percent of the project cost. These are for public facility projects.

Senator NELSON. Does this include treatment plants?

Mr. HARVEY. This would include waste treatment plant.

Senator NELSON. And what do you mean by "up to 80 percent"?

Mr. HARVEY. I mean up to 80 percent, because this is an area of the gravest need under the scale of relative benefits by which areas are classified. Menominee County gets the maximum eligible under the law of 80 percent.

Now, it may be less than that if a project produces operating revenues, if reasonable charges may be made for a service which could handle loan financing as an alternative to grant financing on the basis of reasonable charges for the area, then the grant financing may be reduced in order to accommodate a larger measure of loan financing.

Senator NELSON. So, the largest amount available would be at 80 percent?

Mr. HARVEY. Yes.

Senator NELSON. If the county were eligible for 80 percent?

Mr. HARVEY. The county has so been determined and is included in a list published by the Assistant Secretary as one of those areas of greatest need which is entitled to the maximum benefits under the law.

Senator NELSON. So that the county, then, would have to raise from their tax funds or the sewerage district or whatever 20 percent of the cost?

Mr. HARVEY. This is correct. It is possible, Mr. Chairman, that there may be 100 percent financing for a public works facility on the basis of as much as 80 percent by grant and 20 percent—the remaining 20 percent by a loan from the Government—but 80 percent would be the maximum grant.

Senator NELSON. And at the time of termination there were not sewerage facilities or treatment plant adequate for the reservation; is that not correct?

Mr. HARVEY. This is my understanding that they are inadequate.

Senator NELSON. All right.

Mr. HARVEY. Loans up to 65 percent of the aggregate project cost are available under the Public Works and Economic Development Act of 1965 to qualified applicants for commercial and industrial purposes. Working capital loan guarantees are also available under the act for qualified applicants.

In addition, the Economic Development Administration stands ready to provide appropriate technical assistance for the economic betterment of Menominee County, as it has in the past.

The Public Works and Economic Development Act also provides for the establishment of regional economic development commissions. Details concerning a proposed Upper Great Lakes Regional Commission have progressed to the point where it seems reasonable to assume that Menominee County will be within that regional commission's boundaries.

It is expected that one of the first tasks of the commission will be to provide guidance to the counties, cities, and areas located within the region to enable them to take better advantage of existing Federal assistance programs. As you can judge from the relationship of Menominee County to the Area Redevelopment Administration and now to the Economic Development Administration, more effective use should be made by Menominee County of the existing programs. The assistance is available.

In view of the serious economic distress existing in many counties throughout the country, we believe that the singling out of one county for special Federal relief would be undesirable.

Senator NELSON. Let me back up to one point in which you state that loans up to 65 percent of the aggregate project costs are available under the Public Works and Economic Development Act of 1965, to qualified applicants for commercial and industrial purposes.

Would loans be available under that provision of law for the sawmill for Menominee Enterprises?

Mr. HARVEY. Yes.

Senator NELSON. And when you say "up to 65 percent," would Menominee Enterprises qualify for the loan up to 65 percent?

Mr. HARVEY. I have no doubt that Menominee Enterprises could qualify for a loan as a profitmaking corporation, an industrial or commercial enterprise. Sixty-five percent would be the maximum amount of the Government loan, although I might explain that in order to accommodate additional participation by institutional lenders, we could take a second mortgage position in order to bring in additional money.

However, under the requirements of the law, there must be at least 15 percent of the total aggregate cost of the project in a junior or subordinate position to the loan investment of the Government. However, this may be in equities, and I presume they may have an equity so that this would not present a problem.

Senator NELSON. What is the interest rate on this kind of a loan?

Mr. HARVEY. 4.25 percent.

Senator NELSON. Now, back to where you were reading in your prepared statement.

Mr. HARVEY. Yes, Mr. Chairman.

Senator NELSON. In the last part of your testimony you are stating: "In view of the serious economic distress existing in many counties throughout the country, we believe that the singling out of one county for special Federal relief would be undesirable. Furthermore, this particular legislation appears to be unnecessary, and we would respectfully urge the committee to consider the possibility that Menominee County might obtain more lasting benefits through an active and continued participation in the existing Federal assistance programs."

As to that statement, I would like to ask this: At the time of termination the sawmill was not up to modern standards of a sawmill and the tribe was in a trust relationship with the Federal Government.

At the time of termination there was no adequate sewerage treatment plant, the mains were not in, and are not in yet. In view of the special relationship and the responsibility of the Federal Government toward the tribe prior to termination, would it not be reasonable to expect that when the Federal Government terminated the relationship, it would do so having raised the community standards to the standards that are normal for the State of Wisconsin?

That is, a sewerage treatment plant, mains in, laterals hooked up, a modern sawmill facility? In other words, is not this county situation different from every other county in the United States which did not start out as a tribe under the jurisdiction and the trust relationship of the Federal Government?

Mr. HARVEY. Well, Senator, I am sure there are many things that are unique about Menominee County and nobody has read reports in the record on this situation without feeling compassion for the special problem that exists. But there are other counties, a great number of other counties, which probably are as disadvantaged in the manner of these facilities you are speaking about as is this county.

It may be that the U.S. Government, it certainly might be argued, perhaps has a different relationship and different responsibility because of its former relationship to the tribe.

I am aware that the argument can certainly be made. However, we feel that basically while you may point out the distinction that would pertain to Menominee County, there are other counties in Ap-

palachia and elsewhere in the country which have their unique problems, too, and have equally inadequate facilities and are as desperately in need, I suppose, as this county.

Senator NELSON. Everything you say is true, but these people were wards of the Federal Government and they terminated them without any toilet facilities. Now, whatever may be the problem with another county in the United States, it was not the Federal Government's responsibility to meet it.

And the point of the proposal here is that the Government was derelict in its responsibility toward people who were governed in a trust relationship with the Federal Government. They are now putting in public facilities and sewerage treatment plants and everything in the Indian reservations around the country.

Why does not the same obligation exist for the Federal Government to terminate their tribe status and to terminate this trust status with a standard that is at least roughly comparable with a standard of public facilities comparable to the part of the country in which that tribe has lived?

Mr. HARVEY. Senator, I hope at least, as I have tried to explain, that the benefits which are available would indicate that the loss of this particular piece of legislation would not leave them without hope and an ability to improve their public facilities. The main thesis that I have tried to set forth here is that there are aids in these areas of economic development with respect to technical assistance, and with respect to loans for Menominee Enterprises for commercial and inudstrial expansion and for public facilities, and that a program does exist which offers generous help.

Now, there is a difference. We cannot make 100 percent grants, this is true, but——

Senator NELSON. But your testimony is that this particular county should not be treated differently from any other county in the country. My point is that this county is different. As a matter of fact, this is the only county of its kind in America, and that the Federal Government terminated the county without having the ordinary sanitary, education, and health facilities that are expected in every community in America.

And the purpose of the bill is in effect to point out that the Federal Government had the moral obligation that it did not meet here. They are going ahead now and meeting this same obligation in other reservations in the country, so obviously they recognize the obligation now. Now, why should they recognize it now for Indian reservations elsewhere in the country, but not recognize it for this tribe? This tribe was forcefully terminated against its will 5 years ago and only seeks to have its facilities brought up to a standard that would be considered respectable for an ordinary county in the United States.

Mr. HARVEY. Senator, I cannot argue the point of what is being done in the other Indian areas in the country. This is, I suppose, a matter for the Department of the Interior. I cannot argue against a concern for these people, but I would point out that they are, even under the application of the Economic Development Act, among the relatively few counties which really can get the maximum benefits.

Senator NELSON. Except that the county does not have the 20 percent money to come up with for the public facilities. The county

is going broke right now. That is the problem; that is why the bill is here.

Mr. HARVEY. Hopefully we could make a loan, as I say, to fill out the full cost of this. It is possible that we could make loans to accompany those grants, but this again is a congressional mandate—80 percent is the maximum—and while we could supplement that with 20 percent of the amount of the cost of the project with a loan, it would necessarily be repayable. This is true, 20 percent would be repayable.

Senator NELSON. There is no way for me to change the law. I just object to your value judgment that it would be poor policy for the Federal Government under this bill to meet its moral obligation to this group of people who were terminated against the will of the tribe.

Mr. HARVEY. Well, Senator, you know, the Federal Government accepts a great many obligations and tries to measure up to them as best it can, but, for instance, we are frequently appealed to because of curtailment of defense contracts which the Federal Government may have caused, or in closing of defense installations operated by the Government itself, and these things do cause a grave difficulty to communities. So, the Federal Government having as large a hand in the expenditure of funds in this country as it does from time to time causes other places grievous harm of a transitional economic nature, and there are innumerable exceptions that might be made. But some logic and broad pattern must be adhered to and while I recognize that there are unique circumstances pertaining to Menominee County, we think that if a special program were made for this county, that it would open the door to many other counties which do have equal adversity and which themselves might point to unique problems.

It may not be because there was formerly a stewardship by the U.S. Government over a tribe or anything of this sort, but it may be because of a change in technology, that the U.S. Government had some relationship to, which has pulled the rug out from under their industries or their mineral enterprises in that area and they would feel that here again they have a unique right to ask the United States for special consideration.

Senator NELSON. There is no other people in America except the Indians who had a trust relationship with the Federal Government. If your argument is correct, then you certainly must also take the position that the Congress was incorrect in giving any phaseout moneys to this tribe at the time it terminated it.

At the time they were terminated, the argument was, well, these x millions of dollars that we are going to pay for the 5-year period after your status has been changed and you are terminated, if this is not adequate and there is a problem, you should come back. I did not trust that assurance at the time it was made.

Now they are back, the money was not adequate as most of us were certain it would not be at the time.

The obligation hasn't been met, the money was not adequate, we are back with a bill to require the Federal Government to meet its obligation.

My objection is that you made the value judgment that they are not entitled to something that the Federal Government already made

a judgment on. The Federal Government has already given them funds for a 5-year period after termination, recognizing their special status.

There is no other county in America like this one; it is unique.

Mr. HARVEY. Well, Senator, I would like to qualify my closing remarks as they are printed in the record to show that where I say that this proposed legislation would appear to be unnecessary, I mean insofar as it pertains to economic development assistance.

I would not attempt to speak to matters outside of that area.

Senator NELSON. Your remarks and observation limits it to economic development assistance?

Mr. HARVEY. Yes.

Senator NELSON. As to the 80-percent money that is available for the construction of the public facilities, what does the 20 percent consist of? That is manpower to do the work, for example? Other costs involved? Is that what the 20 percent refers to?

In other words, would the county have to come up with 20 percent in cash to match the 80 percent?

Mr. HARVEY. Ordinarily the concept would be cash. I know of no excpetions to that at this point.

As you know, this is a new program under the Economic Development Administration and we had not allowed the inclusion of work, for instance, an intangible such as that. It may be that we could include some consideration of something other than actual cash to the cost of the project.

Senator NELSON. Are there any provisions for borrowing any part of that 20 percent, pay it back on loan?

Mr. HARVEY. Yes. We might qualify a project to make a loan for the entire 20-percent amount which would be grant plus loan.

Senator NELSON. Make a grant of 80 percent plus a loan of 20 percent?

Mr. HARVEY. Yes.

Senator NELSON. Thank you very much.

Mr. HARVEY. Thank you, Mr. Chairman.

Senator NELSON. Mr. Theodore Berry, Director, Community Action Program, Office of Economic Opportunity.

STATEMENT OF THEODORE M. BERRY, DIRECTOR, COMMUNITY ACTION PROGRAM, OFFICE OF ECONOMIC OPPORTUNITY

Mr. BERRY. Mr. Chairman, I have with me two other gentlemen whom I would like to have sit with me, Mr. Werner, who is attached to our rural task force; and Father Connolly, who is director of the Community Action effort in Menominee County.

Senator NELSON. Do you have a prepared statement?

Mr. BERRY. Mr. Chairman, I do not have a prepared statement and I will, therefore, extemporize. I learned only yesterday afternoon of your invitation for me to appear here.

Senator NELSON. I regret that you only learned of it yesterday afternoon. The invitation was sent to your office on the 2d of February.

Mr. BERRY. Yes; it went to Mr. Shriver, and he could not appear and it came to me.

However, I am pleased to have this opportunity, Mr. Chairman, to appear before the subcommittee and give support to this legislation.

Insofar as the operations of the Office of Economic Opportunity can insist in redressing the gap that has existed between the transfer on the part of the residents in Menominee County from their status as wards of the Government to self-sustaining citizens.

I am not going to comment on the philosophy of the purpose, but I think as an individual I can subscribe to the purpose that is spelled out and clearly indicated in the context of the history of the development of this county.

The Office of Economic Opportunity, and particularly the Community Action Programs division of that office have been keenly interested from the inception of our legislation, our operation under that legislation, to the conditions which prevail, social and economic, which affect the nearly 3,000 residents in that county and have given assistance, which has been documented in a summary statement furnished this committee, but with which I would like to comment in more depth, and perhaps Father Connolly can supplement in more human detail the actual application of the funds that have been made available.

In summary, since April of last year we have made three grants to the Community Action agency established in Menominee County for a very small sum in comparison with the total needs of the community.

The aggregate of these grants have been $89,959. Because of the fact that Menominee County did not exist as a legal entity in 1960, at the time of the 1960 census, the formula for allocation of dollars appropriated or made available to the State of Wisconsin are not applicable to Menominee County for the purpose of establishing a guideline dollar figure based upon the incidence of poverty in that county as it relates to the total State. And, therefore, funds that have been made available by grants by the Director have been made in response to the application of the community and response to need and have been made available through the discretionary fund made available to the Director.

We have in addition to these grants pending in our regional office expecting to be approved within the very near future, renewals of previous grants totaling some $34,000 for administration, for special education and for after-school remedial work.

Most of the grants that have been made have been directed toward educational needs of the community dealing with their youth. In supplement of these grants we also, through the Office of Economic Opportunity, with a special demonstration last year with Ripon University, in launching our academic achievement program for young people to qualify them for college eligibility, sponsored and funded a demonstration program at Ripon University that served some 32 high school youth, 17 of those 32 came from Menominee County.

We are in a sense making a beginning at preserving and conserving and strengthening the youth resource of the county, because it is in them that the future leadership and the potential for meeting the human needs of that county lie.

Because from all of the background information that we have, we are keenly aware of the fact that the residents of Menominee County are desirous of doing for themselves and are suspect in many instances of the appearance of paternalistic intervention and guidance of their destiny. And it is in this area that we believe the Office of Economic Opportunity, particularly Community Action Program, can be of

greatest help to the citizens of Menominee County in the training of indigenous leadership and providing assistance through cooperation with other institutions in providing technical aid or aid for technical training for the variety of services which the community needs and which this bill purports to provide.

Because with the use of the dollars and providing these facilities, unless there is manpower with the technical skill and know-how to operate them successfully, it could not serve the ultimate purpose as the people in that community feel they desire.

In support of our efforts to encourage self-help and to meet some of the limitation in the leadership or trained personnel in the community, the Office of Economic Opportunity has placed and has had in that community seven VISTA volunteers; this is the domestic peace corps.

From all reports their services have been well received by the residents and is serving a good purpose.

Also through the delegated program with the Department of Labor we sponsored and funded a Neighborhood Youth Corps program in the county which engaged and employed youth between age 16 and 21; some 73 young people were engaged in productive employment during the past year. This amounted to $70,870.

There have been six rural loans made to individuals in the county and by all reports have been good loans. The amount was small, but they have been helpful and fulfilled the purpose, as indicated in the act.

The work experience program which is provided for this title V of the act is a State operation and Menominee County is within a 26-county program, but I think Mr. Keith is here and will probably report to you on the factors which have militated against it becoming operational in terms of meeting some of the needs of the people in that county.

We have received an evaluation report of our beginnings from one of the consultants who serve our rural task force, and this evaluation was for the period ending in December. This report is one which indicates that even with the small amount that has thus far been applied for and been granted to the county, substantial progress has been made in reaching the people and helping to build the bridge between Menominee County and its neighbors.

Because there are certain social factors which are existent in this community, which have given rise to latent and sometimes very patent antagonisms which we believe through the use of our funds and the development and helping to develop indigneous leaders, will help appreciably in building that bridge.

We stand ready in cooperation with the Department of Labor to formulate job training programs. There is an agreement, cooperative agreement, between the Office of Economic Opportunity, the Department of Labor, to maximize our mutual responsibilities in developing job development and training programs.

Father Connolly, while here, is scheduled to have a consultation with one of the members of our staff looking toward formulating such a program in that area.

There is the need for community service and recreational centers, and we understand that there are programs that are in the making for

the purpose of applying to the Housing and Urban Development Department under existing legislation.

For the manning and staffing of these facilities our program would provide the leadership training funds, the funds for providing leadership training, and it is in this area we have stood ready and, I think, have made a substantial beginning to which Father Connolly may add additional testimony.

In conclusion, Mr. Chairman, the resources of the Office of Economic Opportunity, both operationally and as charged by the statute to affect coordination as spelled out in sections 611 and 612, we are exploring that with other departments to maximize the impact of separate Government programs in meeting the multiple and complex needs of this community.

Already in the Economic Opportunity Council discussions and the mechanics of maximizing the impact of separate programs are now being developed through the Departments of Labor, Interior, Agriculture, and our office.

This is one of the responsibilities of the Director and efforts are being made in that direction. We have one small instrument that has been created, which the Senator and Congressman are aware, the catalog which our office produced this December past, which for the first time brings together all of the programs dealing with human resource development that are funded by the Federal Government are now cataloged in one document and many of the needs of Menominee County may be met through knowing how to and where to go.

This catalog is being made available to Father Connolly and to other leaders in the community and we stand ready, as the Senator knows in the past, to assist in any way to make this legislation, if it is adopted, more meaningful in helping to provide the facilities to train people to man these programs or in the absence of this legislation, to do whatever we can, both with funds that are made available in our Department or in our Service and in other branches of the Government, to make this assistance available.

The self-help element, the desire on the part of the residents of Menominee County to do for themselves, is the purpose for which this legislation was enacted—the Economic Opportunity Act—and we have through consultants made known to them our willingness to assist, and we will continue to do so in whatever way possible and permissible under the legislation.

Father Connolly may wish to develop in more depth the impact of the programs which have been funded under our operation.

Senator NELSON. We will give the reporter a 5-minute break and resume again in 5 minutes.

(Whereupon, a short recess was taken.)

Senator NELSON. We will resume the hearings. Father Connolly, did you wish to add something?

STATEMENT OF REV. THOMAS E. CONNOLLY, DIRECTOR, COMMUNITY ACTION PROGRAM, MENOMINEE COUNTY, WIS.

Father CONNOLLY. Yes, Senator Nelson.

I thought I might explain briefly the setup of the community action program itself in Menominee County. We were funded as of April last year.

Because this program begins with the wishes of the people as they see them in the community—we have open community meetings, if possible, every month in both the towns of Keshena and Neopit. And all of those who come to these meetings, which are announced in advance, are called members of an advisory board and they make up a policy of the types of programs in which they are specifically interested.

Senator NELSON. Anyone who attends is part of the advisory committee?

Father CONNOLLY. Right; anyone who lives or has full-time employment within Menominee County is eligible. The people at these meetings, in turn, elect an executive committee of 12 people. Eight are on this committee for a period of 1 year and four rotating members have a position there for 3 months, which includes new people with new ideas on the committee.

Senator NELSON. So, at your first meeting you elected this executive board?

Father CONNOLLY. Yes.

Now, the members of the full open meeting present general policy and the members of the executive committee help determine specific approaches to this policy. They have a chairman who had hoped to be here today, but was not able to be with us, and they give us and the professional staff in the community action office our direction as to what type of programs they would like to have in the county, as to what type of work the VISTA volunteers will be doing within the county.

So, we try to keep the program as broadly based as possible within the community and begin with things which people see themselves, and because of their great interest in their children, as has already been mentioned, many of our programs so far have been with the young people, since 1,000 of our 2,600 population are in school—school-aged children.

With that as a basic background, I do not believe that any of the Office of Economic Opportunity projects can fulfill the specific purposes of the bill which we are discussing today. But I do believe that programs under the community action program supported by the Office of Economic Opportunity can provide invaluable support on a secondary level to help obtain the real goals of the present legislation which we are discussing today.

The Office of Economic Opportunity will fund specific programs, experimental programs to help fill the gaps in the community in areas of education, employment, recreational facilities. And these will help provide people with greater ability, will provide work experience, job experience, employment possibilities, so that within a period of time the residents of Menominee County will be much more able to hold good jobs within the community and to pay better taxes and do more of their share of supporting that community.

I think of the 57 housing loans that have been made under FHA, the 12 small business loans that have been made in the county——

Senator NELSON. Did the community action program prepare the applications?

Father CONNOLLY. We have a man, an assistant in our office, who is helping people prepare applications for these loans.

The development of a chamber of commerce within the county, the preliminary studies underway toward the establishment of a cooperative commercial development within the county—these are things which can be developed through the community action office and through the personnel which we have available in the county.

The employment of young people, the use of scholarship office helping young people get college and vocational school training, the work that our VISTA volunteers are doing with the Wisconsin State Employment Service team now working in Menominee County to hold community meetings, of getting people together to see what are the training needs within the county.

All of these are supplementary measures within the fields of health, education, and welfare which will further develop the possibilities, the potential test of these people, so that within a period of time they will be able to take up much more of the burden and the cost of local government.

But these programs do not meet the present needs of the county and do not meet, as I see them, the purposes intended in this bill.

I do not think the aims of the present legislation can be fulfilled without this type of development within the community and so I think that the Office of Economic Opportunity provides a very important secondary role.

I have been instructed by the members of our advisory board and their executive committee to give their wholehearted approval and support for the health, education, and welfare grants in this bill. It is something which they see is very necessary within their community to give them a limited tax relief, a limited breathing space for a number of years so they can further develop their possibilities and in time should carry more of this burden directly.

That is the role that I see of the community action program in supplementing the intentions of your legislation that we are discussing this morning.

Senator NELSON. As the director of the community action program, how many employees do you have?

Father CONNOLLY. Directly under our program there is myself, an assistant, an accountant, director of the Neighborhood Youth Corps program, a secretary, and we have four part-time personnel within the community in areas of community action activities and recreational organizations, and under a program we have presently—under a medicare alert program we have five elderly people employed visiting those who are 65 or over, to help them become aware of the benefits that they could receive through medicare or welfare or health needs.

Senator NELSON. And you were selected director by the Office of Economic Opportunity?

Father CONNOLLY. No, when the grant was made, it was made directly to the county board of supervisors as the sponsoring agency of the community action program last spring.

Senator NELSON. I don't follow you.

Father CONNOLLY. The grant was made directly to the county board of supevisors in Menominee County for a program development grant on April 15 of last year.

Senator NELSON. Who selected the personnel?

Father CONNOLLY. The county board.

Senator NELSON. Including——

Father CONNOLLY. They are the ones who hired me for the present position that I am in.

Senator NELSON. And did they hire all other employees?

Father CONNOLLY. No, the other employees have been hired—the director of the Neighborhood Youth Corps was hired directly by the county board of supervisors; the other employees have been hired directly through our office by myself.

Senator NELSON. And to whom do you report?

Father CONNOLLY. I report now to the advisory board, the executive committee of the advisory board. The Office of Economic Opportunity has put a special condition upon our grant that we organize our community action program so that the governing body would no longer be the county board of supervisors, but a separate advisory committee.

That has recently been done in such a way that the county board of supervisors remain the sponsoring agency for the community action program, the formal recipient of Federal funds, and they, in turn, by resolution have delegated the advisory board as the governing body for the community action program and all of its component projects.

Senator NELSON. Do you report to the county board?

Father CONNOLLY. No, I do not. I report to the executive committee of the advisory board, for they are the governing body of the community action program.

Senator NELSON. Does the executive committee report to the county board in any way?

Father CONNOLLY. No, they do not.

The county board has an indirect control over the program insofar as they will provide the 10 percent local contribution for a great many of our programs.

Senator NELSON. The advisory board reports directly to OEO then? They report to somebody, I assume?

Father CONNOLLY. The executive committee is responsible for the full citizens group that meets in the public meetings to follow out the plans, the general programs they have asked for. We report to the people in the community that come to the meetings according to guidelines laid down by the Office of Economic Opportunity.

Senator NELSON. There is no report back to OEO, then?

Father CONNOLLY. Yes.

Senator NELSON. They do report back?

Father CONNOLLY. We report a financial report and activity reports that go out each month.

Senator NELSON. Are these reports available to the county board?

Father CONNOLLY. If they are asked for; yes.

Senator NELSON. Thank you.

Mr. BERRY. Thank you, Senator.

Senator NELSON. Thank you very much.

Mr. BERRY. We hope we have been helpful.

Senator NELSON. We appreciate your coming.

Mr. Robert Lewis, Administrator of Rural Community Development Service, U.S. Department of Agriculture.

STATEMENT OF ROBERT G. LEWIS, ADMINISTRATOR, RURAL COMMUNITY DEVELOPMENT SERVICE, DEPARTMENT OF AGRICULTURE

Mr. LEWIS. Mr. Chairman, my name is Robert G. Lewis, Administrator of the Rural Community Development Service in the Department of Agriculture. I am here to report for the Secretary of Agriculture.

I am submitting for the record some reports fom the Soil Conservation Service, the Agricultural Stabilization and Conservation Service, Consumer and Marketing Service, Farmers Home Administration, and the Forest Service, and a summary of Federal aid programs provided for in the proposed budget for 1967.

Senator NELSON. These reports will be printed in full in the record.

(The reports referred to follow:)

MISCELLANEOUS REPORTS FROM THE DEPARTMENT OF AGRICULTURE

Soil Conservation Service

Prior to the formaiton of Menominee County, the Soil Conservation Service furnished technical assistance to the lands involved through a memorandum of understanding with each of the soil conservation districts from which the new county was formed. No specific records are available on Service assistance in those parts of the districts which went into the formation of Menominee County in 1961.

Menominee County itself became a soil and water conservation district in 1963. The Soil Conservation Service provided technical information to the soil and water conservation district governing body as they developed their program. The Secretary of Agriculture signed a basic memorandum of understanding with the Menominee Soil and Water Conservation District in February of 1965. The Soil Conservation Service signed a supplemental memorandum of understanding with the Menominee SWCD in March of 1965. Service assistance is provided through the work unit conservationist stationed at Shawano, Wis.

Our records indicate the folloowing progress with Service help in Menominee County through January 1, 1966:

Standard soil survey	acres	6, 720
Woodland harvest cutting	do	10, 000
Tree planting	do	125
District cooperators		6
Agricultural Conservation Program Referral Service		1
Land owners and operators given technical service on conservation planning and application		10

There will be a significant increase in Service help in Menominee County in 1966 as the Menominee Enterprises became a soil conservation district cooperator on January 20, 1966, wth 225,000 acres of land which comprise almost 94 percent of the total county. The Menominee Enterprises have asked for technical help from the Service on the use, development, and care of their land, water, and related resources.

The Soil Conservation Service will make available to the Menominee District an additional soil conservationist with special outdoor recreation development abilities. The Service will give high priorty to this district in the orderly development and care of their unique land and water resources. Menominee Enterprises have indicated need for Service help in soils and land-use suitability for a 6,000-acre recreation and vacation-home development area. In addition, special soils and land-use information around their 82 lakes and along their 300 miles of streams is needed.

Menominee County is in the northern Great Lakes region. The Soil Conservation Service has been actively implementing the conservation and multiple-resource conservation recommendations made by the recent Department of Agriculture task force for that region. A staff of SCS specialists have been helping with the broad program planning and development action in the region.

The SCS staff gives special emphasis to the potentials for recreation, forestry, and agriculture in the resource area which includes Menominee County.

Menominee County is also in the Wolf River Regional Planning Commission Area. The Soil Conservation Service is actively working with local leaders in developing plans for the development of the eight-county area. Special emphasis has been given by the SCS technicians in relating soils to the recreational development potential of Menominee County.

Our comments concerning a study proposed in section 3(b) (1) and (2) of S. 1934 are the following: Menominee County is practically all in private lands. The Soil Conservation Service has leadership within the Department of Agriculture for income-producing recreation on private lands.

The Soil Conservation Service as an action agency is already cooperating through a local unit of government, the Menominee Soil and Water Conservation District, with private landowners who control almost 94 percent of the total county. We have also concentrated work on regional resource development which includes Menominee County.

The Secretary of Agriculture through the Soil Conservation Service would appear to be a more logical channel through which to conduct an outdoor recreation resources study on the private lands of Menominee County. In turn, the Soil Conservation Service working through the local district would help landowners and operators put these resources development plans into effect.

The Soil Conservation Service is in a position with proper funding to help Menominee County with the development of their land, water, and related natural resources.

Agricultural Stabilization and Conservation Service

The records in Agricultural Stabilization and Conservation Service show that 24 establishments are classed as farms in Menominee County, Wis.

Ten farms have feed grain bases. None participated in 1961 or 1962.

1963, 4 farms, $2,000.

1964, 2 farms, $1,100.

1965, 2 farms, $1,200.

There were no farms participating in the 1961 or 1962 agricultural conservation program.

2 farms in 1963, $1,700.

2 farms in 1964, $2,200.

No information is being collected on county basis for 1965.

These programs plus the conservation adjustment program will be offered in the county in 1966.

Under certain natural disaster conditions, grazing of acres diverted under programs is permitted and CCC supplies of feed grains are made available below the market price.

Consumer and Marketing Service

Following is a tabulation of Federal aid to Menominee County under the school lunch, special milk, and commodity distribution programs administered by Consumer and Marketing Service for the period May 1, 1961, through June 30, 1965:

	May 1, 1961–June 30, 1965
School lunch cash payments	$7,899
Special milk cash payments	13,364
Value of food donations	172,500
Total	193,763

The Food Stamp Act of 1964 provides for the gradual expansion of the program over a period of years, and for this reason the program is not immediately available to all areas in the country which have requested it. If Menominee County officials would like to participate in the food stamp program, they would first have to request it from the Wisconsin Department of Public Welfare in Madison. The State department of public welfare in turn will request the program from the Department of Agriculture, and the request will be considered whenever it is determined that additional expansions of the program can be undertaken.

Farmers Home Administration

The following is a tabulation of loans made by Farmers Home Administration in Menominee County, Wis., since July 1961:

Fiscal year	Loans		Grants	
	Number	Amount	Number	Amount
1962	1	$7,640		
1963	2	15,400		
1964	8	74,530	4	$4,000
Total 1962 through 1964	11	97,570	4	4,000
1965—Operating loans	1	5,500		
Farmownership loans	1	12,750		
Rural housing loans	29	179,320	8	8,000
Economic opportunity loans to individuals	5	10,880		
Total for 1965	36	208,450	8	8,000
Total 1962 through 1965	47	306,020	12	12,000

Forest Service

There are 233,902 acres in Menominee County, Wis., and 225,546 acres, or 96.4 percent are owned by the Menominee Tribe.

Tribal holdings administered by Menominee Enterprises, Inc., include 224,059 acres of commercial forest land. These lands are covered by an intensive timber management plan. The plan has been updated by the resident forester for the State of Wisconsin and a resident forester for the corporation with Forest Service assistance. The plan is based on current forest survey data, obtained by State inventory crews and Forest Service technical assistance.

Since the establishment of Menominee County (1961), the State forester of Wisconsin has assigned a district forester to work full time with Menominee Enterprises, Inc. He checks compliance with the timber management plan and assists the corporation forester with technical management and harvesting problems. For the past 2 or 3 years, State and Forest Service forest products utilization and marketing specialists have worked closely with both resident foresters, the sawmill superintendent and manager of the corporation in attempts to find new uses and new markets for mill, logging and timber stand improvement by-products and waste. To date, a chip market has been obtained and a chipper installed. Bolter mills have also been installed to handle small logs and this has increased production on the headrig. Additional improvements in the mill and yard can be made.

Public assistance in forest management and forest product utilization and marketing has been evaluated at $16,500 for fiscal year 1965, and at $79,000 since 1961.

Menominee Enterprises, Inc., a forestry based cooperative, operates a sawmill that is dependent on sustained yields from the following commercial forest lands in tribal ownership:

	Acres
Hardwood and hemlock sawtimber	108,063
Pine and other softwood sawtimber	36,432
Pine and other softwood pulpwood	14,127
Aspen and paper birch pulpwood	26,768
Dense hardwood pulpwood	16,112
Restocking all types	19,087
Nonstocked	3,470
Total	224,059

This mill and these forest lands which include most of the old growth timber left in the State of Wisconsin are carrying about 95 percent of the tax burden of the county. Menominee Enterprises, Inc., are paying approximately $2 per acre per year in taxes. While some have been critical of investments in the mill and woods equipment, in our opinion, this single industry cannot be expected to pay in the neighborhood of one-half million dollars in taxes annually and

stay solvent. A definitive forest land tax study, if one has not already been made, could be a major contribution to the future of Menominee County.

The study proposed in section 3(a)(1), page 4 of S. 1934 can best be used to study the adequacy of the mill design and layout in relation to the species, size, and quality of logs that will be available to it under sustained yield management from tribal lands. It should also study the feasibility of other processing and remanufacturing facilities that would supplement and complement present operations. A third element of the study could be to develop a permanent timber and recreation access road plan for the 233,902 acres in Menominee County. In our opinion, this study should be made by a qualified consulting firm under provisions of the Public Works and Economic Development Act. The Forest Service, both direct and through their cooperative programs with the State foresters, are in a position to provide guidance and assistance to such a study.

SELECTED EXTRACTS FROM THE 1967 BUDGET MESSAGE OF THE PRESIDENT, JANUARY 24, 1966

There are many programs under current appropriations which could contribute to meeting the needs of the residents of Menominee County, Wis., if the county could supply the leadership to develop and administer the local programs and could provide the necessary matching funds. Under the proposed 1967 budget these opportunities will continue. For example, if the proposed budget is passed, there will be:

	In millions
1. Health, labor, and welfare budget items:	
(*a*) Public assistance	$3,364
(*b*) Other health services and research	2,499
(*c*) Health for aged	1,122
(*d*) Economic opportunity programs	1,600
(*e*) Labor and manpower	531
(*f*) School lunch, milk, and food stamp	338
(*g*) Vocational rehabilitation and other	508
2. Education:	
(*a*) Assistance for elementary and secondary education	1,546
(*b*) Assistance to science, education, and basic research	425
(*c*) Assistance for higher education	140
(*d*) Other aids to education	727
3. Natural resources:	
(*a*) Land, water, and power resources	2,127
(*b*) Forests	438
(*c*) Recreational resources	221
(*d*) Fish and wildlife	125
4. Other:	
(*a*) Area and regional development	193
(*b*) Urban renewal and community facilities	527
(*c*) Public housing	261

Senator NELSON. You may extemporize or read.

Mr. LEWIS. Thank you. I will summarize briefly the highlights of these reports.

When Menominee County became a soil and water conservation district in 1963, the Soil Conservation Service was able to increase its technical assistance to the district governing body in developing its program. Recent action by Menominee Enterprises in January of this year to become a soil conservation district cooperator will provide a tremendous boost in the impact of the Soil Conservation Service in the county, because that cooperator is such a large landholder in the county.

The Soil Conservation Service will make available to the district an additional soil conservationist with special outdoor recreational abilities. The Soil Conservation Service is giving help in the orderly development and care of the land and water resources.

In addition, Menominee Enterprises will be helped to develop a soils and land use suitability plan for a 6,000-acre recreational and

home development area. There is need for special soils and land use information around 82 lakes and 300 miles of streams in the county.

Menominee County is included in the northern Great Lakes region, which has received special attention from the Soil Conservation Service to help carry out conservation development for the multiple uses of natural resources of the region. And the Soil Conservation Service is giving special attention to the potentials for forestry and agriculture in the area.

The Agricultural Stabilization and Conservation Service reports that there is little farming activity in the county. Only 10 farms have feed grain basis and only 2 participated in the feed grains program in 1965; only 2 farms participated in the Agricultural Conservation Program in 1965.

These programs plus the conservation adjustment program will be offered in the county in 1966.

The Consumer and Marketing Service is continuing to make school lunch payments which have totaled $7,899 in the past 4 years and special milk fund cash payments totaling $13,364 to Menominee County. Surplus food donations for the school lunch program totaled $172,500 for the 4-year period ending last June. This program has been of significant help in maintaining nutrition of school-age youngsters in Menominee County.

The Food Stamp Act of 1964 provides for the gradual expansion of the program to all areas in the county which have requested it. We suggest that the Menominee County officials immediately take steps to participate in the food stamp program.

We believe the food stamp program would have a significant effect on upgrading nutrition of the county residents. This program can be requested through the State department of public welfare which then, in turn, would request the participation of the Department of Agriculture.

The Department of Agriculture does have the authority and does have limited funds to extend this program to areas of special need.

The Farmers Home Administration has been active in helping Menominee County residents through rural housing loans. In addition, five Economic Opportunity Act loans to individuals totaling $10,880 were made in 1965. The total overall activity for loans from 1962 through 1965 totaled 47 loans, amounting to $300,020, and 12 grants amounting to $12,000.

Almost two-thirds of the loan activity through FHA took place during 1965. These special efforts will continue, but there is, of course, a limitation of the total funds avaliable for each of these purposes. And credit is particularly tight in Menominee County, even when the Government insures the loans.

The Forest Service has been cooperating with the resident forester for the State of Wisconsin and the resident forester working with Menominee Enterprises for the implementation of a timber-planning plan.

The Forest Service reports that the mill, and the forest lands, which comprise most of the old growth timber still standing in Wisconsin, are carrying about 95 percent of the tax burden of the county. Thus, the whole economy of Menominee County is closely tied to the success or failure of the timber enterprise.

Menominee Enterprises has been required to make substantial investments in the mill and woods equipment, which has put pressure upon the immediate income returns to employees and the corporation.

The Forest Service recommends that a forest land tax study be undertaken. It also recommends that studies be undertaken to determine the adequacy of mill design and layout in relation to the species, size, and quality of logs that will be available under sustained yield management, the feasibility of processing and manufacturing facilities, and the feasibility of developing a permanent timber and recreation access road plan.

Such a study might be made through aid furnished under the Public Works and Economic Development Act. The Forest Service, both directly and through its cooperative programs with the State forest service, could provide guidance and assistance in such a study.

The Rural Community Development Service is charged with the responsibility to extend the reach of all Federal programs into the rural areas. We find that the lack of matching funds and the technical capability to prepare applications and projects for aid have seriously impaired the efforts of Menominee County officials to provide needed public services and facilities.

Menominee County residents have been particularly hard hit by these rural disadvantages. They do not have the experience nor the financial capability to provide support for normal public services demanded of a county government.

Reliance upon Menominee Enterprises as a sole source of taxes to pay for needed government services has compounded the problem.

The effective termination in 1961 diminished greatly the ability of Menominee County residents to qualify for and receive Federal funds under programs that are operated on a grant-in-aid basis to the local governments.

The President's budget for fiscal year 1966 lists 78 special programs for grants-in-aid to State and local governments administered by 13 different agencies. The catalog of Federal aids to State and local governments identifies 216 separate authorizations for Federal aid to State and local governments.

The 1965 session of Congress added 17 new programs of grants in aid assistance. Total Federal expenditures for grants in aid in fiscal year 1966 are estimated at 11 percent of the total Federal budget, 23 percent of total domestic expenditures and 15 percent of the total State and local revenues.

This information points up the necessity for local governments to have taxing capability or some other source of funds in order to provide matching funds needed to qualify for Federal and State programs.

This concludes my statement, Mr. Chairman. I will be glad to answer any questions that the committee might have.

Senator NELSON. I think we will have some additional questions to ask on this after we have gone over the testimony and I assume that your Department would respond in writing to any questions we submit for the record?

Mr. LEWIS. Yes, sir; we will be glad to do that.

Senator NELSON. I will not take up the time to ask them now. We may be running out of time for finishing this hearing.

Thank you.

Senator NELSON. Mr. Victor Fischer, Director, Office of Metropolitan Development, Department of Housing and Urban Development.

STATEMENT OF VICTOR FISCHER, DIRECTOR, OFFICE OF METROPOLITAN DEVELOPMENT, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT; ACCOMPANIED BY ARNOLD COPLAN, ASSOCIATE GENERAL COUNSEL, PUBLIC HOUSING ADMINISTRATION; AND SOL ACKERMAN, ASSISTANT COMMISSIONER, HUD, PUBLIC HOUSING ADMINISTRATION

Senator NELSON. Your statement will be printed in full in the record. It would be helpful at this stage of the hearing if you could summarize your testimony and then if we have questions, we will submit them in writing after we have heard the testimony, because I do not know whether we will be permitted to continue now that the morning hour is over in the Senate.

(The prepared statement of Mr. Fischer follows:)

PREPARED STATEMENT OF VICTOR FISCHER, DIRECTOR, OFFICE OF METROPOLITAN DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Mr. Chairman, I am Victor Fischer, testifying in behalf of Robert C. Weaver, the Secretary of Housing and Urban Development. The Secretary asked me to give you his regrets at not personally being able to be present today.

The Department of Housing and Urban Development provides a variety of aids to States, localities, corporations, individuals and other parties to help meet housing and community development needs. I have a number of copies of our publication, "Programs of the Department of Housing and Urban Development," which I can make available for the use of your committee.

We are most sympathetic with the problems facing Menominee County and its people. While this Department is not affected by the bill, S. 1934, we will certainly be most happy to provide what assistance we can.

To date, aid from our Department to Menominee County has been in the form of (1) a single property improvement loan insured by FHA for $1,190, and (2) a grant under the section 701 planning assistance program to aid the Wolf River Basin Regional Planning Commission in planning for the growth and development of the Wolf River area. The $76,046 planning grant approved 2 weeks ago was made to the Wisconsin Department of Resource Development. The Wolf River Basin area encompasses 8 counties, including Menominee County.

The Department of Housing and Urban Development has a number of programs that could assist Menominee County in planning and carrying out programs of community improvement. Most pertinent might be county planning assistance under the section 701 program, interest-free advances for public works planning, low-interest loans for public facilities, and grants for water and sewer facilities.

Construction, rehabilitation, and improvement of housing in Menominee County can be assisted through a number of programs of our Federal Housing Administration. The rent supplement program, enacted under the Housing and Urban Development Act of 1965, might assist in reducing housing costs for low-income individuals and families who are elderly or handicapped or are currently occupants of substandard housing.

I would lastly like to mention assistance potentially available under the low-rent public housing program. Officials of the Public Housing Administration have taken a look at the Menominee situation several times over the past 2 years. Low-rent housing could currently not be provided in Menominee County, because no agency exists under Wisconsin State law authorized to act.

Although there is a Wisconsin housing authorities law, it fails to authorize the establishment of any county housing authorities. Thus, Menominee County, as such, cannot establish a housing authority. The statute does provide for the establishment of a housing authority in any city of the State, but it is our understanding that there are no cities in Menominee County. The situation could be rectified by the incorporation of a city or cities, if this were feasible,

or by amending the Wisconsin statute either to establish a State housing authority or to authorize the establishment of county housing authorities.

Where an appropriate housing authority has been established in accordance with the State law, financial assistance can be provided by our Department to the housing authority for the development and operation of low-rent housing at rents determined in accordance with the principle of ability to pay. On Indian reservations, where the governing body is the tribal government, rather than the State, similar financial aid has been provided to housing authorities established by ordinance of the tribal government.

In the case of Indian reservations, when it was found that there were many who could not afford even the low rents which had to be charged in the conventional low-rent projects and who could be motivated by a strong desire for homeownership, the mutual-help housing program was devised in cooperation with the Bureau of Indian Affairs. In the mutual-help program, a group of participating families provide a sufficient amount of labor in the construction of their homes to earn a substantial equity toward ultimate ownership, and they also provide all repairs and maintenance, so that they may occupy the homes at a nominal cash rental and achieve homeownership within 15 to 20 years. The current mutual-help program is geared to the provision by BIA of certain services and assistance to tribal housing authorities. Since Menominee County no longer has the status of an Indian reservation, use of the mutual-help program would have to depend upon some other agency providing the necessary support.

As I mentioned earlier, the Department of Housing and Urban Development will gladly assist in every feasible way to meet the serious problems in Menominee County. At this point, I will be glad to answer any questions that I can personally handle. Should any additional information be necessary, we will supply it to you and your committee.

Mr. FISCHER. Senator, I have a very brief statement that outlines in summary some of the pertinent programs. I will submit for the record a publication that lists the programs of the Department of Housing and Urban Development, and if there are any specific questions on any of those programs, I will be glad to supply any additional information.

I would like to maybe read briefly about one page from this statement which pertains to the housing of low-income families. This has to do with assistance potentially available under the low-rent public housing program.

Officials of the Public Housing Administration have taken a look at the Menominee situation several times over the past 2 years. Low-rent housing could currently not be provided in Menominee County, because no agency exists under Wisconsin State law authorized to act.

Although there is a Wisconsin housing authorities law, it fails to authorize the establishment of any county housing authorities. Thus, Menominee County, as such, cannot establish a housing authority. The statute does provide for the establishment of a housing authority in any city or village of the State, but it is our understanding that there are no cities or incorporated villages in Menominee County. The situation could be rectified by the incorporation of a city or villages, if this were feasible, or by amending the Wisconsin statute either to establish a State housing authority or to authorize the establishment of county housing authorities.

Where an appropriate housing authority has been established in accordance with the State law, financial assistance can be provided by our Department to the housing authority for the development and operation of low-rent housing at rents determined in accordance with the principle of ability to pay. On Indian reservations, where the governing body is the tribal government, rather than the State, similar financial aid has been provided to housing authorities established by ordinance of the tribal government.

In the case of Indian reservations, when it was found that there were many who could not afford even the low rents which had to be charged in the conventional low-rent projects and who could be motivated by a strong desire for homeownership, the mutual-help program was devised in cooperation with the Bureau of Indian Affairs.

In the mutual-help program, a group of participating families provide a sufficient amount of labor in the construction of their homes to earn a substantial equity toward ultimate ownership, and they also provide all repairs and maintenance, so that they may occupy the homes at a nominal cash rental and achieve homeownership within 15 to 20 years. The current mutual-help program is geared to the provision by the BIA of certain services and assistance to tribal housing authorities. Since Menominee County no longer has the status of an Indian reservation, use of the mutual-help program would have to depend upon some other agency providing the necessary support.

This would possibly be a State agency. With me today is Sol Ackerman, who is Assistant Commissioner of the Public Housing Administration, and Arnold Coplan, Associate General Counsel of PHA, in case any questions on the self-help-housing approach may be asked.

Senator NELSON. I understand the housing authority would have to be set up by the State.

Mr. FISCHER. That is right; it would require State authorization to allow the county to set up a housing authority, and this would be necessary also if a self-help program were to be tried.

Another device would be by establishing a State housing authority, as is done in the State of Alaska, and then the State housing authority can come in. The State housing authority might be authorized to come into the county and provide assistance to residents of the county.

Senator NELSON. So, in order to qualify, there would need to be some authorizing legislation to create a county housing authority?

Mr. FISCHER. Or a State housing authority.

Senator NELSON. What about the authority under the law for either being in the open to do that?

Mr. FISCHER. Or all a part of the county, I guess it would be parts of the county could incorporate as a village or municipality and establish a housing authority under existing Wisconsin State law.

Mr. COPLAN. The present statute of Wisconsin authorizes the establishment of a housing authority in any city or village of the State; it does not have anything about counties, and that is the problem, because, as we understand it, in Menominee County you do not have any incorporated cities or villages.

This is a combination of the fact that no cities in the county——

Senator NELSON. Thank you very much. If we have some additional questions, we will submit them to you. We appreciate you taking the time to come over.

The next witness is Dr. John S. McCauley, Director of Manpower Training Operations, U.S. Employment Service.

STATEMENT OF JOHN S. McCAULEY, DIRECTOR, MANPOWER TRAINING OPERATIONS, U.S. EMPLOYMENT SERVICE

Dr. MCCAULEY. Mr. Chairman, I have a statement I would like to leave for the record. I would like to make just one or two additional remarks.

As you know, the Manpower Development and Training Act is designed primarily to help prepare unemployed or underemployed workers for employment. In recent weeks we have considerably liberalized our administrative interpretation as to reasonable expectation of employment.

You know, in passing this legislation, Congress required that there be a reasonable prospect that a person who takes the training would be able to get a job at the conclusion of the training.

Senator NELSON. That was the statutory provision, or was it that the training had to be given in skills in short supply?

Dr. MCCAULEY. No, the language "reasonable expectation" appears in the law and it pertains not only to the occupational objective, but also to the fact that the particular individual who is being considered, that there is reasonable expectation that he, after receiving the education will be able to qualify for employment. But the point I would like to make is that in working with seriously disadvantaged workers, particularly now that we can pay training allowances up to 2 years, we have found that it is possible to develop programs of remedial education, occupational training, and that at the end of a reasonable period of time there is, indeed, a very good prospect of these people being qualified for jobs, and our present placement rate is pretty close to 80 percent.

Senator NELSON. Nationwide?

Dr. MCCAULEY. Yes.

Senator NELSON. Is there an on-going program in Menominee County?

Dr. MCCAULEY. In the State of Wisconsin workers are selected for training through the State employment service.

Now, in Wisconsin, the nearest local office to Menominee County is in Green Bay. However, since December 13, 1965, we have had a mobile office operating within this county and residents of the county have been selected for training and usually they have been referred to classes in nearby communities.

For example, some were sent to Marinette for welding or machine operator training; some were sent to Antigo for cook training or to Wausau for training in architectural design. This is a program that is geared to meet the needs of the individual worker. It requires very carful interviewing and very detailed discussions with each individual interested in training. We would be prepared to expand this program in the county.

Senator NELSON. Thank you very much for your statement.

Did you leave a copy of your statement?

Dr. MCCAULEY. Yes.

(The prepared statement of Dr. McCauley follows:)

PREPARED STATEMENT OF DR. JOHN S. MCCAULEY, DIRECTOR, MANPOWER TRAINING OPERATIONS, U.S. EMPLOYMENT SERVICE, BUREAU OF EMPLOYMENT SECURITY, MANPOWER ADMINISTRATION, U.S. DEPARTMENT OF LABOR

The Manpower Development and Training Act (MDTA) was passed in 1962 against a background of high unemployment, a growing labor force, and a widening impact of technological change upon employment. It was amended in 1963 and 1965 against a background of improving employment for the general population but persistently high unemployment rates for many special worker groups, including teenagers, nonwhites, older workers, and the unskilled. The MDTA provided for the first nationwide program for the training and retraining of the unemployed and authorized a broad foundation program of manpower and automation research.

The act called for a diversified nationwide training program, including on-the-job training for persons who could not reasonably be expected to find full-time employment without training. Its primary purpose is the provision of occupational training to equip workers with marketable skills so that they can secure

appropriate full-time employment. MDTA training may be offered only for occupations in which there is a reasonable expectation of employment—in the local labor area or, failing that, elsewhere in the State, or finally, outside the State.

The act names for categories of workers as eligible to receive training:

(1) Unemployed workers (includes members of farm families with less than $1,200 annual net family income),

(2) Persons working substantially less than full time,

(3) Persons who will be working less than full time or will be unemployed because their skills have become or are becoming obsolete, and

(4) Persons working below their skill capacities.

Included in these broad categories of unemployed and underemployed workers are special worker groups with common problems which requires special measures for solution. These special worker groups include (1) minority groups; (2) young workers; (3) school dropouts; (4) selective service rejectees; (5) workers with obsolete skills; (6) older workers; (7) poorly educated persons; and (8) physically and mentally handicapped workers. The provisions of the act have been brought to bear on and ameliorate the problems experienced by these groups.

The types of occupational training which may be developed under the MDTA fall into three broad categories: (*a*) institutional; (*b*) on-the-job training; and (*c*) research, experimental, and demonstration programs. The latter two programs are the prime responsibility of BAT and OMPER respectively. Institutional programs are occupational training programs which are given in either a public or private vocational or educational institution, using a classroom method of teaching. For example, a training course for typists conducted at a vocational high school.

In 1963, the Congress amended the MDTA to open up training opportunities to these unemployed persons who lacked minimal educational skills. This key change authorized training in basic education skills for persons needing it to profit from regular occupational training.

Various special approaches were taken, following the adoption of the 1963 amendments, to meet the diversified needs of the unemployed including those who had previously been screened out. The most comprehensive of these—the so-called multioccupational approach—permits training for a number of different occupations in a single project.

It begins with the problems and needs of the jobseeker rather than with the need for workers, thus reversing the traditional approach. Most of the multi-occupational projects provide prevocational services—including an assessment of the prospective trainee's skills, potentials, and interests, work tryouts; and literacy training—in addition to occupational training. After completing the preliminary phase, trainees are assigned to appropriate training for an occupation for which they have interest and aptitude and in which there is a reasonable expectation of employment.

Concern over the employment situation for disadvantaged young people prompted amendment of the MDTA in 1963 to provide an expanded youth training program. Skilled youth programs are designed for disadvantaged out-of-school youth 16 through 21 years of age. They are limited to youth who come from a severely impoverished environment which has resulted in inadequate educational attainment and work preparation. These youths may receive any or all of the following: (1) counseling and testing for appraisal and adjustment of the individual in the program; (2) referral to supporting services as needed; (3) training in basic education and prevocational courses—such as basic work skills and social adjustment—and occupational training; (4) job development and other individualized placement services; and (5) followup services, including counseling, as needed to assist the youth in adjusting in employment.

Finally, procedures have been developed for referring qualified individuals to regular courses in private or public schools, provided the training could not be obtained in an MDTA project. Such a procedure has enabled a more immediate response to the training needs of such individuals.

Altogether, these special approaches have provided a bridge from unemployment to productive economic activity for several groups of severely disadvantaged persons.

As few trainees can afford to undertake occupational training without financial support, the provision of allowances has meant the difference between success and failure of the MDTA program.

The act provides (1) regular training allowance; (2) youth training allowance; (3) transportation allowance and (4) subsistence allowance.

A trainee is eligible for the regular training allowance, which is equal to the average weekly unemployment compensation in the State where the training is given, if he is (1) unemployed and (2) has had at least 2 years' experience in gainful employment. The basic weekly training allowance is increased for trainees with dependents and for most trainees whose courses last longer than 10 weeks.

Disadvantaged unemployed young people 17 through 21 years of age who would not qualify for the regular training allowance may receive a youth training allowance of up to $20 a week. It is restricted to those youths who require such an allowance in order to undertake training and who are referred to the special youth training program authorized by the act. A high school dropout may qualify for the allowance only if he has been out of school for 1 year and local authorities have used all appropriate procedures to secure his return to school without avail. Not more than 25 percent of all persons receiving training allowances may be under 22 years of age.

Trainees who are enrolled in training courses outside the commuting distance from their regular residence may be eligible for a transportation allowance to the training site and return, and/or for a subsistence allowance at the rate of up to $5 a day, or up to $35 a week, during the training period if the trainee has had to establish a separate residence away from his home. All trainees are eligible for a daily transportation allowance between their residence and the training site for amounts exceeding $2.50 a week.

The Area Redevelopment Act legislated in 1961 operated with a high degree of success to 1965. The 1965 amendment repealed the training provisions of sections 16 and 17 of the Area Redevelopment Act and brought them under the Manpower Development and Training Act. The Secretary of Labor, in consultation with the Secretary of Commerce, determines training and retraining needs of unemployed or underemployed persons residing in redevelopment areas. Occupational training of an institutional nature is conducted in cooperation with the Secretary of Health, Education, and Welfare. Under this program all unemployed and underemployed persons are eligible for training and training allowances without the restrictions which apply to other training under the act. This new provision also authorizes separate funds for full Federal financing for this program without apportionment among the States.

Senator NELSON. The next witness is Mr. Stanley Markuson, manpower development specialist, Division of On-the-Job Training.

STATEMENT OF STANLEY MARKUSON, MANPOWER DEVELOPMENT SPECIALIST, DIVISION OF ON-THE-JOB TRAINING, DEPARTMENT OF LABOR

Mr. MARKUSON. Mr. Chairman, I do not have a prepared statement as such. I have a record of the statement by the Secretary of Labor to your subcommittee on February 15. I suggest this may be submitted for the record.

Senator NELSON. It will be printed in full in the record.

(The statement by Secretary Wirtz follows:)

PREPARED STATEMENT OF HON. W. WILLARD WIRTZ, SECRETARY OF LABOR

Mr. Chairman and members of the subcommittee, thank you for this opportunity to describe to the committee the on-the-job training program being developed under the Manpower Development and Training Act.

My testimony and the description of this program will reflect, and may be influenced by, my strong feeling that the on-the-job (OJT) program is rapidly emerging as the one special training instrument best fitted to meet the demands of the present manpower situation in this country. The reasons for this broad statement can be shortly summarized:

First, the OJT programs have a flexibility about them which permits their meeting an almost infinite variety of worker and employer needs, and makes them a valuable adjunct to other training programs.

Second, these programs permit an extraordinary coordination of public and private training functions—with the accent, where it ought to be, on private responsibility.

Third, these programs lead directly from training to actual employment.

Fourth, on-the-job training involves a minimum of public expense.

Now in somewhat more detail:

As you know, the on-the-job training provisions of the Manpower Development and Training Act permit the Department to contract with employers to establish training programs for the unemployed and underemployed, and for those whose skills need conversion or upgrading.

The use of business and industry facilities for jobsite training gives practical training to the unemployed for specific occupations. Training conducted on the premises of the employer utilizes the ability and knowledge of industry in training its own employees for its own specific purposes.

On-the-job training also provides an unemployed worker with a job now. The worker, while in training, receives from his employer a wage, fringe benefits, and virtual assurance of a continuing job after the completion of training. On-the-job training can be combined with classroom instruction where basic knowledge in the occupation is needed.

During the 3-year period ending December 31, 1965, OJT programs covering more than 104,000 people had been approved; approximately 30,000 persons had completed training, and more than 90 percent of these 30,000 were employed as a direct result of this training.

Approximately 7,000 individual OJT training projects have been established, covering some 700 occupations and involving over 6,000 individual employers.

Many of these training programs reached into industries which had never trained anyone before in a formal program. On-the-job training in small establishments initiated many small businessmen in the value and efficiency of training people, a concept utilized mainly by large industrial organizations before the advent of MDTA.

About 10 percent of the training was in the apprentice-entry category. Usually of 52 weeks duration, these apprentice-entry programs prepared the trainee for acceptance and entry into a formalized apprenticeship in a highly skilled craft or trade. The time spent in the apprentice-entry program is credited toward the 3- or 4-year formal program.

We have streamlined our procedures to make it easier for an employer who wants to train one man to do so without having the same paperwork that involves several hundred trainees. We are putting into effect immediately a new short form contract consisting of 2 sheets of paper, replacing the 12-sheet form we used previously.

In national prime contract agreements, we have installed new procedures to permit the prime contractor to approve routine subcontracts and expedite procedures, saving as much as 3 and 4 weeks between agreement and departmental approval.

We are also negotiating fixed-price contracts, eliminating the need for the employer to keep cost records. Only attendance and payroll records are needed—which must be maintained in any event.

It became obvious to the Department in late 1964 that if on-the-job training was to make wide impact in terms of getting the unemployed back to work in large numbers, the practice of direct program promotion and development with individual employers would have to be augmented.

Greater effort was expended in 1965, therefore, to engage associations, large corporations, labor unions, and established community organizations to sponsor training programs for their own industry or locale.

How successful this expanded effort proved to be in 1965 is attested by the record. The number of persons approved for training under contracts with community organizations, industrial and business associations, labor unions, and corporations serving as prime contractors for their dealers, totaled more than 33,000 or 60 percent of all trainees approved last year.

CORPORATE SPONSORS

Large corporations became prime contractors in 1965 to coordinate programs among their local outlets, agencies, and affiliates located in various sections of the country, or at their main plant.

Among the large companies with large numbers of on-the-job trainees were Chrysler Motors Corp., the dealer organization for the automobile and aerospace

manufacturer, which agreed to train 800 automobile technicians and 200 autobody repairmen; Tidewater Oil Co., which will train 1,080 gasoline service station managers at their east and west coast training centers, and Douglas Aircraft Corp., which will train 386 draftsmen, 80 computer programers, and 340 Fortran analytical engineers.

Under the Chrysler contract, the firm has a national training coordinator and several assistants traveling to the dealerships to start programs for as many mechanics and repairmen as needed. Upon completion of the 52-week on-the-job training program, the trainees are admitted to formal apprenticeship programs without further Federal assistance to the dealer for the cotninuing training.

ASSOCIATION PROJECTS

National service organizations and industrial trade associations took a more active role in developing on-the-job training programs for their memberships in 1965.

Twenty-one associations joined the Department of Labor in developing programs for more than 13,500 trainees.

The largest association contract in 1965 was written with the Hospital Research & Educational Trust of the American Hospital Association to train 4,000 persons in the nonlicensed, subprofessional hospital occupations. These jobs included nurses' aids and orderlies, ward clerks, cashiers therapy assistants, diet kitchen aids, and boilerroom helpers, among others.

The Diaper Service Industry Association will train 700 unemployed as launderers and delivery route salesmen, many of them recruited from among so-called Neighborhood Youth Corps "graduates."

Twelve State associations of oil marketers and jobbers are developing training programs for more than 4,000 trainees as service station salesmen in Arkansas, Colorado, Florida, Kentucky, Louisiana, Michigan, Minnesota, Missouri, Nebraska, North and South Dakota, and Wisconsin.

It will perhaps be helpful to set out in a little more detail the way this type fo contracting works through a large national association representing hundreds of small business enterprises in a specific industry. The National Tool, Die & Prescision Machining Association's contract with the Department is a good example. Nearly 1,200 tool and die maker apprentices are scheduled for training in hundreds of shops in 26 cities under this contract. We are about to expand this contract to train about 1,100 more.

This national association represents local associations made up of small tool and die shops, some having no more than 10 employees. The national association's training coordinators moves into an industrial area where a local association of tool and die shops exists. Agreement is reached by the shopowners that there is need for 45 additional tool and die makers among the 18 shops in the area.

Working with the shopowners, the coodinator helps select one or more tool and die instructors to be paid wages out of the Federal allocation. He also arranges for classroom instruction with local vocational school.

The 45 trainees are selected by the employers from a large panel of qualified candidates selected by the local State employment service office. The men are distributed among the shops, some shops hiring one trainee, others two, and so on. The local instructor then establishes a schedule, moving from shop to shop as he instructs the trainees.

The tool and die makers are paid from $1.65 to $2 an hour when they begin training. The employer, who hs signed a subcontract with the Labor Department through the national association, is reimbursed a portion of the training costs.

We have on-the-job-training programs with 2 other associations which involve the training of 2,500 mentally retarded. The Institute of Industrial Launderer's 500 members will develop training programs for 1,000 mentally retarded persons to work in laundry service occupations. Another 1,500 mentally retarded persons will be trained under the sponsorship of the National Association for Retarded Children in retail service occupations in large department stores.

COMMUNITY PROJECTS

Perhaps one of the most significant developments in 1965 was the increasingly important role played by community groups in on-the-job training promotion and development. These programs accounted for nearly 20,000 traintees in more than 50 cities in 1965.

Community organizations such as the Urban League and a variety of special new organizations created by mayors, civic leaders, community action programs, and minority group representatives recognized the scope of the assistance MDTA offered and took up the problem of training the unemployed in earnest in local areas.

The Urban Leagues in 24 cities agreed to find on-the-job training opportunities for 7,000 people in their communities by seeking the participation of individual employers who would provide the training, recruit the trainees, and develop and administer the subcontracts with these employers.

The Urban League program in Pittsburgh is illustrative. One project for 113 trainees, has already been completed; and the Pittsburgh league was awarded a second contract last month to develop training opportunities for another 400 unemployed. Twenty-eight of the first 113 trainees had had no work history, 21 had been on welfare, and the remaining 64 had worked sporadically as laborers, porters, or domestics earning an average of $18 a week before training began. Jobs were found for 113 floral designers, keypunch operators, machinists, upholsterers, warehousemen, floor tilers, meatcutters, auto body repairmen, and stenographers. The average weekly wage of the entire trainee group rose to $62 a week upon completion of training.

The NAACP has been working with the Urban League in Cleveland in operating a pre-job-training program for 1,250 youth aimed at preparing youth 16 to 25 years to successfully pass apprenticeship examinations and enrollment in MDTA programs, many of which will be on-the-job training.

The Department has worked closely with various local Mexican-American organizations to promote and develop on-the-job training programs.

Thirty-eight other community groups, organized principally to use the assistance offered by OJT–MDTA, accounted for nearly 13,000 other on-the-job trainees. These groups included the San Diego Mayor's Committee for Jobs, Inc., Utah Employment Training Committee, Chattanooga Full Employment Committee, Mexican-American Community Services Project, and Detroit's Committee on Total Action Against Poverty.

Nearly $12 million was allocated in OJT funds for these community projects in 1965.

The Department has assigned a representative from the Manpower Administration to the Equal Employment Opportunity Commission to lend expert advice to employers and unions seeking to develop training programs under MDTA.

About 20 percent of the OJT trainees in 1965 were nonwhite.

ORGANIZED LABOR PARTICIPATION

With the need for more workers and the retraining or upgrading of skilled workers in many industries becoming increasingly apparent during the year, more and more labor organizations began to participate in OJT–MDTA to help meet the demand for skilled workers capable of meeting new skill requirement.

Joint labor-management and labor-sponsored on-the-job training projects covered nearly 6,000 trainees entering apprentice-entry and retraining or upgrading programs. These programs were under the aegis of 24 different labor organizations and joint labor-management groups in 28 States.

EXPANDED SCOPE OF TRAINING

More and more of the potential trainees screened and tested by the employment services are now found to have low literacy levels or other deficiencies. This was a natural consequence of the continuing decline in the unemployment rates in 1965. As more and more of the better prepared unemployed were assimilated into jobs, either on their own or through MDTA training, the less prepared and educated presented a greater challenge as OJT–MDTA prospects.

Good cooperation betwen local educational and social service agencies enabled OJT developers to expand the so-called coupled program. On-the-job training is coupled now with classroom training to provide literacy and other related instruction to prospective trainees. About 58 percent of our on-the-job training programs in fiscal year 1967 will be of the coupled variety because of the decreasing unemployment rate. We are reaching more and more of the hard-core unemployed. Indeed, in fiscal 1967, 65 percent of the trainees will be from this group.

The Department also has liaison officers working closely with the Office of Economic Opportunity to coordinate and utilize the youngsters moving out of

the Job Corps and community action programs for actual training on the job with employers who have worthwhile and stable occupations which need workers.

The youngsters who "graduate" from the Neighborhood Youth Corps will be given first crack at openings in on-the-job training programs. This is being written into our OJT contracts as a sensible and logical step in moving disadvantaged youngsters up the economic and social ladder.

The question is raised whether some of the jobs in these programs are of the dead end variety, jobs without future—or whether they are training for nothing. There have been, for example, about 3,250 men are trained as gasoline service station attendants. But what this means, typically, is that a young, unemployed man, usually a school dropout with little or no employment experience, is hired under one of these gasoline station projects. His training, usually of 10 weeks' duration, covers the importance of his physical appearance and cleanliness, his manner of speech and address when he approaches a customer, oiling and lubricating a car on the rack, the variety of items for sale and their merits, and the techniques of selling. He learns—often for the first time—how to work. It is that simple—and important.

WAGES

The Bureau of Apprenticeship and Training (BAT), which is responsible for the administration of OJT–MDTA, has for years directed the promotion and development of formal apprenticeship programs in the United States. The general rule of thumb regarding wages paid the entry apprentice is this: He receives half the going rate paid the journeyman or full-fledged craftsman, with periodic increases so that in his final period of apprenticeship he is earning 85 percent of the journeyman rate.

This rule of thumb has been applied whenever possible in those occupations and industries where the final rate of pay is high enough to warrant this starting wage rate. In general, however, the employer pays the OJT trainee whatever he is paying his other workers in comparable jobs. Virtually all trainees are paid at least $1.25 an hour.

A broad sampling of 40,000 trainees showed that the first-year wages paid the trainees averaged about $3,760, and more than $4,700 the second year. These wages included those received during post training as well as training.

TOWARD A BETTER TRAINING PROGRAM

Mr. Chairman, I have been involved in the formulation and administration of the manpower training program since its inception. This has meant, necessarily, looking always for ways to improve it.

We knew from the beginning that one of the necessary developments had to be the leaving of the maximum degree of responsibility for specialized job training in the hands of employers.

This prompted us to consider very seriously, and to explore thoroughly, the possibilities of tax incentives to employers as a substitute for federally assisted or subsidized training programs. I knew that these possibilities have been, and remain today, in the thinking of many people.

The difficulties with the tax incentive proposal were discussed with this subcommittee by Mr. Stanley Ruttenberg, Manpower Administrator, at your hearings last September. He noted the difficulties of selecting a base period to measure the extent of additional training for which the employer would be given tax credit; of establishing controls to assure that the tax incentives would actually stimulate more training of the type most needed by the economy; of avoiding overcentralization in the decisionmaking process covering training at diversified and local levels; and of preventing credit being taken for training not commensurate with the tax deduction.

In my considered judgment now, however, the controlling consideration is that the on-the-job training program has supplied us—as a lesson of proven experience—with the answer we were looking for.

It puts the training almost entirely in the employers' hands.

It has become an effective instrument for implementing national policies which employers share with the entire community.

And it is proving to be an almost historically economical program.

Let us look at this program in hardheaded, dollars and cents terms—in terms of who the trainees are, what it costs to train them, what their earning power

becomes, and what the Government (which is the country) gets back on its investment.

Here are some of the key facts:

Most of the OJT trainees (about two-thirds) were unemployed before they joined the program.

We estimate that the average MDTA on-the-job trainee earns $59 a week during 19 weeks of training, and $80 a week as a full-time worker after his training. Thus the average trainee earns $3,761 the first year.

The cost to the Government of on-the-job training averaged about $495 a trainee in 1965. Some cost more, some less.

According to the Internal Revenue Service the average Federal income tax for married workers with one child who earn $3,761 a year is $211.

Thus, in the first year, a typical on-the-job trainee repays the Federal Government about 43 percent of its total investment in him. Before the second year is over, the Government has been repaid in full.

It is difficult, of course, to find the "average" illustration. Programs vary from the most expensive, during which 52 weeks of training is provided, to those lasting only 3 weeks.

Those trainees already approved will earn almost $392 million during their first year of training and work. Their training will cost the Federal Government $51 million, of which about $20 million will be repaid in taxes during the first year, and the remainder the second year.

On-the-job training programs are a sound investment.

These programs have been warmly received by American employers, who, in the long run, must provide the jobs for American workers. The business community, along with American labor, has cooperated in making MDTA on-the-job training an exciting and successful program.

Thank you.

Mr. MARKUSON. Unless you want me to summarize some of the statements, I could give you a particular rundown on the situations in Menominee County regarding on-the-job training.

Senator NELSON. I think that would be helpful in the record and we will print in full the Secretary's statement.

Mr. MARKUSON. The particular emphasis, of course, of on-the-job training as opposed to the institutional or CAP is to aline a particular employer's specific occupational needs with the availability of people. If the employer has a shortage for certain occupations in his plant, we will assist him in training unemployed or underemployed people if he cannot adequately restock his need with fully trained people.

In the particular case of Menominee, we do have an on-going contract with the Menominee Enterprises, which is for training of people in the woodworking mill.

I will give you the details on that, if you would be interested.

Senator NELSON. Yes.

Mr. MARKUSON. We have 42 trainees invloved in this program and these 42 trainees are in these occupations: heavy-duty equipment mechanic, 10 trainees; stationary engineer, 15 trainees; log scaler, 15 trainees; dry kiln operator, 1 trainee; and saw filler, 1 trainee.

We have a contract with the Menominee Enterprises and we are paying them for some of the direct training costs and these are instructors' wages and some of the maintenance and repair, excess maintenance and repair of equipment used by the trainees.

The Menominee Enterprises pays the trainees a wage, while they are in training; when they complete the training, he becomes a permanent employee of the enterprise.

The primary benefit here is to allow the enterprise or any plant in the area, employer, to defray some of the initial cost of training which

is needed to either expand his industry or because of technological changes to adapt his equipment or operations.

Your initial training costs when you take unemployed people can be high; our program helps defray that cost and makes it feasible.

Senator NELSON. How big is that grant?

Mr. MARKUSON. We have a contract with them for $37,697 and we have just amended that for $4,000 additional money, because of added costs, so it is a total of about $42,000.

Senator NELSON. And did I understand you to say that each of these trainees who qualifies will have a job with Menominee Enterprises at the conclusion of their training?

Mr. MARKUSON. The commitment the company makes—the sponsor makes is that he has a vacancy; he will train these people for the vacancy. This is established before the contract is signed. If these people successfully complete the training period, they will be retained in that vacancy as a permanent employee of the enterprises, so it is a predetermined job vacancy and the employee wins the job by successfully completing the training.

Senator NELSON. How do you compute the amount of money that the Department of Labor will pay for the training? Pay any of his salary, wages?

Mr. MARKUSON. We do not pay any of the salary or the wages of the trainees. This is a company cost. This is a part of the sharing arrangement. We compute the cost and we determine the length of training needed for each occupation.

By prior experience we know how long it will take, approximately, to train a man to be a log scaler. We compute the length of training, we estimate how many hours of instruction will be needed and this number of hours times the rate for the instructor's wages gives us a figure of salaries for the instructor.

Equipment cost and maintenance, we estimate this. This is what we call a cost-estimate contract. If it is higher, we will pay that. If it is less, of course, the Government will get it back.

Senator NELSON. It is your idea to pay the full cost of instruction?

Mr. MARKUSON. Full instruction and some of the other costs directly related to the training.

Senator NELSON. Does that conclude your testimony?

Mr. MARKUSON. Yes, unless you have other questions.

Senator NELSON. If we have further questions, we will submit them in writing before the record is closed.

The record will remain open for additional statements to be submitted or modifications of testimony until Friday, 2 weeks from tomorrow at the close of business.

Was there any other witness who was not called upon?

(No response.)

Senator NELSON. That concludes the testimony on this bill.

Thank you very much.

(Subsequently the following material was submitted for the record:)

PREPARED STATEMENT OF WALTER JOHN CHILSEN, PRESIDENT, WAUSAU FRIENDS OF THE MENOMINEES, WAUSAU, WIS.

My name is Walter John Chilsen of Wausau. I'm an employee of Wisconsin Valley Television Corp. and president of an organization called Wausau Friends of the Menominees, Inc.

For the record, I would like to speak in support of S. 1934 and its companion bill H.R. 8034. I do so in hope that the committee will recognize that not only is there strong official support for this legislation, as evidenced by the impressive mass of testimony yesterday; but also the neighbors of the residents of Menominee County—the people of the State of Wisconsin—are strongly in favor of this legislation.

Our organization was formed in February of 1964 to help the residents of Menominee County in any way that we could because the evidence was then that they were victims of a prejudice of neglect. They were terminated from Federal control and apparently no one cared whether they would succeed or not. The Bureau of Indian Affairs said they were no longer a Federal concern. The Commissioner of that agency told me that he couldn't even make a trip to Menominee County unless he went at his own expense. A White House representative told tribal members that they "were on their own now" and should expect no more Federal aid. Most of the residents of the State heard no complaints and the general impression was that the termination plan was proceeding fairly well.

Our organization and the TV station I work for became determined to focus the attention of the people on the shocking conditions that existed. We editorialized for action. We asked AP to run a series of articles in newspapers throughout the State. The Friends of the Menominees with the assistance of an aroused public and State officials were instrumental in founding a county library, a summer day nursery program and an after-school study program. A new spirit of hope began to appear in Menominee County. The Menominees are to be highly complimented for the marvelous efforts they have made in trying to struggle on under the awful yoke of county responsibility that was thrust on them by the termination act. The oversites of termination are a public scandal.

The neglect of the Federal Government in not seeing that Menominee County was brought up to at least the minimum level of other counties in the State before termination—this neglect has actually caused a deterioration of the situation within the county—has caused additional human misery.

As was substantiated yesterday, the Menominees are being forced to destroy their precious natural resources. The more capable Menominees find it necessary to leave, and this fact compounds the suffering and the problems of those who remain. I know that you, Senator Nelson and Congressman Laird, recognize this fact and that is why this legislation has been introduced.

The Friends of the Menominees urge its speedy enactment.

PREPARED STATEMENT OF GARY ORFIELD, GRADUATE STUDENT, UNIVERSITY OF CHICAGO, CHICAGO, ILL.

MENOMINEE TERMINATION

Mr. Chairman, the Menominee people have been the object of a vast social experiment, based on the reactionary principle that people can be made "free" only by removing needed Government services and protections. That experiment has failed, as have similar experiments in the past. Largely because of the concern and caution of the Wisconsin State government, that failure has not been irreversible. The Menominee people and the State of Wisconsin have patiently and diligently attempted to make a success of termination, but their best efforts have only succeeded in reducing the size of the disaster. The termination experiment has been tried and found inadequate. It should now be ended.

As I read through the 1954 hearings on the termination bill it is apparent that Congress intended that termination should accomplish several basic objectives. In the first place, it was to make the Menominees "free" and fully participating citizens of the State. In the end this boiled down to a requirement forcing the Indians to pay State and Federal taxes and a provision for heavy taxation of the inefficient and outmoded sawmill upon which the tribe is almost totally dependent for employment. This was "freedom."

In the second place, the law was intended to give the tribe control over its property. Some Senators thought that tribal ownership under Government supervision hampered economic development and discouraged individual initiative. It was asserted that development would be stimulated if the people were

given full control over their own property. This policy did not last long, however.

In 1956, Congress amended the termination act to require that the forest be permanently managed on a sustained-yield basis, thus reducing the market value of the Menominee forest by 60 percent or more. During the formulation of the tribal business plan, the Interior Department further limited the tribe's options by informally notifying the tribal negotiating committee that it would not consider a plan to liquidate approvable under the terms of the legislation. Finally, the Wisconsin Legislature refused to enact the legislation required by the tribe until the Menominees accepted a 30-year restrictive covenant, forbidding the sale or mortgage of tribal property without State consent.

Tribal control of property was not only limited by governmental decision, but also by the structure of the business organization which was established. The tribal business plan, an enormously complicated document adopted with little understanding on the part of the people, provided that the control of the business would be completely out of the hands of the Menominee stockholders for at least 10 years. In the end, the tribal membership has far less authority than they did before termination began. Before termination, the elected advisory council and the tribal membership in the general council exercised authority over many budgetary decisions and powerfully influenced the selection and tenure of business managers and reservation superintendents. Today, the board of directors is controlled by non-Menominees and a decisively large block of stock is voted by the First Wisconsin Trust Co.

Nor has termination proven a great incentive to individual initiative. An adult education program provided, for a few years, an opportunity for vocational and college education which had long been necessary. The program has ended, however, and the need still exists.

In terms of personal property, the tribe has devised an arrangement with the disadvantages but few of the advantages of ownership. People who own homes and have lived on the reservation for years are now required to buy their lots, and more than 600 have been forced to turn in all or part of their income bonds for this purpose. Although the people are required to buy their land, they are not allowed to freely sell it. Similarly, the people have been given bonds for which there is no market and stock which they are not yet allowed to sell. The bonds are considered as property, however, and they must be surrendered to obtain the same welfare assistance to which they were earlier entitled. Almost 400 additional bonds have already been surrendered for this purpose. In order to obtain the services to which they were entitled previously, the people must give up their hope for a future financial return and their stake in the tribal property.

A third goal of the termination legislation was to change the center of governmental relations with the tribe from the Federal to the State and local levels. Both in the Bureau of Indians Affairs and in the Congress it was assumed that transfer of governmental functions to State jurisdiction would be a relatively easy task, hardly requiring consultation with the State government. It was repeatedly stated that the State had already assumed most of the major responsibilities.

Actually, apart from its work in education and welfare, the State was then performing few significant functions for the Menominees. In most important respects, the reservation area was almost totally separated from Wisconsin government. The State had no control or jurisdiction over the tribal forest, and State standards were not applied to the tribal enterprises. Tribal lands and lakes were closed to Wisconsin sportsmen, and the tribe was exempt from almost all forms of State taxation. The tribe operated its own utilities and hospitals, and they were not required to meet State standards. The task of intergrating the reservation into the system of Wisconsin State government was to be extraordinarily complex, requiring very extensive changes to bring tribal operations up to standards required by State law. At the same time these basic business adjustments were undertaken, the tribe also assumed the burden of organizing and operating county and town governments.

The Federal Government lightly assumed that since the tribe had been largely self-sufficient, they would be little burden upon State government. The Wisconsin government spent a great deal of time and effort in developing a workable plan of local government for the Menominees and has been providing some subsidies to the new county. Even with large Federal subsidies, however, the new county has barely kept afloat financially and will surely require outside assistance for some time into the future. By taking bonds for welfare care,

the State is only postponing the time of assuming a large direct relief load. It will be expensive for Wisconsin to treat the symptoms of the Menominee economic problem. Given limited State resources, it will likely be impossible to deal effectively with their underlying causes.

Clearly, a fourth objective of the termination legislation was to save money. The first suggestion of Menominee termination came in 1947 as a way to cut Bureau of Indian Affairs expenses. The Government has saved no money. On the contrary, cost of Federal and State assistance have skyrocketed since the enactment of the termination law, and will continue to be high until solutions are found to the basic economic problems of the tribe. Before termination, the tribe was largely self-sufficient, and, in the 10 previous years, annual Government assistance ranged from $20,000 to $70,000. Since termination became law, Federal expenditures have exceeded $3 million and none of the fundamental problems have been solved. No funds have been provided for the capital investments which are required to make the area economically self-sufficient again. Through per capita distributions authorized by the Termination Act and required by law, tribal funds declined dangerously and the tribe's economic position became increasingly precarious. Well before the termination date it was clear that only the most optimistic projection of the lumber market and the skill of the new business management could show a chance for economic viability. Weak management and stiff competition resulted in a conspicuous failure to reach projected goals.

The termination legislation was based on false assumptions about the tribe, about tribal resources and the economic future, and about the State government. None of the goals of the legislation have been attained, nor is there any likelihood of their attainment. In effect, the problems have merely been shifted from the Federal Government to the State of Wisconsin. Unless there is a large-scale change, the Menominee community will certainly continue to decline, will certainly lose possession of some of its finest lands to outsiders at little profit to the tribe, and will, very likely, lose control of the corporation which holds the tribe's assets. Something must be done.

Wisconsin has been treated inequitably. While other States such as Montana, South Dakota, and California vigorously and succesfully opposed enactment of termination legislation, Wisconsin did its best to make the policy work. The Menominees are the largest of the tribes terminated. The only other large group, the Klamaths, have far more adequate resources. Wisconsin, in other words, is being asked to assume a burden other States do not share and which Wisconsin cannot afford. Wisconsin should carefully document its case and should demand that this inequity be ended. The Federal Government has the clear responsibility for providing the necessary assistance for the development of the Menominee resources.

Perhaps the most immediate need is for a thorough study of the tribal business organization. The annual reports of Menominee Enterprises, Inc., are filled with reports of success and predictions of prosperity, but one hears a very different story from many Menominees. Tribal leaders report deep divisions on the voting trustees and the board of directors between the Menominee and outside members. Long-experienced Menominee workmen report gross incompetence on the part of the corporation's first two presidents and many of the people they brought in to fill top positions. It is charged that Indians are discriminated against for the better positions, and that anyone voicing opposition to the corporation is fired. Similarly, it is asserted that the corporation has successfully attempted to dominate the local government institutions.

Perhaps the most important allegations, however, relate to the financial standing of the corporation. Even with direct assistance from the sale of property and of the electricity system, and with indirect assistance from the welfare department's bond program, the corporation has lost money. Sales have lagged far behind predictions, and the vitality important reserve capital has continually diminished. Expensive equipment has been bought only to learn that it cannot be used successfully in the Menominee forest. Menominee Enterprise, we were told this morning, will be able to meet the next interest payment on the bonds, but it will mean almost eliminating the reserve. Some assert that the corporation's reserve is now less than $250,000, or less than one-eighth the amount considered necessary when the forest was under Federal supervision. Clearly, Menominee Enterprises is at the mercy of any market fluctuation.

An investigation of these allegations is urgently needed (with subpena powers if possible), as is a full audit and report on the financial condition of the tribal business. This report might well be the prelude to a move requesting

resumption of some form of Federal trusteeship. There can be few groups in Wisconsin who have borne more and now deserve more from the Federal Government than the Menominees. It is the responsibility of the State to make this need known and to demand that action be taken.

THE WAR ON MENOMINEE POVERTY

Almost by definition an Indian reservation is also a "pocket of poverty." With pretentious generosity we have graciously provided the Indian tribes with a large empty assemblage of the most rocky, infertile, isolated, and forsaken land in the country. Usually the Indians are just left there, without decent housing, without jobs, and without hope. Sufficient handouts are provided to prevent total national scandal.

Indian poverty, however, is an old story, told many times. It is not news. It is much more pleasant to read of those tribes which accidently struck oil or somehow held on to land which turned out to be valuable in spite of the best laid plans of the Government. The optimist can almost see a "hidden hand" working mysteriously to right past injustices.

Success is a relative term. Reports of Indian success often emphasize comparisons with other Indian groups rather than the general population. It is extraordinary difficult for any Indian community to escape poverty, and even then the escape may be largely illusory and dependent upon Government assistance.

The Menominees.—"That's an awful lot of money for 2,300 people," commented the man from Sargeant Shriver's staff. It is. More than a million and a half dollars. The Menominees need everything from police protection to training programs and back again to health facilities. Even if all this money were provided the roots of community poverty would be virtually untouched. The Menominee tribe has an awful lot of problems.

Menominees have waited long, but the future promises only millions of words ballooning the self-congratulation of reformers and administrators who claim the sovereign solution to the tribe's problems. But there will be little real help. The needs will remain, unmet.

It is hard to believe that only 12 years ago the Indian Commissioner came up to the reservation in northeast Wisconsin to tell the tribal members that "there is no Indian group in the country that basically is better fixed economically than the Menominees * * * I doubt that there is any group that is more advanced and able to look after its own business." The tribe owned a $36 million hardwood forest and a large timber mill. It had $10 million in the Federal Treasury and was one of three Indian groups in the country able to pay for its own community services. Today the Menominees face bankruptcy and the collapse of the one local industry. The tribe must beg for Federal help to partially put back together what has been thoughtlessly destroyed.

A decade ago a study by the Wisconsin Human Rights Commission concluded that the Menominee people were prosperous and self-sufficient. The tribe was seen as self-reliant and enterprising. Since that time the Federal Government has spent over $3 million on the Menominees and Wisconsin has financed a $1 million emergency welfare program. Today, however, one State official compares the Menominee crisis to the chaos in the Congo. Threat of a large economic collapse has forced the tribe to offer to sell a large part of its forest land to the State government.

Menominee poverty is not natural and long-existing. It is the direct result of a decision of Congress to deprive the tribe of Federal protections and guarantees, a decision embodied in the Menominee Termination Act of 1954. A policy designed for rapid integration of a successful Indian community into Wisconsin has virtually destroyed the community while confronting the State with massive problems with which it was totally unable to cope.

State officials have no tools to deal with community disintegration. Conversations in Madison about the Menominees always seem to end with an unconvincing expression of hope that the War on Poverty will take care of the problem. After all, explains one welfare official, "the problems are way beyond the scope of just welfare." State officials cannot give the Menominees special consideration, for there are other Indian tribes living in even more miserable conditions. Milwaukee and Madison slums and the needs of six counties with almost half of their people below the poverty level must compete with the tribe for the State's share of the Poverty funds. It has taken intervention from the Governor and the university president to gain a serious consideration in Washington of even immediate minimal Menominee demands. Begrudgingly, the Government now

seems ready to distribute small palliatives to a community robbed of rights and privileges guaranteed by century-old treaties.

Background to the termination policy.—Try sometime to explain an Indian reservation to a foreigner. It is embarrassing precisely because there is so much that seems wrong and un-American. Who can forget that these areas often served as military concentration camps where Indian pride was broken and thousands died of starvation. Carloads of old clothes sent yearly by church groups and charitable organizations indicate the scar on the American conscience. Northern liberals bitterly condemning the South feel a heightened uneasiness about the suggestion of racial segregation involved in the reservation system. Finally, there is the troubling challenge to American economic dogma implicit in the communal life of most Indian tribes.

The anomaly of the reservation has never been quite accepted by Congress. The idea that common ownership of tribal lands was compatible with economic and social progress has never proven wholly digestible on Capitol Hill. Tribal lands are considered the heritage of the entire people not to be alienated by one generation or by individuals. The Government acts as trustee, regulating land use. Implicit in this policy is a further assumption which has long exercised some Members of Congress—that the Indians are less able than other Americans to handle their own property. Not surprisingly, a policy combining "socialism" and bureaucratic paternalism finds few fervent advocates.

Special protections might be necessary for the most primitive tribes, it is argued, but surely the long-range goal must be to make these provisions unnecessary. Something must be profoundly wrong with policy when even the relatively successful tribes lagged far behind the white communities. The answer seemed remarkably simple to the postwar conservatives—the termination of all Federal policies which distinguished the more advanced Indian groups from the general population. The tribes would then bear the full responsibilities of local government and meet the burdens of State and Federal taxation. The reservation as such would be rapidly abolished and integrated into the State, where the general dynamism of the economy and American society could be counted upon to insure progress. If only tribal members were "freed," self-reliance would be stimulated and the forces of Indian advancement would be released.

Early in the Eisenhower administration the termination policy became the goal of a crusade organized by Senator Watkins, of Utah. A deeply conservative man, he had no sympathy with extensive welfare programs controlling individual lives. "As it now stands," he argued, "many of these Indians are in the depths of poverty, largely because they have not been able to use any of the assets in a businesslike way." Watkins embraced the new policy with religious fervor. "After all," he said, "the matter of freeing the Indian from wardship is not rightfully a subject to debate in academic fashion * * *. Much more I see this as an ideal or universal truth." Watkins guided through Congress a resolution directing the Indian Bureau to draft legislation terminating several Indian groups.

The following year lengthy hearings were held on the termination proposals under the direction of Senator Watkins. Few Members of Congress found time to participate and the decision was left to a dedicated minority on the Indian Affairs subcommittee. After all, everyone knew that something was wrong, and there seemed nothing harmful about a proposal to give the Indians more freedom.

Beginning, once again.—From the outset, the policy was based upon false assumptions and was destructive in its impact. The promised shortcut to Indian assimilation led only to another exploration of a familiar blind alley.

Time after time, Congress has convinced itself that it has discovered the shortcut to Indian progress, only to be forced to reverse itself to preserve disaster. Policy has changed frequently and erratically. President Grant ended military control and parceled out spheres of control for various missionary organizations. When this policy failed, Congress decided in the 1880's that the fundamental need was not religious example, but the stimulating effect of capitalism. The Allotment Act was based on the assumption that if only each Indian were given his own small plot of land, competitive instinct and agrarian virtue would surely take hold.

Like much social legislation, Indian policy reflects current social ideology. The process of change in policy, however, is not constant and gradual, but sudden and radical. Generally Indians are simply not worried about a great deal. When public interest grows strong or when a Member of Congress embarks on a crusade change can come very fast.

In a period of Republican majorities subscribing to laissez faire and social Darwinism, the allotment policy seemed a rational and humane means to social progress. Happily, the policy was also inexpensive and promised to relieve the Government of future burdens. Under the legislation, the new "capitalist" farmers were given title to millions of acres of land, most of which was promptly swindled away from them by local speculators. Huge stretches of Indian country were lost forever.

The application of 19th century conservatism brought disaster, but there was little response either from Congress or the Executive. Not until a wave of reform of the early New Deal was the policy fundamentally changed. In a dramatic switch, an effort was begun to reconstruct the shattered territorial base of Indian communities and to encourage renewal of Indian culture and self-government within the reservations.

Domestic policy went into eclipse, however, with the beginning of the war. It became easy for congressional opponents to snipe at New Deal programs. Funds were denied, and eventually the Indian Commissioner responsible for the reforms was forced out.

The new generation of postwar conservatives were quick to attribute the ills of the Indian communities to the peculiar policies of the New Deal. The tendency was to revert to assumptions very similar to those which underlay the allotment policy. Isolation from national, social, and economic life was seen as the fundamental obstacle to Indian progress. The nostrums proposed were private ownership and rapid integration. The New Deal reforms were denied time for a real test, and Congress turned back to an approach which had been bankrupt for a half century. Termination became the declared policy of the Congress.

The Menominee Termination Act.—Years of research and endless testing are demanded before the life of one man can be risked in a space shot, but no one seems to object to remarkably careless tampering with the lives and the future of thousands of Indians. No one knew what would happen after termination. There was no attempt to make a thorough study of the economic and governmental problems involved in the removal of tax exemptions and total integration into State government. The Indian Bureau and the congressional subcommittees simply assumed that these problems were easily manageable. The decision was based largely on a superficial comparison with even more depressed tribes, rather than upon a rational examination of the requirements for successful termination. The Indians have neither the political power nor the organization to demand that Congress take tribal objections seriously.

The Menominees were the obvious first target for the policy. Latent hostility toward the tribe existed both in Congress and in the Indian Bureau. The Menominees had been a particularly difficult tribe to dominate. The Indian Bureau began timber camps in the tribal forest in the 1870's. As soon as the timber operation was successful, however, local timber barons, the "pine ring," began to exert pressure for the chance to exploit the rich hardwood forest. Congress complied with legislation allowing the tribe to sell the land, but Menominee leaders rejected repeated pressure from the Indian Bureau to sell. In the 1880's the tribe again scorned Bureau advice by refusing to participate in the allotment program.

Bureau relations with the Menominees continued to be soured by continual struggles over regulation of the lumber operation. Tribal bitterness focused upon accusations of Federal mismanagement and exclusion of Indians from the best jobs. Menominee delegates continually lobbied for congressional authority to manage the forest.

During the New Deal two Federal concessions served only to make the relationship more difficult. The tribe was granted authority to review the budget and given permission to sue the Government for damage to the tribal forest. Constant threats to reject the budget led to the development of a seige mentality on the part of BIA officials, constantly worried about tribal efforts to usurp their authority. During these years the Menominees became accustomed to a negative politics of acrid criticism and irresponsible agitation. This legacy was to have disastrous consequences when huge responsibilities were suddenly transferred to the tribe. The Menominees had not been prepared in any way when independence was suddenly thrust upon them. Frantic last minute Federal and State efforts to prepare the tribe are illustrative of the striking parallels between Federal policy toward the Menominees and the policies of the less enlightened colonial powers.

Persisting irritation with tribal ingratitude was exaberated when the tribe had the termidity to sue the Government in the Court of Claims for illegal destruction of a part of the tribal forest. When the tribe finally won the suit in 1951, Washington became increasingly eager to wash its hands of the Menominees.

To secure passage of termination legislation it was necessary to gain some form of assent from the tribe. Indian history is filled with the substitution of legal formalities for the spirit of justice. In spite of his benevolent pose, Senator Watkins did not hesitate to use all the power at his command to force the Menominees to accept what he knew was best for them. After the tribe won its $9 million judgment, tribal members decided to distribute part of the money while setting aside most of it for the timber enterprise and for development purposes. Watkins, however, rejected the plan. He traveled to the reservation to warn that he would block any bill permitting the Menominees to spend their money until they agreed to termination. If they refused, he said, he would push termination through Congress anyway, and the tribe would get nothing. Reluctantly, tribal members agreed. The same tactics were used later with other tribes.

The tribal reaction.—The people in the Menominee villages were confused and afraid of the threatening new demands of taxation and local governments. People tried to understand why the protections they depended upon were being removed. Even today one can hear an incredible variety of explanations. Some blame the lumber interests while others denounce the policy as a Wisconsin plot to get tribal lands for a State park. Many of the people still spend much of their time blaming other tribal factions, a process which has resulted in extreme divisions in the community. A number of people, however, support more novel theories. Some leaders assert that termination is punishment inflicted on the tribe by Mormons in Congress and the administration in retaliation for mistreatment of a Mormon missionary. A few will tell you gravely that Eisenhower was a Communist and that it is all a Communist plot for genocide of the Indians.

What could the people do? What power has a small and politically insignificant tribe against Congress? One woman spoke of commiting suicide. Some others talked of burning the houses of factional leaders or of selling the reservation to the Soviet Union. In the end, nothing much was done. Nothing really could be done. The only legacy of protest seems to be the extraordinarily frequent citations of treaties and of the Constitution. A naive trust in legal formulas makes the people believe that there must have been an evil intent behind the termination policy. The profound irony of the situation is that destruction of the community is only the unforeseen result of men wishing only the best for the Menominees.

Image and reality.—Almost 7 years elapsed between the enactment of termination and the final dissolution of the Menominee Reservation. Long before the final day, however, the central goal was lost in the shuffle. Both in Washington and in Madison there were second thoughts about the wisdom of entrusting the inexperienced Menominees with the unrestricted management of a forest bulking large in the economy of the region. After all, it might be a minor thing to embark on a radical experiment with the tribal community, but it was quite different to risk a significant dollars-and-cents loss to the State economy. Congress and the Indian Bureau acted to limit tribal control, and the Wisconsin Legislature enacted restrictive regulatory legislation. The Menominees were forbidden to sell or mortgage their forest for 30 years without State consent, and the State was to regulate the annual timber harvest. Thus Wisconsin insisted upon continuing many aspects of the reservation system, but it refused to grant long-term assistance to the tribe. The unfavorable features of the old system were retained while those which had been helpful were destroyed.

The tribe was denied "freedom," but it was still required to assume full responsibility for local government. If you try to imagine the problems involved in suddenly setting down a Maine township in Chicago's South Side it will be possible to appreciate the difficulties confronting the Menominees in achieving integration into the Wisconsin governmental system. Congress demanded a fundamental transformation of the community and then ordered that the Menominees use their own limited funds to pay for much of the huge planning and legal expenses. The first step toward freedom involved forcing the tribal members to spend their capital implementing a policy most of them bitterly opposed.

Progressive Wisconsin.—Although Wisconsin was left on the sidelines in the initial congressional decision, it quickly became evident that the State was faced

with a large new responsibility. The legislature soon established a high-level study committee headed by the attorney general. After years of infrequent and ineffective meetings, the study committee worked frantically for a week to draft the basic State legislation. The committee's recommendations relied heavily upon an elaborate series of studies undertaken in spare time by University of Wisconsin faculty members. State officials often voiced their pride in the State's unusual generosity in giving the Indians so much help.

The problems turned out to be far more complex than anyone had imagined, and the studies were superficial and of little help to the tribal leaders. The study committee, moreover, operated on the dangerous assumption that the State government's interests and those of the tribe were identical. The fallacy of this assumption became peculiarly obvious when serious consideration of financial aspects of planning began.

The State was overburdened and was afraid of becoming committed to large new expenses shared by no other State. The special nightmare of State planners was a horrible vision of a cutover forest and a community requiring unending welfare assistance. From the outset it was simply assumed that the tribe must provide all services and meet all criteria imposed by State laws and do so with no sustained State assistance. In order to be sure that the books balanced, the legislature provided that the Menominee forest be taxed at a level far higher than other sustained-yield forests in the State. The inefficient timber operation which was already marginal in the competitive market was forced to bear almost the total burden. Thus, the tribe's only significant source of income and employment was faced with crushing demands.

Today the Menominees are poor, but it is impossible for State officials to justify a large State attack on the causes of tribal poverty. There are many other poor groups in Wisconsin. What is peculiar about the tribe is not its poverty, but its drastic and rapid decline as the result of execution of Federal decisions. The responsibility rests with the Federal Government, but there is no indication that it will be recognized. Indeed, although Congress grinds out Great Society welfare legislation with unprecedented speed, termination bills continue to receive the approval of congressional committees.

Anatomy of decline.—The facts are simple. For the past decade the tribe has been locked in a vicious circle which seems to lead only to bankruptcy. Once a community becomes poor enough, it can exist only by feeding upon itself. Even to maintain a minimal standard of life the tribe must continually eat into the capital it has built up. In 1954 the Menominees had $10 million and were successfully meeting virtually all community expenses from current income. Today tribal expenses have sunk far below the level required for operating funds for the timber mill. Lacking essential risk capital for exploitation of the commercial and recreational potentials of their land, the tribe is forced to operate inefficiently and to sell choice land, thus diminishing the possibility of future success.

The $10 million disappeared quickly. The termination act directed that over $4 million be distributed at once to tribal members, $1,500 per person. The next year the Indian Bureau discovered that it had seriously underpaid required annual dividends on forest profits for several years past. It was necessary to make more than $2 million in supplementary payments from tribal capital. As tribal resources shrank, income from interest fell precipitously. Community expenses now greatly overbalanced income and an annual deficit of $250,000 consumed most of the remaining funds. The apparently solid prosperity of the Menominees had been built on a very fragile base. Long before the termination deadline the tribe was running out of money.

The blessings of freedom.—A policy focused upon economic opportunity has resulted in severe economic deprivation. Half the families eat surplus commodities, and more than a fourth of the men cannot find work. Even for those employed the wages are so low that they cannot support their large families decently. Welfare checks in large cities are often larger than the income of the average full-time worker in the Menominee timber operation. Wages cannot be raised because of the high tax burden on the industry.

The slogan of private ownership echoes falsely in the Menominee villages. Tribal members have received all the responsibilities of ownership but few of its advantages. All tribal assets are controlled by a corporation under an arrangement placing management out of control of the stockholders for at least 10 years. The board of directors is controlled by whites and there have been frequent divisions between Indian and white members.

At termination each person's share of the tribal inheritance was translated into a $3,000 bond and some common stock. For most members the bond is the only significant economic reserve. In the new world of private ownership and State regulation, however, it is very difficult for the Menominee to hold on to his bond. More than 600 tribal members, for example, have been force to sign their bonds over to the company in payment for the lots upon which their homes are built. This is freedom.

The bonds became freely negotiable in January 1964. The Indian Bureau had insisted that any long limitation on the right to sell would constitute a violation of individual property rights. Once again, however, this proved a hollow right. Skeptical about the corporation, private investors refused to purchase the securities. Although they couldn't be sold, Federal and State welfare regulations treated the bonds as assets which must be surrendered before assistance could be obtained. In a year's time more than $1 million in bonds have been consumed as the people have been forced to live off their only capital. Wisconsin is only postponing crushing direct relief load.

Impact on family life.—The decisive test of the termination policy comes in its influence upon individual Menominees. This impact cannot easily be expressed in numbers and percentages, but it emerges sharply from visits to homes and conversations with people.

No one seems aware of new privileges or new opportunities. Financial demands have multiplied while income had remained relatively constant and services long depended upon have been eliminated. The tribal hospital has closed and there is no doctor in the county. Free dental care has been stopped. Any serious illness now requires spending of bond money. Each family now receives bills for utilities; water and electric services have been discontinued for many. Some must now go to their neighbors for water to cook and to flush their toilets.

There can be few communities in America where the citizens so constantly and vigorously denounce State and local government. Viewed from the tribal villages, Government almost always seems negative. Property taxation is set at the maximum allowable rate. Many are threatened with prosecution for unpaid taxes. Impossible burdens are placed on large families with earnings well below the national poverty level. The revocation of hunting and fishing rights guaranteed by treaties has been another source of irritation. Fathers are unemployed, and only very few can hope for admission to scattered retraining programs in the region. It is easy to think that all this must be the result of a plot by malicious Government officials.

Congressional insistence.—Continual tribal delegations to Washington during the years before termination met with a constant unwillingness to consider any new facts which did not fit the original theory. Subcommittee members chose, for example, to ignore data available long before termination making obvious the lack of adequate operating capital for the tribal industry. They were quite willing to risk the future of the community upon an extremely optimistic projection of timber production and market conditions hotly contested by experienced Menominees. At a final hearing in 1961, the Senate subcommittee refused to provide either grants or loans for needed modernization and capital development. Moreover, a request for a trial period for the untried experiment was rejected out of hand.

The first years.—Four years ago the Menominee Reservation was transformed into Wisconsin's 72d county amid brave promises of a good future. The story of these years has large elements of tragedy.

Menominee Enterprises, Inc., has been plagued by mismanagement, community conflicts, and an outmoded plant. Timber production fell far below predictions, and tribal members saw most of their remaining capital consumed in payment of tax and bond obligations. Scorning the advice of Indian workers, the new management spent large amounts buying machinery and instituting procedures which could not work effectively in the relatively small hardwood forest owned by the tribe. Most Menominees became extremely critical of the executives of their corporation, but they were unable to remove them.

The financial vise squeezing the company continued to tighten and the executives turned to desperate expedients. Tribal members were deeply antagonized by the program of selling beautiful lake lots to outsiders at a price which brought little profit to the tribe, closing some of the most beautiful land to the Menominee people. It had become necessary to give away important long-range resources for a large recreation development to meet urgent short-term demands. Last September, company executives decided that the financial crisis was so serious that it was necessary to offer a large and beautiful section of the Menominee forest for sale to the conservation commission as a State park.

A threat of dissolution hangs over the Menominee community. Unless there is a drastic reversal, the stock in Menominee Enterprises will eventually become negotiable. When this happens it is virtually inevitable that the tribe will lose all control of their land. People who need money badly will be forced to sell their stock for whatever it brings. There will be no lack of willing buyers, for the forest would be a great asset to many Wisconsin manufacturers. Once the majority of the stock is sold the corporate trust will be automatically dissolved and ownership will pass from the tribe. The tribal homeland will become part of the domain of a wood products company.

Termination evaluated.—The Menominees were the best prepared of the five tribes to whom the termination policy was applied in 1954. Ignoring the results, Congress has since extended the policy to several additional groups. Termination remains on the books as a fundamental directive in Indian policy. Although both President Kennedy and Secretary Udall announced their opposition to the policy, Congress has recently forced the Seneca Tribe to accept termination in order to obtain funds due them as a result of gross violations of treaty provisions. Currently, the Colville Tribe is threatened by similar action. Contrary evidence seems only to heighten congressional determination.

WIDER IMPLICATIONS

Termination has been an ironic experiment, punishing those Indians who had succeeded most. Communities have been recklessly torn apart in an attempt to demonstrate the reactionary social principle that freedom can be guaranteed only by the abrupt ending of essential Government services and protections. Termination has been a narrow and ill-conceived response to a situation combining several serious and interrelated problems.

Most Menominees are now bogged down in hopelessness and bitterness. Reversal of the terrible decline of the past decade will first require repeal of the termination act and an effort to put the Humpty-Dumpty of tribal property back together again. When Congress rushes into a thoughtless and destructive experiment with the lives of people and the future of a community, it is a clear Federal responsibility to restore the damage done. These actions alone, however, will not remove the basic obstacles to Menominee progress.

The tribal villages reflect the great and persisting needs of a half million Indian people living in harsh and isolated reservations around the country. The "Indian problem" which sometimes vaguely troubles us, becomes a concrete and disturbing reality in these villages, an enduring challenge to American pretensions. The call for a Great Society must not ignore a people who have been given so little opportunity to contribute to a nation uniquely theirs.

Although poverty and the syndrome of problems created by poverty determine the most fundamental needs of the Indian people, these needs are compounded by the unique background and special circumstances of the Indians. Lack of education means inability to find work. In a terribly poor community totally inadequate housing and skimpy public services are inevitable. All problems are multiplied by extremely high birth rates and serious disease problems. Poverty is created and poverty is passed on.

Isolated on reservations lacking financial resources, tribes are split by bitter in-fighting over the little there is to divide. Finding prejudice and stereotyped expectations on the outside, people retreat and an ingrown reservation culture grows up. Reservation life is built around cynical and low expectations for the future, dependence upon and resentment against the Federal Government, and a dim remembrance of the succession of robberies by which the tribe was reduced to its present state. Self-pity mingles with anger; shame with pride. Social and cultural disintegration provoke feeble attempts at restoration. Children grow up without security and without direction. The vicious circle widens with each generation.

The morass of problems often seems to engulf those who work with the Indian people. Losing perspective about the enormity of the need, officials hail the fact that a handful of students are in college. This is progress, but what of the thousands who leave school each year with only a primary education?

The distorted view of the professionals is the counterpart of a more serious astigmatism on the part of the policymakers. The radical defect of congressional policy has been the search for a simple one-factor solution. The man who puts forward the sovereign remedy of education should go home one afternoon with an Indian child to a small tar paper shack crammed with 10 or 12 people, lit

only by a single bare light bulb. He should meet the unemployed father aimlessly listening to the radio or sleeping off his latest binge.

We cannot meet the needs of the Indians by beginning another small welfare program or by sending in the domestic Peace Corps to build projects while the unemployed watch. The problems are several and they are tangled together. Efforts attacking only one strand will inevitably be defeated by the network of interrelated needs.

Indians have very little political power, but their needs demand a large national commitment. One lesson of the civil rights movement and of recent migrant worker legislation is that the power of conscience remains a very potent force in American politics. Who can present a more genuine claim and can show a more authentic need than the Indian peoples? The special needs of the poor of Appalachia have been recognized in recent legislation beginning a large development program. The extraordinary needs of the Indians cannot be neglected.

War on poverty programs are only a beginning. There is little justification for an effort which would help only a few people break out of the vicious circle of reservation life while leaving thousands even more deeply embittered and hopeless. There must be sweeping and imaginative efforts in education, jobs, and housing. It is hard to believe that the most decent reservation housing in Minnesota was put up during the New Deal and that many men had their last regular work in the CCC. What we could afford in the depression now seems too heavy a burden. Care and development of roads, forests, and recreational resources has been allowed to lag while men cannot find work.

An African country with almost no economic prospects finds it easy to gain long-term low-interest credits and grants for industrial development, but American Indian communities with promising projects cannot obtain needed risk capital. Subsidies, guarantees, and tax concessions at least equivalent to those offered by many city and State development programs should be provided for industries willing to locate on reservations and train Indian labor. A crucial need which cannot be met by private industry is for capital for basic development programs establishing the facilities making commercial success possible. Federal planning and loan assistance on terms similar to foreign development loans could speed rational and beneficial use of tribal resources.

There is no immediate solution. A lot of money and a prolonged commitment are demanded. Another brief and erratic effort, another self-righteous proclamation of a shortcut to progress, would only raise false hopes and feed new cynicism. A continuing program of half measures is not only wrong but it is also stupid. A comprehensive attack now is both the most honorable and the least costly alternative. The "vanishing Americans" are increasing with great speed, and every year an effort to solve their problems will cost more. Maintenance of the status quo requires growing annual expenditures with very little result.

Thousands of Indians are forced each year to leave for the cities, utterly unprepared and unable to contribute. The cycle of slum living, crime, school dropouts, and unemployment promises only a period of several generations trapped in city tenements, again dependent upon Government paternalism. A nation which throws away talent and betrays its responsibility must bear the burden of providing welfare bureaucracies for those unable to make their own way. This is what we have always done, but it would be a strange choice for a great society.

MENOMINEE INDIAN TRIBE OF WISCONSIN, INC.,
Neopit, Wis., February 8, 1965.

Hon. GAYLORD NELSON,
Chairman, Senate Subcommittee,
Interior and Insular Affairs,
Senate Office Building,
Washington, D.C.

MY DEAR SENATOR: We the undersigned, members of the Menominee Indian Tribe of Wisconsin, Inc., a nonprofit chartered organization of Wisconsin, do hereby endorse S. 1934 and further request that the amendment attached herein be included in the bill. We also ask this letter of endorsement and the amendment be made a part of the hearings.

As you may recall, the undersigned appeared at the committee hearings held at Neopit, Wis., Menominee County, while bill 1934 was under consideration. At that time one of the undersigned, Mr. Roy Peterson, president of the Meno-

minee County Conservation Club, appeared and discussed in full concerning an amendment requesting that authorization be included in the bill for Menominee County and the Menominee County Conservation Club to secure trout from Federal hatcheries to stock all rivers and streams within Menominee County, Wis., and that such assistance be declared as transition costs of Menominee Indian tribal termination.

This program is absolutely necessary because we are declared to be a private enterprise, as such waters within the county have been and still are owned by Menominee Indians. Under this category, we, as a part, of the State of Wisconsin structure, including our county conservation club, have been unable to qualify for trout from Federal or State hatcheries since termination date. We have been so discriminated against and therefore, precluded from such program. We feel this represents injustice to the cause of successful termination and as such hurts our efforts to stock our streams. The proposed amendment wouyld certainly give our county the needed support to protect our program of conservation and build our streams as the best trout streams in the county. We hope your committee will see fit the amendment will become a part of the bill.

Apart from the above, there is no doubt that all the projects contained in the bill will be of great assistance to the new citizens and the new county of Wisconsin in becoming able and competent in the future society of our Nation. Without such assistance, termination will fail here and only the United States will be the blame. We hope the committee will recognize this need and see that the former wards of the United States have proper aids in this trying period of transition.

We appreciate your interest and the members of the committee in considering the welfare of our people. Attached hereto is the proposed amendment.

Thanking you in behalf of the Menominee Indians and the above entitled organization.

Respectfully,

AL M. DODGE.
ROY PETERSON.

PROPOSED AMENDMENT

After line 21, page 4, delete period and insert semicolon and add the following language, "*Provided further*, That authorization is hereby granted to Menominee County, Wis. and its duly authorized Menominee County Conservation Club to secure trout from Federal hatcheries to stock rivers and streams in Menominee County Wis., such assistance to be declared as Menominee termination transition costs".

[A report to the Committee on Appropriations, House of Representatives, by the Bureau of Indian Affairs, Department of the Interior, February 1965]

THE STATUS OF THE TERMINATION OF THE MENOMINEE INDIAN TRIBE

The House Committee on Appropriations, in its report of March 13, 1964 (88th Cong., 2d sess., H. Rept. 7237), requested that the Bureau of Indian Affairs submit a detailed report in connection with the 1966 estimates as to the status of the termination of the Menominee Indian Tribe of Wisconsin. This report has been prepared in response to that request.

INTRODUCTION

The trust responsibility of the United States toward the Menominee Indian Tribe of Wisconsin was brought to a close April 30, 1961, by the Menominee Termination Act of June 17, 1954 (Public Law 83-399). Such termination was to have become effective not later than December 31, 1965, according to the original enactment. Prospective difficulties the Menominee would face after termination prompted two postponements of the date. In 1959 the Wisconsin Legislature memorialized Congress to repeal or amend the law so as to continue the trust relationship indefinitely, expressing the opinion that termination was seriously premature. This change of policy was not agreed to by the Congress.

Measures to help the tribe to meet its new and extended responsibilities were considered as the termination date approached. These included two bills to amend the Menominee Termination Act on which hearings were held in April 1961 by the Subcommittee on Indian Affairs of the Senate Committee on Interior and Insular Affairs. One of these would have authorized postponement of termination to a date found by the Secretary of the Interior to be reasonable. The

other would have postponed the termination date to 1969 at latest and have authorized the Secretary of the Interior to make loans to the tribe not to exceed $2,500,000 in aggregate amount.

Assistant Secretary Carver, appearing for the Department of the Interior, identified the basic question that made some modification of the Termination Act desirable. In so doing, he also accurately forecast the difficulties that have caused the Appropriations Committee to request the present report.

"The basic premise of termination," Secretary Carver pointed out, "has come to be a question of whether the lumber industry, as presently constituted on the reservation, is big enough to support the Indians."

"Taking this resource in and of itself," he continued, "it is a very attractive operation. But there is a basic difficulty in translating a single industry operation into all the ramifications and complexities of community and Government activities. Furthermore, we don't really have any way to make a direct conversion of one sawmill operation, which is customarily carried on as a private proposition, into full support of an American community. We just don't have any background for that."

In light of this, Secretary Carver emphasized, "everyone seems now agreed that given the present state of the lumber business, and given the present developments or lack of developments of the mill, itself, the proceeds of the mill won't reach all of the needs which will follow on termination."

Five alternatives were open, Mr. Carver thought, in meeting the need recognized by "almost everyone interested in the welfare of the Menominees" for congressional modification of the act in one form or another. Among these alternatives, the Department recommended what Mr. Carver termed "phased extension of termination." This was set forth in the Department's report on the pending bill:

1. Instead of transferring title to all of the tribal property to Menominee Enterprises, Inc., on April 30, 1961, as now required by law, the Secretary might be authorized, if the Congress so desires after hearing from the State and the Indians, to make the transfer at any time prior to April 30, 1965, that he determines is justified. If this were done, the Secretary could be authorized to enter into a contract with Menominee Enterprises, Inc., which gives the corporation full control of the tribal assets and full responsibility for conducting the business enterprises of the tribe, subject to the right of the Secretary to resume control if he determines that there is a need for doing so. Menominee Enterprises, Inc., could proceed immediately to run the mill, test whether the cut can be increased from 22 to 29 million board feet annually, whether the increased cut can be marketed successfully, and how many Indians properly can be employed in a businesslike operation.

If there is to be any continuation of Federal financial assistance beyond 1961 we believe that it should be based upon a continuation of the Federal trust during the period of assistance, and not be in the form of Federal subsidy after a termination of the trust.

2. In order that the proposed new county may be organized and commenced to function, the contract between the Secretary and the Menominee Enterprises, Inc., could require the corporation to contract with the county for a payment in lieu of taxes for the period prior to the date of actual transfer of title to the corporation.

This procedure would allow the Federal Government to retain its basic authority for a transition period of not to exceed 3 years, and to lend a guiding hand if needed. The corporation and the county would be able to assume their responsibilities immediately, however, and start developing the full potentials of the reservation. The Department would be in a position to give advice and assistance as needed. If experience shows that the plan is likely to be unsuccessful, title to the reservation would still be in the Federal Government and no irrevocable decision would have been made.

The Congress declined to adopt this recommendation, choosing instead the alternative of permitting termination to proceed on schedule, but providing financial assistance (Public Law 87–432) for a transitional period of 5 years after April 30, 1961, in a total amount of $660,000 for contributions to joint school costs. The law also authorized expenditures of $438,000 by the Public Health Service for construction of sanitation facilities, bringing the total amount of assistance to $1,098,000.

No provision was made for continuing any degree of Federal supervision during the period in which assistance was presumed necessary. No means was made available whereby the Bureau of Indian Affairs would be kept currently informed

of developments, much less enabled to assist the new county and corporation in any way during the admittedly difficult years of transition.

It is in the light of this policy decision by the Congress, the decision to make termination complete as of April 30, 1961, and to retain no remnant of the former Federal responsibility toward the Menominees or supervision of their affairs, that this review has been undertaken.

Menominee affairs: Corporation and county: The experience of the Menominees under termination may be examined first of all in terms of the two entities established by State law as successors to the Menominee Indian Tribe. One of these, a State corporation, was Menominee Enterprises, Inc., to which was conveyed all the tribal land that had comprised the reservation, including the Menominee forest and the sawmill upon which the economic future of the Menominees depended. The other was a new county, Wisconsin's 72d, carved from the two counties in which the reservation had been located and with borders identical to those of the reservation.

Menominee Enterprises, Inc.: Following termination, Menominees whose names were on the final tribal roll were no longer joint owners of Indian trust land, but became bondholders and stockholders in Menominee Enterprises, Inc.

The principal business of the company is the production of lumber and pulpwood and this dependence on the forest has been recognized in provisions both of Federal and of State law. These were drawn with view to safeguarding the prime asset represented by the Menominee forest, through promoting timber harvesting on a sustained-yield basis. Section 7 of the Termination Act was amended (Public Law 84–718 of July 14, 1956) to require "protection of the forest on a sustained yield basis" and chapter 258 of the Wisconsin statutes (enacted July 30, 1959) provides that a forest required by Federal law to be operated on such basis shall have a fair market value, for tax purposes, equivalent to 40 percent of what it would otherwise be.

Total income of Menominee Enterprises, virtually all derived from sales of lumber and forest products, increased from $2,941,000 in the year ending September 30, 1962, to $3,686,000 in 1964. Net operating income increased from $642,000 in 1962 to $692,000 in 1964. The following table discloses rather clearly that, as an operating business, the company has justified the confidence the Menominees had it it. They may well still regard it, in Secretary Carver's words, as "a very attractive operation."

It must be understood, of course, that the information set forth here has been obtained from the published reports of Menominee Enterprises, Inc., supplemented by explanatory detail supplied by company officials. Lacking the sort of continuing close relationship to the corporation that would have prevailed under the plan recommended by the Department, we can bring to the task no special knowledge of familiarity with the situation that has developed since 1961.

[In thousands of dollars]

	1961 [1]	1962	1963	1964
Net sales of lumber and forest products	(833)	2,802	3,365	3,596
All other income	(158)	139	153	90
Total income	(991)	2,941	3,518	3,686
Less costs and expenses	(779)	2,299	2,944	2,994
Net operating income	(212)	642	574	692
Less property taxes	(165)	306	233	332
Net profit	(48)	336	341	360
Bond interest payable	(164)	392	386	381
Excess of available earnings over bond interest payable [2]	(−116)	−56	−45	−22

[1] 5 months.
[2] Deficit met out of surplus.

NOTE.—Due to rounding, figures may not add to totals.

Source: Menominee Enterprises, Inc., annual reports.

Appraisal of operating performance: The corporation's bonds were created to represent the capital value of the annual stumpage payments formerly paid, on a per capita basis, to members of the tribe. Accordingly, they were made income bonds, the annual interest approximating in amount the former stumpage pay-

ments. Before payment of interest on the income bonds, net profit has improved each year since 1961.

Similarly, it must be borne in mind that 90 percent or more of the annual taxes levied by Menominee County is paid by the company. These comprise State, county, town, and school district taxes, which in Wisconsin are separate items in the total levied and collected by the county. Property taxes have never amounted to less than 40 percent of net operating income and in 1964 absorbed 48 percent. Net operating income amounted that year, before taxes, to 3.5 percent of the combined total of stockholders' equity and outstanding bonds, all of which had been issued to stockholders.

The first full year of operation was the 12-month period ending September 30, 1962. Since then, although adversely affected by market conditions in 1963 and a 6-week shutdown for major repairs in 1964, sales have expanded with the increase in cut of sawtimber and pulpwood. For many years the timber cut had been limited, under the sustained-yield principle, to 20 million board feet a year. Reappraisal of the forest led in 1961 to revision of the limit to 30 million board feet. By 1964 the cut had been increased to 28.9 million board feet and 29 million board feet is expected to be cut in 1965. New attention has been given to production of pulpwood, and pulp and byproducts output has been more than trebled since 1962. The management reports continuing introduction of more efficient methods and exploration of specialized markets, with prospect of further improvement in sales and net operating income at maximum cutting volume.

The increase of sales and net operating income has been modest but well sustained through the difficult initial years. The result is that, despite the heavy burden of local taxation, the need to draw upon surplus to meet bond interest has declined each year, from $56,000 in 1962 to $22,000 in 1964. These charges, totaling $239,000 in 4 years (including $116,000 in 1961), have reduced surplus to $864,000. Despite diminishing deficits since 1962, the prospect for ending this annual drain on surplus must be viewed skeptically in light of recent information that the company's 1965 tax bill, through September 30, is about $395,000, or $63,000 higher than for 1964.

Modernization and stabilized employment: The new corporation promptly entered upon a program of modernization and capital improvement involving a gross sum of about $1.5 million. This was financed largely from the tribal mill's cash balance, to which the corporation had succeeded and which totaled $1,700,000 as of September 30, 1961. The results show in a sharp increase in the asset value (depreciated) of plant and equipment from $498,000 in 1961 to $1,667,000 in 1963 and $1,772,000 in 1964. This increase of nearly $1.3 million in 3 years has been accompanied by regularization of mill employment on two shifts at all times. Total employment, including supervisors, is currently about 200 and seasonal variation has been eliminated from employment in the mill itself. Work in the woods—logging of sawtimber and cutting of pulpwood—performed under contract, provides additional employment for 65 to 130, according to the season.

Peak employment, about 365, is about 10 percent less than that of 410 reported before termination. Meanwhile the minimum hourly wage paid mill employees increased by 13 percent and the average by 16 percent (from $1.50 to $1.74) between 1961 and 1964. Annual payroll (including contract logging and pulping) has increased to $1,870,000—about 15 percent higher than in 1964 and more than this above pretermination levels.

Capital requirements: The relatively satisfactory current operation of the mill must not be permitted to obscure the fact, looking to the future, that the drain of taxes eliminates the possibility of financing further modernization out of income. Moreover, no further capital improvement can be financed out of cash, which has now been drawn down to minimum operating level. In addition to the lumber operation, the corporation is responsible for the management and development of all the land of the county except that occupied by homesites. This, too, calls for capital, which is not easily attracted by potential over a 40-year development period.

Management: Since its establishment in 1961, Menominee Enterprises, Inc., has experienced its share of administering difficulties, seriously accentuated by the fact that the stockholders, most of them residents and thus eyewitnesses to operations, have for the most part been as unfamiliar with corporation practices as they were accustomed to those long characteristics of the tribal mill enterprise. These earlier years have been marked, moreover, by two changes in top management. The fact that so satisfactory an operating record has been achieved despite such initial difficulties suggests that as a business—the impact

of property taxes on profit being recognized as wholly abnormal—the company has been basically well managed. The company's third president was secretary-treasurer prior to taking office April 1, 1964. He appears to have both the full support of the board of directors and much better standing than his predecessors among Menominee's critical of the new and as they term it. "outside" management of the "tribal mill."

Menominee County: Upon its creation May 1, 1961, Menominee County, population about 2,500, automatically went to the bottom of the list of Wisconsin counties, in the company of Florence (the only other county with fewer than 5,000 residents) and 6 others with population of less than 10,000 each. Its assessed valuation for tax purposes was $16.7 million in 1962, which made it at the time the second lowest county in assessed value. Only 14 others of the 72 had valuations below $50 million.

Special statutory provisions: It was full awareness of these and other related basic disadvantages under which the new county would operate that let the legislature to include in the law creating Menominee County several provisions which, if not without individual precedent, constitute a wholly unique combination. In general, they provide for the combination of county and town boards, for the consolidation of certain town and county officials, and for the inclusion of Menominee County in the court and school systems of adjacent Shawano County.

Through these extraordinary provisions, the State legislature, recognizing the impossibility of expecting so small and poor a county to establish and support a full structure of county and town government, sought to relieve it of any avoidable burden of costs of government. The law provides, in addition, for review of the new county's experience by the legislature at the end of 4 years and again at the end of 8 years, so that the adequacy of such provisions as these and, more broadly, the wisdom and feasibility of establishing a separate county may be reexamined as a matter of statutory prescription. The first such review is accordingly due this year, 1965.

Demands on local government: The burden of local government has indeed proved fully as serious as the State legislature had feared and as the Department of the Interior had indicated as probable. Net schools costs, financed by the school district tax, have mounted steadily and substantially, as Federal assistance has been reduced each succeeding year. Costs of the treatment of tuberculosis patients and those of public assistance under the Social Security Act and related welfare administration have also mounted rapidly. To meet these latter expenses, financed by the county tax, that tax was forced up to its statutory limit (17 mills per dollar of assessed value) in 1963 and 1964 (for the budget of 1964 and 1965, respectively). A further increase in the school district tax will be necessary next year because Federal assistance will again be reduced, and in fact is scheduled to end with 1966 payment. The following table summarizes tax and budget developments since 1962:

[In thousands of dollars]

	1962	1963	1964 estimate	1965 budget	Change, 1962–65
Total taxes collected by Menominee County	296.7	316.5	450.1	502.6	+205.9
Cost to Menominee County of—					
Schools	.8	44.1	114.6	161.0	+160.2
Sanatorium treatment	.3	12.4	68.8	76.1	+75.8
Public assistance (social security)	14.7	16.2	22.7	40.4	+25.7
Welfare administration	8.4	9.1	12.1	31.0	+22.6
Total	24.3	81.7	218.2	308.5	+284.2
Taxes required for all other purposes	272.4	234.8	231.9	194.1	−78.3

NOTE.—Due to rounding, decimals may not add to totals.

Source: Wisconsin Department of Public Welfare and Menominee County.

The change in the combined tax levy of Menominee County (State, county, town, and school district taxes) between 1962 and 1965 is $206 million. Of this total, 78 percent is accounted for by the $160,000 increase in the school district tax. Of this $160,000, however, only $28,000 is due to the actual increase in the costs of the school district; the balance, of $132,000 (64 percent of the total tax

increase), has resulted from the reduction of Federal assistance, from $220,000 in 1962 to $88,000 in 1965.

The second largest increase is that of $76,000 in the cost of sanatorium treatment, which has resulted from a high incidence of tuberculosis. The increase in the cost of public assistance is concentrated in aid to families with dependent children, which increased by $23,800 between 1962 and 1965.

The importance of the continuing reduction in Federal assistance may be illustrated by the fact that if there were no such payments in 1965, additional taxes of $88,000 would be required. This would add 15.5 percent to the total tax bill and would bring the total tax rate (all four taxes combined) to approximately 35 mills, more than double the statutory limit on the county tax itself. Current comparisons are not available, but last year the average combined rate for the entire State was 27.32 mills, as compared with the rate of 29.77 mills levied by Menominee County for 1965.

State assistance: Under Wisconsin law, State aids reduce the cost to the counties of a number of programs that the counties administer. There are also taxes that the State collects, but shares with the counties according to statutory formula. The budget of Menominee County, shown in summary form in the table above, has been presented in net terms, after receipts of such State contributions. In addition to these statutory contributions to meeting the cost of programs administered by the county, two grants were received by Menominee County in 1964. The first of these, in the amount of $17,525, was made under a provision of the statutes (sec. 49.39) authorizing the State also to pay the county's share of welfare costs in cases where the county is unable to do so. When, in 1963, Menominee County raised its county tax to the statutory limit, the way was opened to apply for this form of additional State assistance to cover welfare items totaling $34,838.

The other grant was made under a special, if not unprecedented, appropriation by the legislature. Amounting to $80,000, this grant was justified in terms of the extraordinary level of tuberculosis treatment required for Menominee County residents. Its payments had the immediate effect, however, of increasing the balance in the general fund, in light of which the department of public welfare found itself obliged to withhold payment of welfare costs beyond the $17,525 already paid.

The general fund is the central one used by Wisconsin counties in their financing of local government. The balance in the fund usually is represented largely by cash and fluctuates with the ebb and flow of receipts and expenditures. During 1964, Menominee County's general fund balance increased to a total of $120,000, or somewhat more (the audit is not yet completed); this was equivalent to 4 months' requirements or so (school costs being funded separately). In light of this fact, the department of public welfare recently denied the county's request for a grant of $76,000 under section 49.39 for the 1965 budget. To fund 1965 requirements, $99,000 has been needed in addition to the maximum taxes that can be levied under the statutory limit of 17 mills. This amount has been appropriated from the general fund; thus, the balance is expected to be reduced to an acceptably modest level by the end of 1965.

A third measure of State assistance vastly overshadows these two grants, but it is one extended to individual Menominees, not to the county. This is the unprecedented special fund of $1 million for direct welfare grants and loans by the State itself, which is discussed in the following section.

Urgent need of extraordinary measures: Two facts dominate the county's immediate financial outlook. One is the fact that $99,000 of 1965 requirements is being financed outside the county tax limit, through drawing the general fund balance down to an operating minimum. The other is the fact of a final reduction of $44,000 in Federal assistance. In combination, these spell additional requirements of about $140,000 as a minimum to be expected in 1966, on top of a tax increase of $52,000 in 1965. Nearly $100,000 of the 1966 increase would have to be financed through the general fund but outside the statutory limit of the county tax. Only part of this amount will represent welfare costs. Thus, even assuming favorable action by the department of public welfare on the county's next application under section 49.39, it is apparent that other extraordinary measures will be needed to avert a result disastrous to both Menominee County and Menominee Enterprises.

Corporation and county experience:

This section, dealing with the administration of Menominee affairs, has highlighted the facts about an industrial enterprise that is achieving steady if modest success, quite in line with early expectations, although gravely handicapped with

respect to future growth. It has described a county that has experienced markedly rising demands for the services formerly provided by the Federal Government, entailing difficulties of precisely the sort foreseen in 1961.

These are demands that have brought the county to budgets already exceeding its statutory taxing capacity. They have imposed a tax burden upon the business corporation that, without special relief, will become intolerable next year.

Of the total increase in taxation since 1962, moreover, 64 percent has resulted directly from the need to replace Federal assistance in meeting county school costs, which is being reduced $44,000 each year. One could hardly imagine a set of consequences that more clearly confirms the unwisdom of saddling full responsibility for local government services upon a small and poor community almost entirely dependent upon a single industry of modest scale and profitability.

The Menominee people since termination:

We turn now from the business and governmental machinery that came into operation May 1, 1961, to serve the needs of the Menominees, and consider instead what their situation is nearly 4 years after termination.

The term, "pockets of poverty," has come into general use only since 1961. It is trenchantly and accurately descriptive of a sorry phenomenon of modern American life. Menominee County is a "pocket of poverty." It was such a pocket prior to 1961, it has continued to be a pocket of poverty these past 4 years, and unless very substantial assistance is provided, it has no prospect of becoming anything better in the foreseeable future.

In July 1959 the Wisconsin Legislature memoralized Congress to postpone termination "until such time as the Menominee Indian Tribe has achieved a status comparable and equal to the average citizen of the environs in which they live." It was recognition that the Menominees were far below such equality with their neighbors in the State that underlay both the reluctance of the legislature to accept termination and the special provisions that it incorporated in the law creating the new county.

Smallest and poorest county: Menominee County has already been identified as having the smallest population and the second lowest property value of any county in the State. It is also at or near the bottom of the list in terms of average income, of housing, of education, and of sanitation and health. In terms of unemployment and dependence on public assistance its people are at the top of the list.

Low income: Median income in 1959 of Indians living in the Menominee area was reported by the 1960 census at "less than $1,000." For none of Wisconsin's 71 counties, including both Oconto and Shawano, within whose boundaries the reservation lay, was the comparable figure as low as $2,000. Median family income for the State was reported as $5,926 for 1959. The figure for the subdivisions now comprising Menominee County was $2,633, less than half the State average.

In 1964, a health survey conducted by the State medical society included 382 employees of Menominee Enterprises and 38 of Menominee County (virtually complete coverage in each case). This total of 420 was about 60 percent of the county labor force and included those with highest incomes. Average income of full-time employees was $3,760 at the company and $3,700 in county employment. Part-time corporation employees averaged about $1,100. Average income for all 420 employees was $2,677, a figure that suggests no significant improvement over the 1959 median family income of $2,638 for the total county population. Median family income falling below $3,000—and even further below a level reflecting the needs of the large families that are characteristic of Menominee County—means that more than half the families suffer deprivation and impoverishment.

High unemployment: Through the period since 1961 unemployment has been very serious, running three and four times as high, in percentage terms, as in the State as a whole. In 1963 the county rate was 13.6 percent when the State average was 4.0. In 1964 the corresponding rates were 18.1 and 3.7 percent.

Large families: The State medical society's survey included a total of 2,536 individuals in the 496 families that were identified and interviewed. Large families were found to be the rule, reflecting the birth rate of 43.4, far above the State average of 25. Total children reported, all ages, were 2,491, an average of 5 per family. Of the 496 families, more than half (311) had 4 or more children and 50 had 10 or more children each. (Plainly, 2,491 children

in a population of 2,526 means double counting, children in one family being parents in others.)

The population was found to have an unusually high proportion (57.4 percent) under the age of 20 and a low proportion aged 65 and over (4.6 percent). The corresponding State proportions in 1960 were 40 and 10 percent, respectively. Treating the youngest and oldest members of the population as dependent upon those aged 20 through 64, this indicates a dependency ratio of 1.6-to-1 rather than the 1-to-1 ratio characteristic of the State as a whole.

Substandard education: The 1960 census reported the median years of school completed by the Menominee area Indian population aged 14 and older as 8.3 years. The corresponding median for the rural nonfarm population of Wisconsin was 9.9 years. This difference of 1.6 years is equivalent to one of three semesters for everyone, or of more than seven semesters (bringing the average up through high school) for nearly half of the total population.

Among Menominee residents 25 years of age and older, only one-fourth had attended school beyond the eighth grade; among all nonfarm rural residents of Wisconsin, this proportion was a full one-half. The state of education of the Menominee County population accordingly constitutes a serious handicap to individual and community progress.

The facts covering dropouts do not encourage hope of future improvement. Of 33 pupils enrolled as high school freshmen in 1950, the health survey found that 17 dropped out before graduation, a dropout rate of 51.1 percent. The State department of administration reports a finding that, of 80 Menominee students who enrolled as freshmen in 1960, 37 dropped out before 1964 graduation—a rate of 46 percent. Dropout rates at this level must be regarded as presenting a serious educational problem.

Critically substandard housing: Housing, the State medical society found to be extremely poor, one of the critical problems in the county, characterized by half again as many people per household as the State average; average value of houses in one of the two villages only $4,000; less than one-third of all units in the county in sound condition; one-third in deteriorated condition; and one-third dilapidated.

Poor health: The central focus of the State medical society's survey was, of course, the health conditions in the county. The findings with respect to major health illnesses were summarized as follows:

It was found that diabetes, tuberculosis, and heart disease occur most frequently. An intensive tuberculosis case finding program has resulted in bringing many patients to treatment at an early stage of the disease. Treatment facilities and services are highly adequate. A frequent problem related to the high incidence of diabetes is the relatively high proportion of patients who are not under regular medical supervision. A more intensive type of supervision and instruction of patients in the home seems indicated.

With respect to sanitation: The sanitation in the county is inadequate, with only about one-half the homes having running water and indoor toilets. Many homes do not have wells on the premises.

Alcoholism: Excessive drinking constitutes one of the most destructive elements in family life. Workers who are very familiar with the families estimate that there are 113 problem drinkers among the 496 families in the county. In 11 of the families more than 1 member has a drinking problem. Twenty-one individuals have been committed to an institution because of drinking; 12 of these have been committeed repeatedly. A distressing number of the heavy drinking occurs among mothers, which makes the problem especially devastating. There is no organized program in the county to combat or alleviate this problem.

Infant health: "There is a high birth rate, almost double for that of the State, and a proportionately high infant death rate combined with low economic status and many families. Since pneumonia, upper respiratory infections, and gastrointestinal conditions were among the frequent causes, it may be inferred that unfavorable environmental conditions were a contributing factor."

Because it is so sparsely populated, it is doubtful whether Menominee County could justify establishment there of a hospital meeting modern standards, quite apart from the matter of financial ability to support one. Prior to termination there had been a hospital at Keshena, suppored by the tribe and operated by a religious order. It was not a facility of the Division of Indian Health, Public Health Service, and its closing was not part of the withdrawal of Federal service. The circumstances were that, with the advent of State supervision, the hospital was found to be far below public health standards. Its closing,

coincidentally with termination of the Federal trust, has understandably caused this loss to be included in complaints about the effects of termination with that of the services formerly provided by the Bureau of Indian Affairs. The medical society, reporting on this aspect of the situation, had this to say: "A rather drastic change in the availability of hospital and medical care occurred when the tribally operated hospital was closed and medical practice in the county was discontinued. At present, medical and hospital care is secured in neighboring communities: Shawano, Gresham, Antigo, and Green Bay. A considerable number of patients are cared for at university hospitals and the veterans facilities.

Questions about difficulty in obtaining medical care often gave rise to laments about the closing of the Keshena hospital. In exploring this feeling it appeared that the hospital represented to many people a sort of security and status symbol and this, more than serious difficulty experienced in obtaining medical care, caused their regrets. These people had been able to go to the hospital for aspirin, cough medicine, bandages, etc., when they needed them. In wishing for their own free hospital these people often do not understand that the cost to the county and to them in taxes of operating a hospital for 2,500 people would be prohibitive.

Concerning the matter of financing medical care, the report observed: "As might be expected, the most pressing problems encountered in regard to hospital and medical care has to do with finances. At the time of the survey, 71 out of 496 families reported that they were receiving welfare and 69 families received social security payments. Of the families surveyed, 201 were covered by some type of hospital and medical insurance. The two types of insurance most frequently reported were provided by either Menominee Enterprises, Inc., or the County Employees Insurance. The insurance programs do not include medical care outside of the hospital, medicines, and other costs frequently associated with illness."

Dependence on welfare: The people of Menominee County receive public assistance almost entirely under the Social Security Act, through the county welfare department. General assistance, provided by the town of Menominee, has continued at less than $20,000 a year throughout the period. Public assistance, as already noted, has increased substantially in the county budget year by year. In July 1964, analysis disclosed that 14 percent of the population of Menominee County was receiving public assistance, in contrast to an average of 2.6 percent for the State as a whole. If account is taken of the extra welfare grants and the loans for welfare purposes made by the State under special legislation (discussed below), the proportion of the Menominee County population receiving public assistance last July is increased to 45 percent, a situation without parallel in the State. Additional welfare grants and loans have been made since July which have increased this percentage an undetermined further amount.

Bonds pledged to meet welfare needs: The foregoing description of economic and social conditions in Menominee County is by no means exhaustive. It does make clear, however, that the Menominee people are living under conditions of extreme poverty. The starkness of these conditions is further illustrated by the extent to which Menominees have been forced into pledging their income bonds in order to meet urgent cash requirements.

In December 1963, at the end of which month the income bonds of Menominee Enterprises, Inc., became negotiable, the Wisconsin Legislature established a special fund of $1 million, to be administered by the State department of public welfare, for benefit of the Menominees. Grants and loans for welfare purposes may be made from this fund on the basis of pledged Menominee income bonds. These are the payments referred to above in connection with the high percentage of the county population receiving public assistance of one form or another. As of the end of 1964, this fund was drawn down to less than $200,000, with early exhaustion in prospect.

The Menominee income bonds have par value of $3,000, and the outstanding amount is in excess of $9½ million. Menominee Enterprises, Inc., has first option to buy any that may be offered for sale. The cash position of the company has precluded any purchase since the bonds became negotiable January 1, 1964. The State investment board is empowered to exercise second option, but has decided not to purchase at more than 70 percent of par value, or $2,300. As security for welfare grants or loans, however, the bonds are accepted at par value.

This means, of course, that the neediest Menominees have the privilege of exhausting the full face value of their bonds in meeting extraordinary welfare

requirements, while those who are less pressed may retain theirs as a modest source of income. A typical family may have a combined income of $720 or $840 a year from bonds issued to tribal members, but it is families of this size and larger that are most likely to need additional cash and thus to be forced into pledging their bonds.

Early in 1964 it was charged that in administering the newly established fund the State department of public welfare was becoming a collection agency for medical expenses and old debts. In the ensuing discussion, the deputy director of that department was quoted in the press as saying: "A million dollars isn't even going to scratch the surface. If we wanted to build proper housing and do all the other things we should do for these people, we would need $10 to $20 million."

The assemblyman from the district, observing that the program did not permit bonds to be pledged for loans to construct homes, added: "How can you ever get ahead of the health problems when you have nine kids and their parents living in two or three rooms?"

Termination and public opinion:

The effect of these circumstances and the impact of developments since 1961 on the people of the county cannot be simply characterized. Some Menominees seem to be as demoralized as any poverty-stricken people anywhere. Others, far from demoralized, are highly and vocally indignant, leveling criticism and accusations at all public authorities, Federal, State, and local, and at the management of Menominee Enterprises. There is widespread misunderstanding of the nature of corporate ownership; the Menominee view of land ownership is as tribal today as it ever was before termination. Consequently, protests are heard against the need to give up income bonds in payment for homesites that are regarded as already the family's share of tribal land.

Those who are fortunate enough to have steady employment with the company or the county are naturally more optimistic about the future than many others. Prior to termination, before the business functions of the tribe were separated from its service functions, there was a tendency to maximize mill employment rather than profit. Consequently, there is evidence of bitterness among Menominees who, before termination, were on the payroll but since then have been found unqualified for employment. The officials of the company and other leaders close to its operation maintain their basic confidence in the long-term potential but are soberly realistic about short-term hazards.

A sizeable number of Menominees persist in the view not only that termination was unwise, but that it was forced upon the tribe without full discussion or understanding, and that it constitutes a gross violation of treaty rights. The highly vocal exponents of these views are few in number but such opinions may be shared by a susbtantial number who do not attend public discussions or who remain silent. A related viewpoint is that termination may have been technically legal, but that the Federal Government cut off its services too abruptly and before all appropriate Federal investment in community facilities had been completed.

In April 1964 a petition for repeal of the Menominee Termination Act was addressed to the Congress carrying signatures of 788 persons identifying themselves as Menominee Indians. A duplicate set was sent to the President and receipt was acknowledged by the Bureau of Indian Affairs. The signatures numbered more than one-fifth the total on the final tribal membership roll.

Strong protests against termination and the way it came about were voiced at meetings held by direction of the Governor in Madison on July 27 and August 6, 1964, and again at hearings conducted by the State department of administration in Menominee County during the last week in September. At the Governor's invitation, Bureau representatives attended these meetings and hearings as observers.

Proposals for action:

At the July 27 meeting, the Governor announced a Menominee action program under which each of 13 departments and agencies of the State was assigned responsibility in a general attack on "the severe economic, educational, and health problems of Menominee County." This program represented a broad move by the executive branch to deal with the situation, the seriousness of which had been acknowledged by the legislature in its action in December 1963 establishing the million-dollar Menominee fund.

By mid-September the State agencies were able to report a very impressive list of actions taken or planned. Many of the more significant steps would

require additional funds, and these were included in a request submitted by the State on behalf of Menominee County to the Office of Economic Opportunity, totaling $1,600,000.

Education: The proposals of the department of public instruction were numerous and varied, indicative of the very great need for improvement in education in Menominee County. These included measures to be undertaken jointly with the department of public welfare in dealing with the dropout problem. Reportedly, these plans have been reworked and perfected since September, with active participation of Shawano County school officials, the University of Wisconsin, and the Wisconsin State University—Stevens Point.

Industrial development: A disappointing aspect of the Governor's program lay in the finding by the department of resource development with respect to the prospect for industrial and commercial development in the county apart from the Menominee enterprise itself. The conclusion reached was that such development was most unlikely because of a number of factors:

1. The county lacks a minimum of services to attract industry and commercial enterprises.
2. It is very doubtful if the communities in the county can support even the minimum of commercial enterprises.
3. There are no good housing areas where industry or business management could live without residing outside of the county.
4. Capital from non-Government sources is not available.
5. Although there is much evidence to the contrary, the area does not have a good worker dependability reputation. Such a reputation, although unfounded, must be recognized since it tends to adversely affect industrialization.
6. There are not many, if any, available buildings for commercial or industrial development.
7. The established trading centers surrounding the county are close enough to attract the county residents and unless the communities in the county develop a diversity of services and a local buying attitude the services will have difficulty surviving.
8. Local leadership for commercial and industrial development is lacking in enough experience and depth.

Development of recreation:

Additional industry in the county is probably a questionable prospect under any circumstances, but commercial and recreational development, including the lease-sale of sites for summer and year-round homes, has from the outset been envisaged as an important means of supplementing earnings from the mill, increasing the tax base, and lessening dependence on Menominee Enterprises as virtually sole taxpayer. Through September 1964 a total of 75 lease-purchase agreemets were reported, with about 20 new homes in place at average value of $12,500. As a part of such a program, the company has responded with a counter offer to the proposal by the State department of conservation to establish a State park in Menominee County.

Under the company's proposed modification, the park would not embrace all the county except for home and business sites, but would instead be limited to about 2,200 of the county's 234,000 acres. The area described is believed by the company to have a potential developed value of nearly $15 million. Such development is regarded as a 40-year process, however. For use as a State park, the company has proposed a 40-year lease-purchase price of $6.5 million.

Recurrent proposals that part or all of Menominee County be made a State park have aroused much vocal opposition. It became apparent at the hearings in September 1964 that there is deep minority opposition to any intrusion by "outsiders" into the "reservation," as such Menominees continue to call the county. According to the company, the conservation department has given assurances that it will not use its power of condemnation to acquire Menominee land for park purposes.

The company's proposal would entail establishment of a trust fund into which annual payments under the lease-purchase agreement would be paid, such fund to be used to retire bonds and stock of Menominee Enterprises, Inc. (including possible repurchase of bonds now encumbered by the department of public welfare) and to pay interest and dividends. The park itself, in the company's view, could "complement other development necessary in Menominee County, for the benefit of all concerned."

CONCLUSION

The foregoing review of developments in Menominee County since termination of the Federal trust in 1961 makes clear how ill-advised were the terms on which the Menominees were deprived of Federal services and supervision. The need for remedial action, by the State or Federal Government, or both, cannot be denied in light of the stark facts concerning the county, with its mounting budget, and the corporation, with its struggle to finance most of that budget and yet keep its head above water.

The Menominee Termination Act is explicit that, upon termination, members of the tribe shall not be entitled to any of the services performed by the United States for Indians because of their status as Indians, all statutes of the United States which affect Indians because of their status as Indians shall no longer be applicable to the members of the tribe, and the laws of the several States shall apply to the tribe and its members in the same manner as they apply to other citizens or persons within their jurisdiction. (Sec. 10.)

In light of this language, the Bureau has had no programs in operation in Menominee County since May 1, 1961, and has no authorization for appropriations to be used in that county. This is not well understood among the Menominees, many of whom are ready to take any evidence of official interest in their situation as an indication that the Bureau is in standby status under a Federal trust responsibility that is only temporarily suspended. This became evident in the course of the meetings and hearings where the Bureau was represented by observers.

The Department of the Interior sees no alternative to combined State and Federal support of the county and its people, who are in desperate circumstances. Continuation of the present trend will threaten the existence of the corporation and lead to decline of county services, to the detriment of the Menominee people and their non-Indian neighbors in Wisconsin. To stand idly by and watch the futher growth of such a pocket of poverty is unthinkable.

The State of Wisconsin has been generous in its aid to Menominee County. Federal aid was small and was established on a declining basis; it is now approaching the vanishing point. In our opinion, Federal assistance should be reestablished, in such categories and such amounts as are commensurate with Menominee County's needs. There are two methods by which this may be done.

Grants-in-aid may be provided through new authorizations and appropriations to the Department of the Interior for the use and benefits of Menominee County. If this method should be followed, it would require amendment of the Menominee Termination Act or it would constitute a precedent-setting departure from the principle of trusteeship, which has hitherto governed the conduct of Indian affairs.

Alternatively, the Congress may authorize and appropriate similar amounts to the Department of Health, Education, and Welfare, to be transferred to the State of Wisconsin for aids to Menominee County.

The responsibility for initiating action to determine what measures are required to meet the urgent Menominee situation is shared by officials of the State of Wisconsin and Menominee County and officers of Menomine Enterprises, Inc. In light of the facts the Bureau's review has disclosed, we are confident that full examination by appropriate legislative committees will amply corroborate these general conclusions and permit appropriate and adequate measures to be drafted for enactment into law. The Department of the Interior will be ready at all times to respond to requests for recommendations with respect to such legislation as may be proposed.

REPORT OF THE MENOMINEE COUNTY BOARD OF SUPERVISORS AT A SPECIAL MEETING AT THE COUNTY COURTHOUSE AT KESHENA, WIS., FEBRUARY 7, 1966

After a careful investigation of the public facility needs of the county of Menominee, town of Menominee, and the communities ofr Neopit and Keshena working in collaboration with the General Engineering Co. of Portage, Wis., with respect to sewer, water, and sanitation needs; with the district highway engineer of the State of Wisconsin; the Department of Resource and Development of Wisconsin; Department of Administration, State of Wisconsin; the agricultural extension service of the University of Wisconsin; the Farmers Home Administration; the Economic Development Administration of the Department of Com-

merce, the county board of supervisors hereby submit to the honorable members of the Wisconsin delegation in Congress, to the Senate Committee on Labor and Public Welfare of the U.S. Senate, to the House Committee on Interior and Insular Affairs of the House of Representatives, and Federal agencies having congressional authority and jurisdiction, with the following report of the urgent needs of Menominee County and its residents.

1. SEWER AND WATER NEEDS

The engineering survey made by Mr. Harold Vik, a registered professional engineer with the General Engineering Co. of Portage, Wis., who was retained by the U.S. Public Health Service in 1960 to prepare surveys, reports, and cost estimates for bringing the sanitation facilities up to required standards, has recommended in his completed surveys and reports that the sewer and water installations required in the villages of Neopit and Keshena and the community of Zoar will approximate a cost of $470,000. The sewer and water installation is a requisite for living standards and health as well as community growth and development.

The Menominee County Board of Supervisors hereby request that this application for funds and the supporting data required to bring about construction and completion be given immediate attention by the agencies of the Federal Government having jurisdiction and authority.

2. STREETS, CURBING, GUTTERS AND STORM SEWERS

Street and curbing improvements as well as drainage facilities are a vital necessity in both of these communities for which local resources are not available. These community facility needs should be coordinated with the major sewer and water installation outline under item 1 above. Mr. L. W. Empy, Highway District Engineer of Wisconsin, of Green Bay, Wis., gives a cost estimate of $1,295,000 for these improvement needs.

3. VOCATIONAL AND ADULT TRAINING SCHOOL FACILITIES

There are numerous worthwhile employment and economic growth opportunities in Menominee County, the development of which can become reality with the resources by continuing renewability be preserved and maintained. Vocational training is a great human resource. The importance of this need has repeatedly been brought out by the fact that new small industries that are considering location in Menominee County always inquire about the possibility of obtaining a skilled work force. This type of vocational training is also required to provide continuing skilled labor for the Menominee Enterprises Mill, the principal industry in the county. The minimum of $17,000 annually represents the Menominee County mandatory tax obligation for vocational training under the vocational training district program. Presently it is necessary to send interested persons to Antigo, Green Bay, and Milwaukee.

4. COMMUNITY CENTER FOR YOUTH ACTIVITIES AND COUNTY CIVIC AND SPECIAL FUNCTIONS

Although the county has 2,700 residents, there is no public community center. Such a center would do much to give momentum to the original efforts and civic interests for community and county achievements. Such functions, including the recent U.S. Senate hearing of Senator Gaylord Nelson and others, have been held at the Saint Anthony's Auditorium and through the good graces of Father Marcellus. Human interest of the county indicates the absolute necessity for a community center.

5. THE BRIDGE CROSSING THE WOLF RIVER AT KASHENA FROM HIGHWAY NO. 47 TO RESIDENTIAL AREA IS A ONE-WAY DILAPIDATED STRUCTURE

About 3 years ago a new bridge could have been constructed for $80,000 provided that Menominee County would furnish $40,000 of matching funds. This the county found impossible to do. The present structure will run approximately $120,000. This new bridge is extremely important to the county since this is the only means to which the residents and people throughout the county and Nation can get to the residential area and the annual county fair and Indian pageants. Inasmuch as a schoolbus is required to go over this bridge daily, the

bridge is a public hazard which should be corrected—endangering the lives of the children. It is, therefore, apparent that this hazard should be corrected.

6. HEALTH, EDUCATION, AND WELFARE (NELSON-LAIRD BILLS PRESENTLY BEFORE CONGRESS)

Health, education, and their related problems have been facing the Menominees since termination. The enactment of these bills will provide the relief for the county adjustment as a reservation status to a fully sustaining county.

The foregoing are needs of Menominee County. The county board of supervisors has requested Menominee Enterprises, Inc., to outline and give supporting data for its mill modernization needs and the development of new small businesses and industries which will provide employment for many of the women of the county who have the talents and the willingness to contribute toward the betterment of the living standards and the eternal well-being of the county residents.

A motion was made by ———— that the foregoing statement of public facility needs of Menominee County be sent to U.S. Senator Nelson, Congressman Laird, and copies also be sent to each member of the Wisconsin delegation in Congress. The motion was seconded by ———— and unanimously adopted.

Signed and certified by the members of the county board of supervisors:

(S) Leo Kohls,
LEO KOHLS.

RESOLUTION OF THE INTERNATIONAL WOODWORKERS OF AMERICA, AFL–CIO

Whereas in an effort to improve the condition of the working man in Menominee County, Wis., the production, maintenance, and service employees of Menominee Enterprises, Inc., Neopit, Wis., most of whom are Menominee Indians terminated from Federal supervision in May of 1961, elected and organized as Local 4–302, International Woodworkers of America, AFL–CIO, in 1963; and

Whereas by negotiation and hard work some benefits have been gained for the employees, largely through their own efforts by improving and increasing the production of the Menominee forest and hills; and

Whereas even though we have made some gain, wages and employee benefits have not kept pace with increased living costs, particularly with the increase in property and other State taxes we have had to assume, and other new costs such as health and accident and automotive insurance, medical expenses, and other State fees and expenses from which we were formerly exempt; and

Whereas Menominee Enterprises constitutes almost the entire employment base and support for Menominee County (continued increase in property taxes may bankrupt this company) we realize that further improvement in wages and usual employee benefits will be most difficult, if not impossible, to realize without further development of the industry and tax relief during the interim period: Now, therefore, be it

Resolved by Local 4–302 of the International Woodworkers of America, AFL–CIO, this day in February 1966, that the honorable chairmen of the Senate Committee on Labor and Public Welfare and the House Committee on Interior and Insular Affairs are respectfully requested to proceed to hearings and favorable action on S. 1934 and H.R. 8034 now pending in the Congress, and that the representatives of the International Woodworkers of America are requested to assist and support the enactment of this Menominee workers aid legislation.

ALOYSIUS FRECHETTE,
President, Local 4–302.
THOMAS A. GRIGNON,
Secretary-Treasurer, Local 4–302.

WISCONSIN STATE AFL–CIO,
Milwaukee, Wis., February 15, 1966.

Senator LISTER HILL,
Chairman, Senate Committee on Labor and Public Welfare,
Senate Office Building, Washington, D.C.

DEAR SENATOR HILL: On behalf of the Wisconsin State AFL–CIO, I would like to urge your support of bill S. 1934 which was introduced by Senator Gaylord

Nelson, of Wisconsin. This bill would make certain grants to the Menominee Indian people of Menominee County, Wis.

As COPE director of the State of Wisconsin, on various occasions I have had the opportunity to be in the Menominee area and meet with our affiliated local unions and their memberships. The State AFL–CIO is vitally concerned about this proposed legislation since we know that the families in Menominee County are probably at the bottom of the economic ladder, more so than any other group in Wisconsin.

Since 1961 when Federal supervision of the Menominee Indians was terminated by Congress, the situation has worsened. With the ever-increasing tax burden, of which Menominee Enterprises, Inc., must bear 95 percent, makes it absolutely economically impossible for the corporation to maintain adequate wage levels, meet its obligations to local and county governments and continue to operate. Better than 300 of our union members depend upon Menominee Enterprises, Inc., for their livelihood. As you can see, if the Menominee Enterprises would fail to operate, we would find ourselves in an impossible, hopeless situation. Something must be done if we as Americans are concerned about the Menominee situation, and especially assisting in alleviating the almost deplorable situation that now confronts the citizens of our State and the United States.

We have many serious problems in Menominee, such as an inadequate tax base, high cost of tubercular incidence, a high ratio of welfare and correction costs. Incidentally, this is due to the low level income, lack of adequate job training, school dropouts, and a high rate of delinquency. We are hopeful that if the necessary funds can be allocated to the Menominee Indian people and raise the standard of living of all of them, that we will have the necessary tools needed to help correct many of the other problems that are so present.

I would appreciate your committee giving serious concern to this situation and supporting passage of bill S. 1934.

I am ever mindful of the fact that because this is only an isolated situation with very little political potential and the fact that a large amount of money is involved, may cause many members of your committee to deem the bill not too important. I want to assure you that it is important and the people that it will help need help as fast as possible.

Again thinking you for whatever you can do in support of this bill, I remain,

Sincerely,

JOHN W. SCHMIDT,
Executive Vice President.

INDUSTRIAL UNION DEPARTMENT, AFL–CIO,
Washington, D.C., March 24, 1966.

Hon. LISTER HILL,
Chairman, Senate Labor and Public Welfare Committee,
4123 New Senate Office Building, Washington, D.C.

DEAR CHAIRMAN HILL: Our attention and concern have been drawn toward Menominee County, Wis., where the residents (members of the Menominee Indian Tribe) are finding it impossible to meet their most basic community needs.

Cut loose from tribal status in 1961 without sufficient economic resources to make their own way, the people of the county have since been trying mightily to find their own economic salvation. The Menominee Enterprises, Inc. (whose stock and bond holders are members of the tribe) which succeeded to the tribal assets, has been managing skillfully and frugally as the circumstances permit. The Menominee County workers who log the forests have accepted, through their union, the International Woodworkers of America, the barest minimum wages in their desperate desire to help build a viable economy. However, whatever the effort and the sacrifice of the people of the county, it is impossible to envisage success without Federal assistance.

We believe that Senator Nelson's suggestion (S. 1934) is a sound and meaningful approach to the beginning of a solution to the grievous Menominee County problem. A multipurpose program of Federal grants to the county's education, welfare, health and sanitation systems will carry it over the hump of its present crisis.

In addition, grants for detailed studies of the timber and recreation potential of the county undoubtedly will reveal the means of self-support and economic recovery. The timber is rich and virgin and the rivers and forests could

readily become a mecca for vacationers and thus provide a new and hopeful industry for the county.

We are impressed with Senator Nelson's suggestion for a long-term, low-interest Federal loan to develop the natural resources of the county and thus make it possible for these citizens of Wisconsin to develop the means of helping themselves.

It is our conviction that Senator Nelson's bill is preeminently in the public interest. The result of its passage would be the preservation of the health of the people of Menominee County, the furtherance of their educational needs and, perhaps, even more important for the long run—provide them with a sound and dignified means of building a life and economy which would be self-supporting and contribute to the well-being of themselves as well as the State and the Nation.

We urge support of S. 1934 and respectfully request that this letter be included in the proceedings of the committee hearings on this bill.

Sincerely,

JACK T. CONWAY, *Executive Director.*

(Whereupon, at 12:38 p.m., the subcommittee adjourned subject to call of the Chair.)

○

STATE UNIVERSITY LIBRARY
JUL 25
1966
MANHATTAN, KANS.