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INTERIOR NOMINATION

HEARINGS

BEFORE THE

COMMITTEE ON INTERIOR AND INSULAR AFFAIRS UNITED STATES SENATE

NINETY-FIRST CONGRESS

FIRST SESSION

ON

THE NOMINATION OF GOVERNOR WALTER J. HICKEL, OF ALASKA, TO BE SECRETARY OF THE INTERIOR

JANUARY 15, 16, 17, and 18, 1969

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NOMINATION OF GOVERNOR WALTER J. HICKEL, OF ALASKA, TO BE SECRETARY OF THE INTERIOR

WEDNESDAY, JANUARY 15, 1969

U.S. SENATE,
COMMITTEE ON INTERIOR AND INSULAR AFFAIRS,
Washington, D.C.

The committee met, pursuant to notice, at 10:05 o'clock a.m., in room 1202, New Senate Office Building, Senator Henry M. Jackson, chairman, presiding.

Present: Senators Jackson (presiding), Anderson, Bible, Church, Moss, Burdick, McGovern, Nelson, Metcalf, Gravel, Allott, Jordon of Idaho, Fannin, Hansen, Hatfield, Stevens, Bellmon.

Also present: Senators Randolph and Muskie.

Staff members present: Jerry Verkler staff director; Stewart French, chief counsel; William Van Ness, special assistant; James Gamble, professional staff member; Roy Whitacre, professional staff member; Porter Ward, professional staff member; Daniel Dreyfus, professional staff member; and Charles Cook, minority counsel.

The CHAIRMAN. The committee will come to order.

This is an open public hearing by the Senate Interior and Insular Affairs Committee on the anticipated nomination by President-elect Nixon of Gov. Walter J. Hickel of Alaska to be Secretary of the Department of the Interior.

I have invited the chairmen of the Senate Public Works Committee, Mr. Randolph, and Commerce Committee, Mr. Magnuson, to attend or send representatives to sit with the members of the Interior Committee on this nomination. The Public Works Committee has legislative jurisdiction over the water pollution control program; Senator Muskie, the chairman of that subcommittee, will also be here. The Commerce Committee has legislative jurisdiction over the Department's fish and wildlife programs. The attendance of members of these committees will afford them an opportunity to raise any questions they deem desirable on matters which are within the jurisdiction of their respective committees.

The committee has been supplied with a biographical sketch of the nominee. A copy is before each member and, without objection, I will direct that the text of the biographical sketch appear at this point in the hearing record.

(The biography of Governor Hickel follows:)

BIOGRAPHY OF WALTER J. HICKEL

Walter Joseph Hickel was born in Claflin, Kansas, on August 18, 1919, the son of Robert A. and Emma Hickel, and the third eldest of their ten children. His parents were tenant farmers on the flatlands of the North Bend area. He attended

grade school and high school in Claflin, participating in football, track and boxing. In 1938, he won the Kansas Golden Gloves Welterweight Championship.

At the age of nineteen he bought a Claflin insurance business, which he sold in 1940.

He married Janice Cannon in September, 1941, and they had one son. Ted. Janice died in August, 1943, after a short illness.

In November, 1945, Hickel married Ermalee Strutz, the daughter of pioneer Alaskans, Mr. and Mrs. Louis P. Strutz of Anchorage. They are the parents of five sons: Bob (21), Wally Jr. (20), Jack (17), Joe (14), and Karl (6).

Hickel has been a builder, developer and civic leader since 1946. He started his business career by building homes. Later he built, operated and developed rental units, residential areas and hotels.

He is a member of The Knights of Columbus, B.P.O. Elks Lodge, Navy League of the United States, Washington Athletic Club (served on Board of Governors in 1961 and 1962), and Capitol Hill Club of Washington, D.C.

Served as Chairman of the State Chamber of Commerce's Economic Development Committee, Chairman of the Board of Anchorage Natural Gas Company, a trustee of the Alaska Methodist University, and a member of the Board of Regents of Gonzaga University.

For ten years he served as Republican National Committeeman for Alaska. He was a leader in the fight for statehood, and was elected Governor of Alaska in 1966.

The CHAIRMAN. Governor Hickel, the Committee on Interior and Insular Affairs welcomes you to the hearing this morning. We look forward to hearing your testimony. You have been selected by the President-elect for a position of great trust.

In the Department of the Interior is concentrated the major responsibility for managing our Nation's natural resources. The Department is responsible for important human resources, and, also has special obligations to Indian Americans and to the people of the territories and other areas under the U.S. flag.

The Department of the Interior is often called our "Department of Conservation"—and I can think of no higher duty incumbent on those who administer the Department than the conservation of our great resources.

The public lands administered by the Department comprise a large share of the total land area of our Western States. The reclamation program administered by the Department is vital to the West and, by law, is limited to the West. Therefore, it is understandable that some people may think of the Department of the Interior as strictly a "Department of the West." Today, this is a most inadequate description of the Department's jurisdiction and great responsibilities.

The functions of the Department of the Interior touch the lives of all Americans. They include a nationwide responsibility for improving and protecting the purity of our water; electric power development and marketing responsibilities in many parts of the Nation; and a national system of parks, monuments, seashores, lakeshores, and historic sites spanning the continent. The Department's obligations involving fish and wildlife resources and mineral and fuel resources are of vital importance to the country as a whole.

The legislation and the policies of the 1960's make it quite clear that the mandate of the Department is the administration of this Nation's resources in a manner which will insure a healthy, beautiful, and productive environment for present and future generations, as well as material and economic progress.

The man who serves as Secretary of the Interior occupies the position of "people's trustee for the total environment." Carrying out this trusteeship is no easy task as Secretary Udall well knows. The job daily presents many difficult decisions which require the weighing of a balance between preservation and development; quality and quantity; beauty and economic gain; the long-range requirements of future generations, and the satisfaction of present desires.

The people of this Nation and their representatives in the Congress are deeply concerned with the manner in which the obligations of this trusteeship are met.

This committee has received an unprecedented volume of communications from citizens throughout the country with reference to this nomination. These communications demonstrate the deep interest Americans have in the proper administration of the Department of the Interior.

Governor Hickel, as you and the members of this committee are aware, a number of questions have been raised publicly concerning your philosophy, your views, and your future actions should your nomination as Secretary of the Interior be confirmed by the Senate. The issues and questions which have been raised may be based on inadequate information or misunderstandings. Nevertheless, having been raised, I believe that these questions, insofar as they are relevant and reflect upon your qualifications to serve as Secretary of the Interior, should be examined carefully so that we may compile a full and a complete hearing record. To do less would be a disservice to you and to the public's confidence in those who serve in Government.

Certainly history will show that the Senate has accorded the President, particularly a newly elected President, wide latitude in his choice of those who will serve the country as members of the Cabinet. Nevertheless, this committee and the Senate must meet our constitutional obligations, and, therefore, this is not a perfunctory proceeding. At a minimum, I expect it to be an enlightening and educational experience for us all. I hope we will make good use of this opportunity to examine our responsibilities here before the public.

Now, I would like to turn to the ranking minority member of the committee for any comment that he may wish to make at this time. Senator Allott.

Senator Allott. Thank you, Mr. Chairman. I have a very short statement that I would like to make.

First of all, Governor, I want to welcome you to this committee. In the years to come I am sure that we will see you many times before this committee just as we have had the pleasure of seeing your predecessor, Secretary Udall.

This committee and the Department you have been nominated to head, or will be nominated to head, have long been dedicated to the conservation principle of the wise use of our natural resources. Theodore Roosevelt once defined conservation as "dealing intelligently with what we have," and that pretty well sums up the approach that this committee has always tried to take.

Dealing intelligently with what we have, in my opinion, means that we will not only make the best use of our natural resources but that

we will avoid the wasting of those resources. Conservation might be defined another way as the avoidance of waste.

It seems to me that there are at least two ways to avoid waste. One is to prevent something useful from being destroyed or despoiled. The other is to put to beneficial use something that has not heretofore been used. Examples of both kinds of conservation can be found in our reclamation program. Flood control features preventing the despoiling of the land by the ravages of unbridled flood waters not to mention the saving of human life, while the waters controlled by dams and other features are saved from wasting to the sea and may be put to several concurrent beneficial uses, including irrigation, municipal water supply, recreation, and fish and wildlife purposes. To me this is dealing with what we have intelligently, and this policy must not only be applied to water but to the land and to other resources.

I believe I can say without fear of contradiction that where multiple compatible uses can be made of land or water resources, all such uses should be accommodated. The Multiple Uses Sustained Yield Act, the Multiple Mineral Development Act, and the 1964 Classification and Multiple Use Act are all expressions of the dedication of Congress to the principle of multiple use.

The difficulty arises when there is a conflict between the uses, that is, where one use by its very nature excludes other uses. History's verdict on whether we dealt "intelligently with what we have" will be based upon how we resolve this conflict.

It may seem a little removed at this point, but I am reminded of the parable, according to St. Matthew, wherein Jesus said that the Kingdom of Heaven is as a man traveling into a far country who called in his own servants and delivered unto them his goods. One he gave 5 talents, to another he give 2, and to another 1. The one who received 5 talents was diligent and caused them to increase to 10 talents. So also did the servant with 2 talents, and he increased his talents to 4. But, the one who had received 1 talent buried his talent and hid it from sight in fear that it might be lost.

When the master returned he was well pleased with both the servant entrusted with the 5 talents and the servant with 2 talents and he made them rulers over great things. But the servant who had buried his talent the master called wicked and slothful, and cast him out, taking away the 1 talent and giving it to the servant who had 10 talents.

The message is clear in my opinion. We must be diligent in using our resources and causing them to increase or we may lose what we already have. If we do so, I believe that history's verdict will be that we dealt in this committee and in this country intelligently with what we have.

Governor Hickel, I am most anxious to hear your thoughts on how we can be good and faithful servants and increase the talents entrusted to us.

The CHAIRMAN. Thank you, Senator Allott.

We are delighted to welcome a new member to the committee, Senator Ted Stevens of Alaska. He had the privilege of serving in the Department of the Interior for a number of years. Senator Stevens, we will ask you if you have any remarks.

Senator STEVENS. Thank you. Mr. Chairman. I think it is a rare opportunity for a new Senator to introduce a Secretary-designate to the

committee on his confirmation, particularly when the new Senator is attending his committee meeting for the first time.

I am sure you all know for me it is even a rarer honor where I have the privilege of introducing to you the man who appointed me to the U.S. Senate and a man who has been my friend for many years. You know, sometimes I feel that many people think Alaska is still in the 19th century, a vast wilderness dotted with villages and filled with ferocious animals. We have wilderness areas. These are areas that would dwarf the country from here to Maine and New York to Chicago and still leave 100,000 acres untouched.

Alaska includes within its boundaries four separate time zones and to me its size sometimes is beyond comprehension. Alaska is more than just open space. Cities virtually indistinguishable from those here in the lower 48 have arisen. These cities have unusual problems and challenges and, as Governor, Walter Hickel accepted those challenges with skill and determination.

Alaska is not an average State and I think everyone here will agree that it would take more than an average man to govern this new State.

One of the concerns, Mr. Chairman, as you have mentioned of this hearing, will be conservation. Alaska is a land where conservation is a watchword. There is no smog and little pollution in Alaska and if it is humanly possible to prevent, there never will be because Alaskans know and value pure air, pure water and virgin country. But we also realize the need for industry and the economic prosperity that industry brings.

There are no more conservation conscious people in the United States than those of Alaska. Governor Hickel has guarded our resources well and he will do more for the Nation, for I believe he will restore to some of the less fortunate areas of our Nation the joy of living in an environment which stimulates freedom.

Mr. Chairman, if I may, I would like to introduce, before I introduce to you the Governor, the Governor's lady, our first lady, Ermalee Hickel, and sitting beside her our former distinguished Governor and former member of this committee, Ernest Gruening.

It is now my great honor to present to you the Governor of Alaska, Walter J. Hickel.

The CHAIRMAN. Thank you very much.

Before that actually occurs in fact, I would like to recognize the able and distinguished junior Senator from Alaska, Mike Gravel, who has been elected for a 6-year term and who is also a new member of this committee. He has taken a very keen interest in natural resources, conservation, and development. Senator Gravel, we are delighted to welcome you to the committee.

Senator GRAVEL. Thank you very much, Mr. Chairman. I would like to be particularly brief and I would like to associate myself with the comments of the distinguished senior Senator from Alaska and merely wish the distinguished Governor of Alaska well at this hearing.

Thank you, Mr. Chairman.

The CHAIRMAN. Any other Senator wish to make a comment at this time? If not, we will proceed now to hear from Governor Hickel.

Governor Hickel, you have a prepared statement, I believe, and you may proceed in your own way.

STATEMENT OF GOV. WALTER J. HICKEL, NOMINEE TO BE SECRETARY OF THE DEPARTMENT OF THE INTERIOR

Governor HICKEL. Thank you, Mr. Chairman, Senator Allott, distinguished members of the Interior Committee, and other distinguished guests.

I would first like to say that I appreciated the opening remarks of Chairman Jackson and Senator Allott, and I find little with which to disagree. I would say that that kind of a philosophy is the kind of philosophy that well fits and should fit the new Secretary of the Interior.

I believe I understand and respect the purpose of this meeting. We all know that no department of government has a greater diversity of programs than the Department of the Interior. Rather than go into details on this variety of programs and unnecessarily take the time of the committee, I will seek to cover broad areas of concern, and thus leave time for committee members to ask such questions they might want to ask.

I would like to assist the committee in every way I can to build a complete and accurate record here today. I will welcome any discussion with the committee about Alaskan problems and about my past policies as Governor of Alaska. But, as we discuss those matters, I will distinguish, and I am sure the committee will do likewise, between the vastly different responsibilities which rest upon a Governor and those which rest with the Secretary of the U.S. Department of the Interior. As Secretary of the Interior, I will assume major responsibilities for the wise use, management, development, and conservation of our entire Nation's natural resources.

I know of no Department of our National Government which has more varied functions or more important responsibilities. Those responsibilities range from people—our Indians, Eskimos, and Territorial residents—to minerals, fuels, forests, lands, waters, and even to some responsibilities for the seas surrounding our Nation.

Before I go further, I wish I could come before you today and say that I know all the answers to the many problems attendant to these areas. I wish I could say that solutions will come easily. I am certain that there are many areas which will defy, or certainly challenge, all our ingenuity, and I know that, when confirmed, I will need not only the advice and consent of the Senate for the confirmation itself, but I will also need the help of you and other members of Congress for "advice and consent" in the future so that we can attempt to solve the problems in a spirit of constructive cooperation.

Now, let me discuss with you briefly where I think we are in history with respect to our Nation's natural resources and where I feel we should be going.

First, I have been aware, and am becoming more informed every day, of the work that is being done in a number of important agencies within the Department of the Interior. These include:

The Bureau of Indian Affairs and Office of Territories with responsibility for improving health, education, housing, and with developing local economic opportunities for Indians, Eskimos, and Territorial residents;

The establishment of parks and recreation areas for the benefit of the greatest number of people through the National Park Service and Bureau of Outdoor Recreation;

The continued development of water and power projects, under the Federal reclamation program and power administrations, as well as the need for broad river basin planning;

The multiple-use management of renewable resources under the Bureau of Land Management;

And, the investigative and research and development efforts of the Fish and Wildlife Service, Geological Survey, Bureau of Mines, and Offices of Saline Water, Water Resources Research, and Marine Resources. I welcome any comments or questions from the committee into these areas and in no way do I intend to minimize the importance of these vital areas in the Department of the Interior. But to be brief, I will confine my formal statement to three broad areas of national concern. These are:

1. The conservation of wild areas, natural habitats and open space in our country;

2. The enlightened long-range development of the depletable minerals and fuels required in our expanding domestic economy; and

3. Finally, the need for managing our total environment for the greatest benefit to society.

CONSERVATION OF NATURAL RESOURCES

The conservation movement which started with Theodore Roosevelt, at the turn of the century, reached a high point in recent years with the enactment of landmark conservation legislation. What is of equal importance, in my opinion, is the increased awareness of interested and dedicated individuals and groups who have taken it upon themselves to alert the entire country to the need for the wise conservation and utilization of resources. It is really the people that bring about legislation.

Redwoods, North Cascades, wild rivers, scenic trails, wilderness and recreational areas, national seashores, monuments, and waterways—to name only a few—all received attention and protection because of a dedicated bipartisan effort by the Congress. The Congress, and more particularly this committee and its leadership, can be very proud of the legislation they have put on the books. Secretary Udall should be, and I am sure he is, proud of the key role he played in the development of those programs.

Now I believe it should be the duty and responsibility of the new Secretary of the Interior to continue these programs established by the Congress.

I believe we should devote a period of time to the consolidation of the gains that have been made and to a reassessment of our long-range objectives. I think we should explore ways within the Department to make things work better.

Our aim in the future should be prevention instead of reaction to deterioration in the environment. Patchwork conservation will not work. We must anticipate the effects of economic growth and new technology and move now to protect our environment before, and not

after, it is destroyed. Fundamental research is an area that has been neglected in recent years, and which will demand an early emphasis. Small dollar outlays for research now will pay big dividends in the future.

In addition, greater emphasis on studies of human population patterns and recreational needs are also needed if we are to prepare for the future. I do not believe we do the concept of wilderness and recreation land preservation any justice if we do not plan now for the impact that man, in dramatically increasing numbers, will have on wilderness areas and open space. Likewise, we do not do the citizens of this country justice if we manage parks and wilderness on an abstract basis and fail to recognize what great benefits these areas can give to individual people and to our society.

NATURAL RESOURCES DEVELOPMENT

Let me turn now to the question of management policies for the depletable minerals and fuels required by a healthy and expanding domestic economy. The Secretary of the Interior has a significant responsibility in the field of natural resource development. Decisions in this field involve vital policy considerations such as national security, balance of payments, conservation of resources, pollution control and abatement, and even relationships with other nations.

The problem involved in these decisions are neither simple nor free from controversy. I will discuss a few items which certain Senators have indicated are of immediate concern to them and which will also be matters of early concern to the incoming administration.

The first of these items is the oil import program. This program, established 10 years ago during the Eisenhower administration to protect the national security, has been reviewed and maintained by both the Kennedy and Johnson administrations. All can see, and the Middle East crises in 1956 and 1967 demonstrated, the need to maintain our self-sufficiency in the production of vital minerals and fuels. I am aware of no suggestion from responsible sources that the program is not needed to maintain our national security. Indeed, Secretary Udall, in his farewell press conference last Thursday, reaffirmed his belief in this program.

It is the administration of the oil import program that has become controversial. As Governor of Alaska, I have, in accord with the obligations of that office, viewed the oil import program primarily in the context of its effect upon the citizens of Alaska. As Secretary, I will study and consider this and all other problems connected with the oil import program from the standpoint of the national interest.

A study and review of the administration of the oil import program must be conducted in close consultation with a number of other Federal offices which are vitally involved in energy policy matters. Among these are the Department of Defense, the Office of Emergency Planning, the Departments of Commerce, State, and Treasury, and the President's Office of Science and Technology. All of these agencies will assist in reaching basic decisions on energy policy.

In any event, all decisions I make will be governed by the broad national need and interest.

Another subject which is equally complex is the question of oil shale development. Although I have not had an opportunity to study this question in depth or to receive the advice of national energy policy experts, I believe that we should be prepared to develop oil shale just as soon as it can compete with other sources of liquid fuel in our economy.

This leads me to say that we must emphasize the wise utilization of our domestic minerals and fuels. Such wise utilization and development includes the desirability of giving our citizens the cheapest possible products consistent with national security and balance-of-payments considerations. Such development must include careful planning to minimize and hopefully avoid adverse impacts on the environment such as air and water pollution, erosion, and unsightly landscapes.

Some domestic industries concerned with the discovery and development of basic mineral resources are badly in need of revitalization. Greater exploration efforts need to be devoted to the findings of strategic minerals vital to our national security. I will give early attention to these problems, with particular emphasis to revenues which can be returned to Federal, State, and local governments when domestic resources are properly developed.

THE QUALITY OF OUR ENVIRONMENT

The final area of broad concern that I wish to discuss with you is the absolute necessity to protect the desired quality of our environment. Pollution, loss of open space, crowding, ugliness, the declining biological health of the human environment—these are some of the challenges at home and abroad.

These matters are an inescapable responsibility of national, State, and local government. The Department of the Interior must provide leadership and assistance to other government entities in developing proper guidelines for protecting our environment. Better Federal coordination must be achieved. The role of State and local governments must be strengthened. New regional approaches must be developed.

We must be willing to look into the future—1980—the year 2000. What type environment do we want? Is it attainable with the resources and technology available to us? The objective is to do today and tomorrow what is possible and to keep our long-range goals constantly in mind.

Congress has, in my judgment, wisely enacted laws establishing programs for assuring the quality of our water and air. These laws call for the States to adopt realistic programs for protecting and enhancing the quality of our environment. The laws properly allow for variations depending upon local conditions and circumstances. I think Congress was wise in adopting this format rather than setting nationwide, uniform standards.

In my judgment, the Water Quality Act, as amended, is basically a fine tool for helping to manage our environment. However, by developing a better working relationship with the State authorities charged with administration of this program, I believe more progress can be realized.

Our President-elect has set the tone and shown the road for conservation in the seventies.

He believes that:

> * * * The battle for the quality of the American environment is a battle against neglect, mismanagement, poor planning and a piecemeal approach to problems of natural resources.
>
> It is a battle which will have to be fought on every level of government, not on a catch-as-catch can basis, but on a well thought out strategy of quality which enlists the aid of private industry and private citizens. * * *
>
> Our single goal in this field is the enhancement of the life of every American.

I subscribe to these goals. I believe that with realistic environmental quality programs, adequate financing and strong enforcement of the law, progress will be made in protecting our land, water, and air. You may be interested to know that I am the only Governor of the 50 States who has ever seized an ocean-going vessel for dumping oil wastes in coastal waters. They were breaking the pollution laws of the State of Alaska.

I conclude by saying that I suggest no panaceas. I will place early emphasis on performance—on making existing programs work.

I look forward to working together with you for the proper management and wise utilization of our natural resources. I look forward to working with you for the development of new techniques for improved environmental management, so that man will survive in a world that is worth living in.

I am proud to have been asked by Mr. Nixon to serve my country as Secretary of the Interior. I am honored to have the opportunity of appearing here before you today.

I welcome your questions.

Mr. Chairman, I thank you very, very much.

The CHAIRMAN. Thank you, Governor Hickel. The Chair will ask four or five questions and then we will turn to our colleagues and provide an equitable basis for the members of the committee, including those who are not members but who are invited here—Senator Randoph, of the Public Works Committee; Senator Muskie, representing the Committee on Public Works; and Senator Magnuson of Commerce—to have adequate time to ask the questions that may be on their mind.

Governor, concern has been expressed in the press and in many letters to the committee that you may have conflicts of interest which would preclude your making objective decisions in the national interest in many areas which are within the jurisdiction of the Secretary of the Interior. I believe that this concern can be divided into two general areas.

First, as Governor of Alaska you have taken positions on a number of issues of national concern. You understandably took positions which I assume you believed were in the best interests of your State.

In your new position as Secretary, you may be called upon to deal with some of these same issues. An example is that of the proposal for a free port at Machiasport, Maine, which you have opposed, as I understand it. Another is the land freeze which you oppose and which Secretary Udall instituted to protect the interests of the Alaskan native people.

Under present law, as Secretary of the Interior you would be in a position to make administrative decisions on both of these matters. The American people, of course, have a right to expect your decisions as Secretary to reflect your best judgment of the interests of the Nation as a whole in these matters.

One point of concern is a reported remark that you "could do more for Alaska" as Secretary than as Governor.

Do you believe that you will be able to take an unbiased national view of your duties as Secretary even where Alaska interests are involved?

Governor HICKEL. Thank you, Senator Jackson. I believe sincerely that interests that Alaska might be involved in, whatever they might be, as Secretary of the Interior I will take the broad national interest because if it were for the betterment of the Nation as a whole, then it would be betterment for my country of Alaska. So I see no conflict in my mind and philosophy and I would without a doubt, Mr. Chairman, take the broad national interest.

The CHAIRMAN. This applies, of course, to the problem—and the Chair takes no position on the Machiasport matter—presented by the Machiasport proposal as well as the so-called land freeze problem that has been much discussed since Secretary Udall made that decision.

Governor HICKEL. Yes, Mr. Chairman.

The CHAIRMAN. The second source, Governor, of concern relates to the widely circulated press report that you have personal ties with the oil industry. It has been alleged that some of your financial affairs are involved in the current oil development in Alaska and that you have close association with members of the oil industry. You have, I believe, appointed oil men to some high positions in your State administration.

Governor, would you please clarify for the committee your relationship, if any, with Alaska's emerging oil industry or with other oil interests?

Governor HICKEL. Yes, Mr. Chairman. Senator Jackson, I am not in the oil business. I own no oil leases. I own no oil royalties. We just are not in what is known as the oil business.

The CHAIRMAN. Right at that point, you do not have any financial interest in anything connected with the oil industry?

Governor HICKEL. Not directly. I would like to explain that, if I may. A number of years ago, in 1959 or 1960, we were all trying to lower the cost of heating in Alaska, especially in the Anchorage area. We asked for a franchise for the city of Anchorage. There were seven of us involved, and we got a franchise to distribute gas in the Anchorage area from the standpoint of just household and whatever industries were around there.

We own no gas. We got the franchise. My interest is very small as you will find when you look into the financial background. We buy gas from other people but it is strictly a franchise to deliver natural gas within the Anchorage area. We do not have any other interest nor do we own any gas fields or leases or anything like that.

The CHAIRMAN. Now, that company, as I understand it, the original company that you referred to, going back to 1959, was later merged with a pipeline company.

Governor HICKEL. That is right, Mr. Chairman.

The CHAIRMAN. It is my understanding that it is your proposal—and we will get into this when we discuss your financial affairs, but this having been discussed publicly, I think it is important that these facts, and every relevant matter, whether it was publicly discussed previously or not, should be mentioned on this point—my understanding is you plan to dispose of that.

Governor HICKEL. That is right, Mr. Chairman. Anything that is a conflict of interest, or you think is in conflict, I am willing to dispose of no matter how small it is.

The CHAIRMAN. All right, sir. Now, do you wish to comment further about the allegation that you appointed oil men to some high positions in your State administration?

Governor HICKEL. Yes.

The CHAIRMAN. I may say there is nothing wrong in appointing anyone from any industry. I think the allegation is that there is a pattern here that Alaska is heavily involved in oil. You have already answered the question with reference to your interest in the gas distribution business. But the allegation appears that there is a pattern here of your close association and, therefore, maybe an inability to take an unbiased view on matters relating to the oil industry. Of course, this is a very important part of the natural resource programs that the Secretary must administer. Now, would you comment on those allegations and statements?

Governor HICKEL. I will be glad to, Mr. Chairman, most happy to.

In the makeup of the constitution of Alaska you really only have one elected official. The secretary of state or Lieutenant Governor, whatever you might want to call him, goes in with the Governor. So we appoint all the various department heads, of which we have 14, and in the specific case of the two oil men you are talking about, one was a clerk for an oil company but he was a very competent accountant and I appointed him in the department of administration as deputy assistant because of his knowledge of bookkeeping and his highly technical background in budgetary control.

For my commissioner of natural resources I searched for a year. It was alleged that I fired the previous commissioner immediately. That is not true. I searched for approximately a year throughout the country to find a person knowledgeable in the oil business because I know so well that we have to set guidelines no matter who is developing our country, whether it is mining or oil, and those guidelines must be adhered to.

In order to set those guidelines you must have a knowledgeable person. I found such a person. He worked for an independent oil company. He had lived in Alaska from 1958 to 1962 and I was able, through various personal endeavors, to convince him that he could do a great job for his country to come back there. And he is doing an excellent job. His name is Tom Kelly.

Those are the only two persons out of nearly two dozen people that we had to appoint and which I sought out to get the best qualified people I could to run the State government.

The CHAIRMAN. These are the only two?

Governor HICKEL. The only two.

The CHAIRMAN. Now, the latter one, the director of your natural resources——

Governor HICKEL. Commissioner of natural resources.

The CHAIRMAN (continuing). Department, does he have interests now in the oil business?

Governor HICKEL. Not that I know of. I really don't know his background that well from the financial standpoint. He was with Alaska Oil but they are not doing work up there now.

The CHAIRMAN. Was he a stockholder in the company?

Governor HICKEL. Not that I know of, no.

The CHAIRMAN. He was an employee?

Governor HICKEL. A geologist.

The CHAIRMAN. I ask this question, of course, Governor, because it would relate obviously to the objective administration of your land program in which there are, of course, some very substantial oil finds in recent years.

To your best knowledge he has no financial connections with oil companies?

Governor HICKEL. Not that I know of, Senator. I will be glad to have anyone check the records up there of the job he is doing and he will stand on that record and I will stand behind it.

The CHAIRMAN. Governor, members of this committee, of course, are very conscious of the history of the Department of the Interior. At times in the past, as you know, it has been scandal ridden, that is quite a while ago, and plagued with incompetent officials. The committee and a number of professional natural resource management organizations are especially interested in appointments that you would make in the Department as Secretary of the Interior. As Governor of Alaska, it has been said that you appointed men associated with the oil industry and you have discussed that. As I understand it, one of the appointees was an office supply store owner to head your department of fish and game.

As you may know, many of the present offices and bureaus of the Department of the Interior are headed by career civil servant personnel. These people are professionals in their respective fields who have attained their present position on the basis of merit and dedicated public service.

Can you tell the committee your plans for appointment to these offices? What criteria do you intend to follow in determining whether to retain present personnel?

Governor HICKEL. Yes, Senator. As a broad background of philosophy of how I would hire men to fill positions within this Department, first, I would try to find the most competent man I could, knowledgeable in that field, that would have executive ability to run the Department. I want to emphasize the fact that it requires more than just technical background to run great groups of people and to administer a department as involved as the Department of the Interior.

I have selected in my mind my Under Secretary. I have sent that name to the President. I selected him for the reason that after talking with him, our views were compatible. I think that he is a very competent man. I think the President will name him.

It has been suggested that, well, why was he not named earlier?

Well, the only reason I can say is that it might reflect and I would want this committee to judge me on my own rather than just appointing a man who might be strongly conservation minded. Yet, when I talked to him we had compatible ideas. I have not gone down the list any further to all my assistant secretaries. I might assure you, Mr. Chairman, that I have been quite busy in the last week or so. And I really have not looked any further than my Under Secretary and just in a general way looked at the other department heads.

The CHAIRMAN. Do you wish to indicate who you have recommended as Under Secretary of the Interior? There has been a lot of speculation in the press.

Governor HICKEL. Mr. Chairman, I think that is the prerogative of the President. It is a Presidential appointment and I think it would not be right for me to do that, and I think the speculation could somewhat be pretty close.

The CHAIRMAN. Is it appropriate to say that what you have in mind is an individual who has been professionally associated with the conservation movement and long active in that field?

Governor HICKEL. Yes. I think that would be a fair statement.

The CHAIRMAN. That is your plan at this time, and you have recommended to the President a man with that background?

Governor HICKEL. Yes, Mr. Chairman.

The CHAIRMAN. Now, what about this appointment? You see, the conservationists very properly have raised a question that the person who headed up your fish and game department was an office supply store owner and he displaced, I believe, a man who was a trained biologist and a professional in this field. Would you comment on that as to——

Governor HICKEL. Yes, I would, Mr. Chairman. I will be glad to.

The man I appointed is a very competent executive. He is very interested in sports fish and game. He served on the sports fish and games board. I appointed him because the department, in my opinion, really needed the executive direction and then, we divided the department so that really the sports fish and game and the conservationists have equal chance with the commercial fisheries.

I divided it into two departments. It was one. The department of sports fish and game and the department of commercial fisheries.

Then, I put a professional man at the head of both of those departments with an executive that also had background in sports fish and game as the administrator. The department and its problems, in my opinion, rather disappeared after the reorganization. I think it is working well, and it is in better balance than it was before because it was dominated, I would say, Mr. Chairman, I think with your knowledge of the industry in our part of the country, it was dominated by the commercial fish people and I thought there had to be a balance. That balance is there now.

The CHAIRMAN. What type of business does this gentleman run? Was it just a small supply store, a substantial business, or what?

Governor HICKEL. Well, it is all relative. He basically is in the office furniture business. He has an office in Fairbanks, I think also in Ketchikan. It is that kind of a business. But really, he also has, as I mentioned, very strong interests in sports fish and game and served on the sports fish and game board.

The CHAIRMAN. For how long had he served?

Governor HICKEL. He had served, I think, just about a year but we had known his interests for many, many years. I am not apologizing for the man. I am defending the man as a most competent man and doing an excellent job for the department.

The CHAIRMAN. Now, in the Federal Government, Governor, of course, there has been a long transition toward appointing career people to head the conservation departments. Over in Agriculture, Senator Anderson, who sits on my right, was the distinguished Secretary of that great agency from 1945 to 1948. The chiefs of the Forest Service, for example, have been career people, I believe. This is a tremendous resource that is administered.

For a long time now we have been doing this in the Park Service. Mr. Worth was a career employee and he was the Park Director at the time Mr. Eisenhower took over and he stayed on. Mr. Hartzog, the present Director, is a career employee. The head of the Bureau of Outdoor Recreation, which administers—thanks to the efforts of this committee—a very substantial program which we hope will aggregate about $1 million in grants to the States from the Federal Government over the next 5 years, is administered by a career employee, Dr. Crafts. Likewise, the other bureaus, the Bureau of Land Management, and so on.

I do not cite these people to say whether they should or should not be retained. I just cite the professional background and career background of these people who are distinguished in their field as conservationists and not for any political or ideological qualification.

Now, what will be your general approach to the administration of these most sensitive areas within the conservation field? Do you wish to comment on that?

Governor HICKEL. Yes, Senator, I would. I think, first of all, I do not understand in detail the various intricate parts of the Department of the Interior, but above all, I know that I would solicit this committee's opinion before we made any decisions along those lines. I am sure that if there were a person to be replaced, a position that was vacated for one reason or another, I would try to find the kind of a man who you people would know and could accept, that could run the Department along the general philosophies that we all must agree that it should be run on. I have no firm opinions about specific persons. Generally they would be the kind of a man with a professional knowledge that would have the executive background to run that specialized department.

The CHAIRMAN. But, I take it that you would not exclude selection from the career service——

Governor HICKEL. Absolutely not.

The CHAIRMAN (continuing). Of the person who would be best qualified to administer these programs. For this reason I have cited what the trend has been in recent years and I think it is a good trend to bring to the great bureaus and departments people who have long been associated professionally with the administration of these programs.

Governor, as you know, the people of this country, of course, are greatly concerned about the quality of the environment, about the conservation of our resources, about avoiding repetitions of past

mistakes, polluted lakes and streams, lack of open spaces, crowded cities, filthy air, unplanned urban and industrial development. Congress has responded to this concern in the past few years. Landmark measures of recent years include establishment of the Bureau of Outdoor Recreation, enactment of the Land and Water Conservation Fund, the Water Resources Planning Act, air and water pollution control acts, fish and wildlife conservation measures.

The Congress has also acted to set aside and preserve for present and future generations a portion of the land, the mountains, the beaches, and the lakes which comprise our national heritage. Today, seven national seashores are located in the East, on the gulf, and in the West. A system of national lakeshores has been started. Two lakeshores have recently been authorized. In 1964 there were no national recreation areas. Today there are eight.

Since 1958 we have established the following: Four national parks, six national monuments, five national memorials, four historic parks, and 20 national historic sites, one of the most recent of which commemorates the birthplace of the late President John F. Kennedy.

Governor, you have been widely quoted in the press as being opposed to a policy of conservation just for conservation purposes. This remarks and some of your statements on conservation have been a cause of great concern to the American public and to many of us in the Congress.

Would you please clarify your views on conservation and environmental quality for the members of the committee?

Governor HICKEL. Yes, Senator. I would be most happy to. And I know well the problem that was raised by my statement, "conservation for conservation's sake."

I would like to just in a short time, try to give you my philosophy.

I think that really at the turn of the century we had the country going from an agricultural society into an industrial society. And in many cases for the lack of guidelines on the management or environmental control, somewhat desecrated the earth. Nobody likes that. Nobody wants that. It was wrong. But it was wrong for the reason that it was difficult to restore, but likewise, Government did not assume the responsibility that I think it should, to set those guidelines that are so necessary.

Now, as an overall policy, I am for conservation, for the wide utilization and conservation of our resources. I would say that when I made that statement, I was thinking of areas in my own country where there are millions upon millions, and I am not stretching this, board feet of timber that are just rotting because they have never been harvested. I do not think that is a wise use of natural resources.

I think that many times humans and people and government can improve nature, can help nature, whether it be some river that might flood areas every so many years and wipe out villages—I think sometimes that nature can be improved on and where we can improve on nature, then it is our obligation to do so. Where nature is in its wild state and all its beauty and splendor cannot be improved upon it should be set aside. I believe 100 percent in the Wilderness Act. Areas should be there for people to look at, and preserved.

I think if you would check my record as Governor, I will be glad to have that brought around to you to show you what we have done

as a general philosophy on conservation, I think that it would satisfy the committee's feeling about this because, especially where I was born and raised, I know what exploitation can do, and that is why I think we need conservation. I think that the Government as a whole and this committee particularly and the Secretary of the Interior as a person, should sit down and set guidelines for the wise conservation and utilization of our resources.

The CHAIRMAN. Well, of course, we are all aware of what happened at the turn of the century, before and immediately after, when we did not have these guidelines or policies that could have prevented the rape of a substantial part of the great public domain and the desecration of our forests. In short, the price that we are now paying in large measure, I think, stems from the fact that we did not have an orderly and sensible long-range conservation program.

Alaska, it seems to me, is one area where the opportunity exists and I would assume that any sensible person would say that there are great areas of Alaska that should be conserved to protect the natural beauty and quality of our environment. And there are areas that should be developed to meet our long-term industrial commitments.

Now, is it your position that you favor setting aside appropriate areas in Alaska or other places to conserve the great heritage that still remains?

Governor HICKEL. Senator, I do not think there is any doubt about a person in my capacity as Governor or even as a private citizen wanting to conserve the natural beauty that is inherent in many parts of our great United States. Just as a matter of philosophy and a matter of statement, that would be my intention.

The CHAIRMAN. In this connection I might mention that which I listened to and observed last night at the joint session of the Congress. The President indicated that he has under consideration a proposal to create a number of national monuments by Executive order. This would remove these lands from multiple-use development and add them to the national park system. Some of the land is in Alaska and some of it is in the Southwest.

Now, I gather that the Presidential action would be accompanied by a request to the Congress to create national parks on these lands. Do you wish to comment on that?

Governor HICKEL. Yes, Mr. Chairman. I do not know specifically what the President was talking about in exact areas. I listened to the——

The CHAIRMAN. I understand informally, he has in mind some additions to Mount McKinley National Park, and I believe the setting aside of a certain amount of acreage in the Arctic Slope area.

Governor HICKEL. Could I ask a question? Was there any in the Bristol Bay area? Well, I will not bother you with that.

The CHAIRMAN. I do not know the exact details. Some of it is in Arizona. You are familiar with that area. And some, I believe, in Utah. But it is a question of the action that the President will take, I gather, before January 20.

Governor HICKEL. Without knowing any more about it than I do, I would think that in his wise judgment and counsel he figured it was the best thing to do.

The only thing I would comment on, that I have seen happen in the past, involves taking of vast areas sometimes without the real

research and background study of what was in that area. I am particularly concerned now, not as Secretary of the Interior, although it would come under my jurisdiction if I were confirmed, about the number of people that would be in that area. I do not know exactly what they have planned to do with those people. I know in some of that general broad area that they are talking about there could be several thousand people and I think that we have to consider and I know that, as Governor of Alaska, I would have had to consider what happens to those people.

So I would say I am sure that they have some plan that they have worked out and they have researched, and so in the best wisdom they are suggesting to do this and until I had the benefit of that same background and briefing, I could not say for sure whether I would agree 100 percent or not. But as a general thing, yes.

The only problem I would have in the country that I know was the one I related involving the people.

The CHAIRMAN. In the Mount McKinley addition, I do not believe there are people involved. I do not recall the exact geographical location that it would include but I think it is about 2 million acres that would be added. But you do not have any preconceived ideas——

Governor HICKEL. No preconceived ideas.

The CHAIRMAN (continuing). At this time about this.

Now, I just have one or two other questions here. Along this same line about the national parks and conservation areas, in the House hearings in connection with the Alaska native claims bill, on page 98 of those hearings, Mr. Saylor had asked you a question about a withdrawal as it relates to national parks and I quote:

> Do you want to cut down on the size of national parks up there?
> Governor HICKEL. Maybe not necessarily the national parks. We think there could be multiple use of the lands of some of the parks that have taken such vast areas."

Would you comment on that?

Governor HICKEL. I think that was at the native land claims hearing and it related to, and I will comment on it, how many millions of acres the native people should receive. As I recall, we recommended so much money and so many million acres to give them fee simple title around their villages. We recommended at one time, I think, 20 million acres and if more lands than that were needed, and if Congress in its wisdom thought that the native people should have more land than the 20 million acres, that Congress in its wisdom might take some of that land out of the withdrawing areas to give to those people because if we had to give it all out of our selection of 130 million acres, we would be in a difficult position.

So taking the position of all the people in the State of Alaska, I took that position. As far as I said, not necessarily cut down on the national parks, but what I am really talking about was the many other withdrawn areas which I think are around—give me a little leeway here—115 or 120 million acres in Alaska that are withdrawn for purposes other than national parks, monuments, et cetera. So what I was saying, some of these withdrawn areas, it is entirely possible that it could have a multiple use. From the standpoint, let us say, of national defense I think there could be some areas where we could see or we could check

and find out whether there were certain kinds of minerals there, not necessarily to open it up for private exploitation, but to give us a catalog of what we have, and that is the general idea and that was the general reason why I wrote to the Secretary a year or so ago and requested geophysical work on the wildlife refuge, only to find out where the structures end and where they might start. That is the general idea.

The CHAIRMAN. Then, as Secretary, should you be approved by the Senate, you would not advocate multiple use——

Governor HICKEL. No. This is——

The CHAIRMAN (continuing). Within the national park structure which would mean mining and logging and all these other things.

Governor HICKEL. I made that statement, Mr. Senator, if I might say, as Governor of Alaska which had unique problems other than those of the Secretary of the Interior.

The CHAIRMAN. Right. But your position is that you are going to adhere to the laws and the national policy that has been in existence now, I believe, since 1960, and that preserves the lands for purposes which prohibit multiple use of land within the national park.

Governor HICKEL. That is right, Senator.

The CHAIRMAN. Now, one last question. Governor, you testified before this committee last February on the Alaska native land claims issue. This is an issue, as you know, of tremendous importance and complexity. It involves the development of Alaska's human resources as well as Alaska's natural resources.

You know, Secretary Udall has imposed a land freeze to protect the rights and interests of the native people until Congress acts to resolve this issue. You apparently do not agree with Secretary Udall's action on this matter and you are quoted as saying: "What Udall can do by Executive order I can undo."

I assume that you would not have made that statement without having in mind some alternative stafeguard for the native's rights. Would you explain to the committee what your plans are with respect to the land freeze.

Governor HICKEL. Yes, I will be glad to, Senator. First, I made that statement after getting off an airplane about 3:30 or 4 o'clock in Seattle.

The CHAIRMAN. Was that in the morning or——

Governor HICKEL. In the morning.

And they advised me at that time that the Secretary had withdrawn, I think, 250 million acres. You know, that is an area about twice the size of the State of California. And they said—I said I have no comment. They said, well, Governor, you must have a comment. The people of Alaska expect their Governor to have a comment on this.

Well, I said, I really do not know that much about the situation. So they pushed me again for a comment and I said, what did he do, and they told me, and I made the statement, well, I guess if he can withdraw it by Executive order I can release it by Executive order. That was the statement all right. As to the land freeze, I do not think——

The CHAIRMAN. Did you intend, by that statement, that you would undo the Executive order?

Governor HICKEL. I made that as trying to get away from the reporter.

The CHAIRMAN. Sometimes that is kind of hard.

Governor HICKEL. But seriously, on the land freeze, I think it is sort of a negative thing, if I might comment on it. It has some validity because the land freeze is put there really, if I might say, to hold a club over Congress. And I do not think that you really have to hold a club over Congress because what you do with the land freeze is stop everything in Alaska. You play one segment of Alaska against the other. And when you withdraw 250 million acres—like I say, that is about twice the size of California—you really have an impossible situation.

Now, I think there is a way to protect the native people. Whether they have a legal claim or not is not for me to decide. But I firmly believe in my heart they have a moral claim and I think we could come to this committee, for an example, and I have had this in mind, and say, "Look, let us set aside so many acres of land." Not 250 million. Do not take it out of circulation. But so many acres of land that will be given to them under any circumstance because every one agrees they should own the land in fee simple around their villages. They do not own that now and yet they have had the country from time on.

I think we can give them that, set it aside. In other areas of dispute, I do not know why if there were leasing, or whatever might happen, that money might go in trust until Congress decided the native land claim issue and in that way the natives would be protected and the State of Alaska could move ahead.

Gentlemen, do you realize what would happen if your State was zoned 95 or 96 percent for the Federal Government and they locked it up tight through the withdrawal? I am not saying categorically the Secretary is wrong. Probably because of the lack of some other decision, the lack of being able to accomplish what he wanted to do to get that.

I will look at that and I will come to this committee along with the House Interior Committee and try to come up with a solution that we can protect what we want to protect and yet still go on with what has to go on in the State of Alaska.

The CHAIRMAN. I think quite clearly the Congress has a duty to act expeditiously in resolving the native claim problem in Alaska, and I will say as chairman I hope that our committee, at least on the Senate side, can come up with an answer this year. I would hope that the House committee could join us in that effort so that this matter can be settled legislatively in 1969, or not later than the second session of the next Congress. I would hope that in the meantime we would maintain the status quo so there would not be the problem of releasing lands that could be considered as a part of a settlement.

I do not know what the Congress is going to do. Obviously, we are not going to turn over the bulk of Alaska, that is the land, for this purpose, but they are entitled to a settlement. Their situation is much different than the Indians in the other 48 States who have had an opportunity to have their case heard before the Indian Claims Commission and whose problem arises out of treaties that were made and may have been unfairly imposed upon them. The natives in Alaska, that is the substantial part of them, lay claim not as a matter of right but as a matter of tradition which dates back to their property holdings under the czar which were recognized at that time.

Senator Allott?

Senator ALLOTT. Thank you very much, Mr. Chairman.

I want to go back, if I may, and make a short remark about personnel. I agree with the Governor completely, that the Federal Government must have the most qualified people to administer a department. I thought of a couple or three people here who have been brought into this administration and I think did an outstanding job and they all necessarily have had to have done something before they were brought in, before their abilities were recognized.

One of them that I think of is Frank Di Luzio of the Saline Water Administration, who, I think, was connected with atomic energy research in New Mexico, and I do not believe anyone can take umbrage of any kind about the kind of service, the quality of the service that Mr. Di Luzio offered to this Government.

Another specific example of this, I think, was the gentleman from New Mexico who was named as Assistant Secretary of the Interior. He had been in the oil business all of his life and we questioned him very closely when he came before this committee. John Kelly, served here for 2 or 3 years, at least. I do not have his exact record of service. He had been an oilman all his life and yet this committee examined him carefully and we decided that he should be confirmed and he was confirmed unanimously; and I do not know of nor have I ever heard of any criticism of Mr. Kelly while he was Assistant Secretary of the Interior.

Another example of this, that occurs to me, is Dr. Hibbard, former Director of the Bureau of Mines, who, in my opinion, was one of the—I believe he came from General Electric research. As Director of the Bureau of Mines he proved himself in a relatively short time to be one of the most qualified people we have ever brought into the Department of the Interior.

So that, I think we have to say that you have to look for talent and ability and assure yourself that these people have the right intentions of administering their jobs in accordance with their oath.

Now, Governor, I would like to ask you about a question that had been raised in the various newspaper articles which have belabored you for the last 2 or 3 weeks.

As Governor of Alaska, you advocated the need for oil exploration on the Arctic Wildlife Range. Now, would you like to discuss here your position on that question at the present time?

Governor HICKEL. Yes, Senator Allott. That is up in the Arctic Slope and the reason we requested geological exploration there was to try to find out just what reserves would be in that area and how they tied in with the great finds up further on the Prudhoe Bay. We are really only going into about a third of the northwestern corner, as I recall, about a third of the reserve. And the reason being, it was not for drilling or anything like that, but to find out and to catalog our resources. That is one of the real problems we have in the State of Alaska. We do not really know what we have. And so it was trying to define those boundaries, boundaries that were without the reserve that we already knew. It was for the reason of knowledge and that was the reason for the request as Governor.

Senator ALLOTT. I believe that Secretary Udall at one time did deny your request, did he not, and what is the situation now with respect to the Bureau of Sports Fisheries which is responsible for this range? What have you done as Governor of Alaska to implement this possibility in this area?

Governor HICKEL. If I understand the question, Senator, what have I done for sports fishing—No. 1, what I did immediately upon going in there was to request the legislature for a reorganization. That not happening, we finally did it the second session. We reorganized the department from just basically commercial fish, and made it commercial fish and sports fish, to give more balance and more guidelines, I might say, to the whole fishing industry.

Another thing we did was to get a bond issue on the ballot and approved for fish hatcheries. Am I on the general direction of your question, Senator?

Senator ALLOTT. That is right.

Governor HICKEL. Also in the area of fish and wildlife, immediately upon my election as Governor I took off the bounty on the hair seal which had been slaughtered and just wasted, just for the bounty. I took that off immediately and now they are harvesting them and using not only the hair seal but the meat. We took the bounty off the wolverine in all parts of the area except one part up in the Arctic where the natives could hunt them.

I think in those general lines, whatever we have done for fish and game points out our concern that there must be guidelines to really keep exploitation from wiping out any one industry. It has nothing to do with oil, mining, fish, or anything.

Senator ALLOTT. As I understand it, while you mentioned saying the wolverine population was at a point where complete decimation was in sight unless something was done, is that correct or not?

Governor HICKEL. Maybe not quite but just about. It is a wonderful fur, the only fur we know of that ice will not freeze to, and that is important in that part of the country. But just to shoot them for bounty, I thought was wrong. We had quite a fight. We accomplished taking the bounty off.

I think another example of the amount of pressure on a Governor, the musk ox.

Senator ALLOTT. I want to ask you about that.

Governor HICKEL. Here is a herd, Senator, that the Federal Government and State government have spent a lot of time and money on and rehabilitated this herd out of the Nunivak Island and now have about 750. Sportsmen from all over the country and even some Governors put the heat on our fish and game board to allow a hunt. The board voted to allow the hunt. I overruled the board. So the pressure again became greater and they took it to our legislators and in the last session they passed the bill allowing the musk ox to be hunted. I vetoed that bill and my veto was sustained.

I might add that Sports Illustrated, last April, commented about that, about my taking that action, and thanked me for having the courage to stand up and do what I did up there and that is a matter of record of last April in Sports Illustrated. I only mention these things because I do not know how the image of a person can turn in a period of

time. I am not concerned about that. I am only concerned with what I really know and believe and what the record shows. And I am most happy to stand on that record.

Senator ALLOTT. You mentioned in your statement, you had one statement which attracts me particularly. You said, "Small dollar outlays for research now will pay big dividends in the future."

You did this in connection with your general statement about conservation. But did you have anything particular in mind in this research, in making that statement?

Governor HICKEL. I think not anything specifically but as a general thing, if we would just—Congress in its wisdom would just have the vision, if I might say that, and I am sure they would, to analyze what might happen and how you prevent things happening in the future by just a small amount of money now, I do not care if it is research on how you use the oceans or research on how you might more wisely conserve or utilize any natural resource, but to set out and try to say what do we need in 1980? What is it going to be like in the year 2000? And for a small amount of money now we might save ourselves literally billions of dollars in the future and I know that no one can anticipate for sure what is going to happen but we can have research and we can have studies and we can set guidelines and I think spending money that way comes back a hundredfold, and that is the general idea I had in mind.

Senator ALLOTT. Let me ask you a question. I have never seen a musk ox in my life that I know of, but in your action with respect to the musk ox which you took against the pressure of a great many sportsmen, you took it against a great many people in your own State, you even took it against the action of your own legislature. If your action had not been sustained you would have been confined to a relatively small herd of musk ox on this one island or in a group of islands.

Governor HICKEL. Senator——

Senator ALLOTT. Is that correct?

Governor HICKEL. Yes. What we really did to alleviate the pressure, because I figured that although they sustained my veto this time they might override it next time, we only have about 750 musk ox in that area, so what I was suggesting was prohibit the hunting of them at this time. Let me move them to other areas, start new herds, and that is what we are doing. That was the reason that I tried to explain to my legislators and to the people that 750 is not really a big herd and yet if it is the wonderful thing. Let us have more like this because we could have 5, 6, or 10 times that many scattered over various parts of the country and really I do not think of the musk ox as an animal. It has to do with a philosophy of mine. It is an unusual animal. The fur that comes off the animal is like a very fine wool, and it is very expensive. Right now it is selling for $50 a pound. So, I cannot see going there and—it has a great potential for building up a herd and the native people will have some sort of economy.

Senator ALLOTT. I think the point of this, as a result of your several actions, there is now the possibility of enlarging and building up the musk ox in Alaska where, in the absence of your action, it might have

been held to a relatively small herd on one island or group of islands there.

Governor HICKEL. One island, that is right, Senator. That is right.

Senator ALLOTT. Now, I understand from press reports, Governor, that you prohibited Alaskan natives from selling their fish to a Japanese processing vessel in the Kuskokwim—

Governor HICKEL. That is right, Senator.

Senator ALLOTT. —River, last summer. Now, does this reflect any antipathy on your part towards the native Americans on your soil up there?

Governor HICKEL. Senator, I would like to comment on that. Of all the newspaper allegations, that one probably hurt the most because it said that I was not a friend of the Eskimo, Indian, Aleut. That just is not true. We have a primary manufacturing law in Alaska and it is basically there to help all the people of Alaska. It means that we are trying to stop the raw exploitation of whatever it might be, and so as this primary manufacturing law pertains to fish, it means a simple thing of cleaning and freezing. That is just about—and they can get by with that.

My predecessor, Governor Egan, in 1965 faced the same problem where there were two Canadian ships that wanted to take a surplus of fish down to Prince Rupert in Canada. He denied that. A matter of record. He denied it like I did, only he did not get any flak. It could have been for different reasons and by the way, last year was an election year, so everything is fair.

But here this had to do with a very small number in comparison to the overall problem.

Senator ALLOTT. You mean number of natives?

Governor HICKEL. Natives, yes. They wanted to sell their fish to the Japanese and basically they would be processed on the Japanese ship. Well, before they had the contract with the Japanese—and by the way, Senator, I would like to have testimony of this and facts given to you because it is a very complicated subject. I would like to have you see it in a form that you could read it other than my just telling you.

But anyhow, in this ESCAP program that put together this contract with the Japanese, they stated they had to have the consent of the Governor because that was our policy. I never gave that consent. So in essence if I would have allowed that small group, and yet a very good group of people, to do what they were doing, I would have broken down the whole system. I could not stand for that. So I sat tight and I know that in sitting tight—I have been commended many, many times for not allowing something to happen that could have as a precedent been very disastrous and hard to handle.

Senator ALLOTT. Well, to put this thing in its proper context, you do have, I do not know that I call it properly, but you have a basic processing law in Alaska which requires that the first basic processing be done in Alaska.

Governor HICKEL. That is the idea. We have it on logs, too, Senator.

Senator ALLOTT. On what?

Governor HICKEL. On round logs. We do not ship out—we have a primary processing on logs.

Senator ALLOTT. I have just one other brief question which was raised really by, I believe, some questions of the distinguished chairman of this committee.

As you know, over many years we finally beat out on the hard anvil of legislation a Wilderness Act and what I want to ask you is this: We still have under that Wilderness Act many areas which are to be classified and submitted to Congress as to whether or not they shall be or shall not be included in the wilderness area. The last report that I have here in this committee indicated that this classification was falling considerably back of the schedule we had set up in the Wilderness Act.

Would it be consistent with your beliefs and your philosophy that this should be speeded up and that if it is at all possible, humanly possible within the resources or the Interior Department, that these classifications should be made so that the Interior Committees of the Senate and the House of Representatives can act upon such legislation as is submitted for the inclusion of additional lands in the wilderness system?

Governor HICKEL. It would be my position, Senator, and I am not thoroughly familiar with all the mechanics of what has to be done here, that the sooner we could have the Department get on that, classify those lands for your consideration, the sooner we could discuss it collectively, it would be better for all concerned. I do not know how soon that could happen but I would hope it would happen as soon as possible and I would bend all of my efforts to see to it that the Department did that.

Senator ALLOTT. Thank you very much, Governor.

Thank you, Mr. Chairman.

The CHAIRMAN. As the Chair previously announced, we have invited the chairmen of the Commerce and the Public Works Committees to ask questions as their subcommittees relate to Interior Department matters. We are delighted to have Senator Jennings Randolph, chairman of the Public Works Committee here. Senator Muskie is the chairman of the Public Works Subcommittee on Air and Water Pollution and he is also here.

Senator Randolph, you may have some questions at this time. We will hear from Senator Muskie a little later.

Senator RANDOLPH. Thank you, Mr. Chairman.

First, I wish to express my appreciation to those members who serve on this committee. I think, however, it would be appropriate to note that the men who serve are from the western and far western States and for that reason we often are inclined to think that the Secretary of the Interior and the Department which he heads, the agency within it, are concerned only with the problems of the West and the Far West.

The Secretary of the Interior has many responsibilities that concern those of us who are intensely interested in the problems of recreation and pollution and safety and health within eastern sections of our country.

Governor Hickel, you are familiar, of course, with the obligation of the Department of the Interior in the area of the safety and health regulations of workers who are in certain types of mining and industry.

Governor HICKEL. Yes.

Senator RANDOLPH. Now, Governor Hickel, there have been from time to time laws enacted, and I speak now particularly of coal mine safety, in which there has been apparently a lack of effective implementation of the intent of the Congress. I do not want to be too specific today, realizing the limitation of time, but in my State of West Virginia in recent weeks we had a tragedy in one of our coal mine operations. We had 99 workers who were involved and 78 of those miners lost their lives.

Now, we feel that there is a need, an imperative need to strengthen the Coal Mine Safety Act. It has been amended. It was amended as recently as 1966 to make it apply to those mines employing less than 15 workers. What is your feeling about the need for the Department under your leadership to give attention to this matter?

Governor HICKEL. Thank you, Senator. I think it is most important and I think it should be expedited. I think it should be pushed, especially if the laws are on the books and Congress in their wisdom by their intent wanted this to happen. I think it is the duty of the Secretary of the Interior to carry out those intents, and I, for one, believe that safety can never be overemphasized.

I know in our term as Governor we increased our labor safety employees for the simple reason that—so we could go insure that various industries were complying with the safety standards. I think that, along with trying to guide industry, it is essential to bring safe methods in as soon as possible, because that is really to their economic benefit. And so whatever Congress might want to do, I would expedite along the lines of safety of personnel.

Senator RANDOLPH. Thank you, Governor Hickel. The jurisdiction for that legislation, as the chairman and my colleagues know, is within the Labor and Public Welfare Committee, but even though the hearings there will produce the amendments or the new legislation, the administration of the Mine Safety Act will fall within the Interior Department, and I think that your statement today, affirmative in nature, is helpful in this hearing.

Mr. Chairman, may I ask one or two more questions?

The CHAIRMAN. Certainly.

Senator RANDOLPH. The matter of acid mine drainage is an important problem in the eastern part of the United States, in West Virginia and other States within what we call the Appalachian region. We are faced, we are plagued really by mine drainage pollution. We have had certain investigations. Take one in the relatively small Kanawah Valley river system in West Virginia, where Governor Hickel, approximately 67 million gallons of acid, that is mine drainage water, enters that river system every 24 hours. Now, this adds to a total for West Virginia of 360 million gallons a day. A single large mine may discharge as much as 10 million gallons of water.

We have some 20,000 mine openings that contribute to the potential for drainage into our streams.

Now, we have certain methods that are now being employed but we need to do much more in handling this problem, especially with regard to the orphan or abandoned mines.

I wondered what your thoughts are concerning the kind of land restoration practices that could give impetus to solving this problem

which faces many, many States, perhaps 15 in number, mostly in the East and Middle Atlantic.

Governor HICKEL. Thank you, Senator. I will try to answer the total question the best way I can. When it gets to the dumping of several million gallons of effluent into a river, I think the Water Quality Act of 1966, a good act as I stated, I think it should be enforced and in there lies the guidelines and standards that we have to push for, realizing that there might be some areas that would be hit harder than others.

I think that the States along with the Federal Government are going to have to set those guidelines and make industry adhere to them. I do not know specifically the case; and the other part of the question was, if I recall it, What would I do with the vacated or abandoned mine? Was that part of the question?

As an unsightly thing, as a general thing, this goes back to a beautification program that I would have in my mind. I am not sure precisely of laws on the books right now or any money available that can go into such abandoned areas. I do not know this. I would look into this. But I would hope there was some way that Government at the Federal, State, and local level could collectively agree in desecrated areas that somehow they be restored to their natural beauty.

That is a general philosophy. Not having specific knowledge I would support the general philosophy if Congress agreed of Federal, State, and local governments taking care of areas like this.

Senator RANDOLPH. Thank you, Governor.

Mr. Chairman, a further question in connection with water quality, and my colleague, Senator Muskie, the chairman of our Subcommittee on Air and Water Pollution will, I believe, be present later to question Governor Hickel in further detail but on the matter of water pollution. In 1965, the Congress enacted legislation providing for the establishment of regional water quality standards which would require effluent regulations, it is my understanding, Governor, that on December 18, 1968, you said, and I quote:

> I do not think that you can have just one set of standards for the whole United States. You have different problems in the East than you have, say, with the moutain pure water in Alaska or you may have a different problem in the West.

Now, Governor, the Federal program, as you know, does provide for regional control of water pollution. I am wondering whether you mean to imply that the water quality standard for a given water-use category is different in each area.

Governor HICKEL. No. What I meant was, first, the Water Quality Act does make it regional, as I know, and the question was posed that way, but what I really had in mind was in the industrial areas of America, highly concentrated, it is much more difficult to get back to mountain pure water. I think sometime, somewhere, we might be able to. If you really just have a mountain pure water act all over America, those of us in the West, those of us in Alaska, it would be more easy for us to maintain that standard.

That was the intent of that statement, because it would be more difficult in a highly concentrated area. So as a matter of philosophy, I was just trying to state that we cannot have one because of the

difference of problems, and I hope that answers your question. I would go on further but that——

Senator RANDOLPH. Governor, I think you are helpful in this matter. It is my understanding that the water quality standards of Alaska provide for exemption of short-term releases in excess of the standards that have been approved by the Secretary of the Interior. Your State does that.

Now, recognizing that there are hazardous materials, short term releases have resulted in major damage, I believe, to the environment. I feel this is true. Do you feel it realistic to have a Federal policy that would provide exemptions from water quality standards?

Governor HICKEL. Well, it would have to be on a case-by-case basis. As a general thing, no. But on a case-by-case basis, and I know it was—I do not know the specific case that you might be talking about that we exempted the dumping of effluent in a river. I just do not know of that specific case.

I might add, if I may, that it was charged in the newspapers that we allowed x number of thousands or millions of tons of ammonia to go into a river from the Collier chemical plant. That is not true. It stated we have been doing this a couple of years.

The Collier chemical plant is not operating. It has never started. And it was our insistence that they go and do research, I think at the University of Washington, University of Alaska, their biologists, to be sure to satisfy the State that what they were doing would adhere to our standards, and they are doing this at the cost of several hundred thousand dollars.

I might repeat, none has been dumped in there at this moment from that Collier chemical plant because it is not in operation. It is something that will start in operation this fall. By that time we will have the facts and they will have to show the State government that what they intend to do is really in the best interests of all and will meet the standards.

Senator RANDOLPH. Well, there has been no specific exemption, Governor. You are correct in that matter. Your State simply allows for it.

Governor HICKEL. That is right.

Senator RANDOLPH. And you look upon each exemption as one that would have to be on an emergency measure, to go into it very, very carefully, for example, where certain wastes would go in. You would want to check into that very carefully, is that correct?

Governor HICKEL. Absolutely right, because in various parts of the country, it would depend on the location, depend on whether it was a glacier creek or mountain pure creek. Many things.

Senator RANDOLPH. Thank you.

The CHAIRMAN. Thank you, Senator Randolph.

Senator Jordan?

Senator JORDAN. Thank you, Mr. Chairman.

Governor Hickel, I welcome you before this committee. I would like for the record to get a little basic information about your State, if I may. What is the area of Alaska?

Governor HICKEL. It is 586,000 square miles and that is about a little over a fifth of the total land area of the United States. It has a

coastline of 34,000 miles which is vast. It is more coastline than all of America combined by about 50 percent. And it is really many regions. It is scattered over great distances. It has, like someone mentioned, four time zones, so you have to get the idea that even within the State of Alaska we have to be flexible to a standard. This great area would cover from the Atlantic to the Pacific and from Canada to Mexico, and so you might have a problem even within the State that you would not have in other States. That is generally the size of it.

Senator JORDAN. What is the population of Alaska, Governor?

Governor HICKEL. About 280,000 people.

Senator JORDAN. 280,000.

Governor HICKEL. And 586,000 square miles. It would be about 1 to every 2 square miles, I guess; something like that. Lots of room.

Senator JORDAN. Under your Admissions Act of the State, what lands were promised you by the Federal Government?

Governor HICKEL. The Statehood Act of 1958 gave us a right to select 103 million acres plus from the vacant unappropriated, unreserved lands and we had 25 years by which to select these lands. Ten years have gone by. And although we have 15 years left, it will pass quickly. I think that unless we have a right to select these lands in an orderly fashion, there is going to be chaos and it will not be to the benefit of the Federal or State Governments. We have the right to select 103 million acres.

Senator JORDAN. About 103 million acres. What percent of the area of your State is federally owned, Governor?

Governor HICKEL. 95, 96 percent.

Senator JORDAN. About 95 or 96 percent. And what percent of the people employed in your State are employed by the Federal Government?

Governor HICKEL. Gee, I do not know for sure. I would say about 45, I would say about 45 percent. Maybe not that high. Give me a little leeway.

Senator JORDAN. The point I am making is that your State is relatively undeveloped as a frontier State, much as the States were of the lower 48, the Western States perhaps 100 years ago. Is that a fair statement?

Governor HICKEL. That is a fair statement.

Senator JORDAN. I was pleased to hear you say that you believe that—I gather this from the tenor or your remarks—that you believe that it could be developed without going through the era of exploitation that plagued us and haunt us to this day that characterized the development of some of these Western States at the turn of the century and before.

Governor HICKEL. Yes, Senator. I really believe that this can be done without desecrating the ground. Although Alaska is far away, we had our exploitations at the turn of the century. We have had it in other resources other than mining, and so I think that we can set the guidelines.

It cannot be just at a State level. I think it has to be the national level, the kind of guidelines that can bring about the wise conservation and the utilization of a natural resource. I think it can be done.

Senator JORDAN. At the opening of the meeting our distinguished chairman made a statement with which I concur and I will read it to

you and ask you to comment on it. He said: "The man who serves as Secretary of the Interior occupies a position of people's trustee for the total environment."

You have said as much in your testimony and I would just like you to corroborate that or change it in any way you would like.

Governor HICKEL. Well, what I said and what I really believe are both the same thing but I think that we have to set guidelines on wise use and conservation of the lands and the environment. I am talking about not only water and air. Air is not in my department but that is part of the environment, and also something that goes beyond that that is not in my department but I think what Government should think about is just the inherent beauty of the environment. I do not want to get into too much detail but I think where people live and how they live and how crowded they are is a very important part of their environment and that is why at that press conference in Washington earlier I stated that the Federal Government might even have to buy land in areas and in States where there is congestion that really did not have the benefit of a lot of public land so that they might have parks available to them. I think this is very important. As a general thing that is the way I feel.

Senator JORDAN. In order to get open spaces where the people are.

Governor HICKEL. That is right.

Senator JORDAN. Well, our distinguished chairman went on to say:

> The job daily presents many difficult decisions which require the weighing of the balance between preservation and development, between quality and quantity, between beauty and economic gain, between the long-range requirements of future generations and the satisfaction of the present desires.

I subscribe to that and I hope you do, Governor. You have substantial responsibilities with respect to, among your other duties if you are confirmed, the District of Columbia. Now, the weighing of the balance between preservation and development we will say, between your State of Alaska and the District of Columbia calls for a different application of criteria; do they not?

Governor HICKEL. Absolutely.

Senator JORDAN. Is this what you had in mind in some of the statements that have been ascribed to you that the wide diversity of the application of the long-range goals will of necessity be different in Alaska than they would be, we will say, in the District of Columbia?

Governor HICKEL. Yes. There is a lot of difference between what you mention and what is here and obviously what I think is quite a beautiful city, the District of Columbia. It has many areas that are open, wooded, with creeks running through. I do not call those really vast open spaces. Those should not be infringed upon one bit. In fact, they should be expanded according to the number of people that live in the area. So at no time would you ever think about desecrating or using those spaces such as we have around other parts of the area.

Senator JORDAN. Now, the Potomac River, Governor, is acknowledged to be one of the most polluted streams in the entire Nation. You have something to do, I presume, with quality control there. Would you say that it might be an extremely difficult task to restore that to the pristine freshness of the water cascading from a glacier off Mt. McKinley?

Governor HICKEL. I would think it might take an awful lot of money. I would not say it would be impossible. I think it would take

a lot of total Government support. I do not know how much the Potomac is polluted by Government sources. I do not know that. But if it could be brought up to standard, standards that we could agree on, I think we should set those guidelines and maybe over a period of time we would achieve it. We may not be able to achieve it immediately. I think in the long-range picture you could.

Senator JORDAN. I was impressed by your statement where you said in your prepared text:

> I believe that with realistic environmental quality programs, adequate financing and strong enforcement of the law, progress will be made in protecting our land, water and air.

Governor HICKEL. Yes; that sort of gets to what I was saying in a general way here. If there were adequate financing, if we did enforce the law, these things could be brought about. We will have to do them on a gradual basis, lacking adequate financing.

Senator JORDAN. And do you believe that the difference, that is, the balance between preservation and development will have a different application in a frontier State like Alaska than it would in control of the river basins that will be your responsibility in the District of Columbia?

Governor HICKEL. I think very many areas of the United States would have to be looked at on a different basis.

Senator JORDAN. Without in any sense sacrificing——

Governor HICKEL. That is right.

Senator JORDAN (continuing). Our total objective for making this a better world to live in.

Governor HICKEL. That is right. Absolutely so.

Senator JORDAN. Thank you, Governor.

The CHAIRMAN. Thank you, Senator Jordan.

Senator Anderson, do you wish to ask a question at this time?

Senator ANDERSON. The recent oil discovery in Alaska, was that north of Brooks Range or south?

Governor HICKEL. Senator, it was north of the Brooks Range.

Senator ANDERSON. Has that area ever been a reserve for oil or the part of the Federal Government?

Governor HICKEL. There is another area called Pet 4 that was in a naval reserve and still is but that is in a different direction than the discovery at Prudhoe Bay. But they are both on the north slope.

Senator ANDERSON. It says, "Retaining an interest in the lands or resources administered by the Bureau of Land Management acquired voluntarily or by any other method, before or during employment by the Department of the Interior."

Would you have jurisdiction?

Governor HICKEL. Senator, if they were on Federal lands, yes. If they were on State lands, no. Prudhoe Bay is on State lands but on the Federal lands I would have jurisdiction.

Senator ANDERSON. What has been the policy on royalties?

Governor HICKEL. The State of Alaska receives 12½ percent royalties. There are no private lands in that area.

Senator ANDERSON. One question here about these vast areas, the land is covered up by snow, isn't it?

Governor HICKEL. You are talking about the north slope?

Senator ANDERSON. Yes.

Governor HICKEL. Senator, it is covered up with snow at this time of the year but it isn't in the summer months and fall. It is basically tundra.

The CHAIRMAN. Thank you, Senator Anderson.

If it is agreeable with the members of the committee, I thought we we would run until 12:30 and then resume at 2.

Senator Fannin?

Senator FANNIN. Thank you, Mr. Chairman.

Governor Hickel, I am pleased to have you with us today and have this opportunity to explore some of your thoughts. We have been discussing the natural resources of our country. I would just for a moment like to discuss with you the human resources with which you will be involved as Secretary of the Interior.

Through the Bureau of Indian Affairs, and with reference with your work in Alaska, you do have great responsibilities, as you will have as Secretary of the Interior. I have been vitally interested in the education of our first Americans, Indian citizens. I was responsible for getting a special subcommittee started because we do have more Indians in the State of Arizona than any other State. Of course, we also have more land that belongs to the Indians in our State than any other State, perhaps only until you get your native claims settled, and I don't know just what the position will be then.

I would like to ask you what your thoughts are as far as the educational program that we have through the BIA and what you would recommend or will be in a position to recommend as far as changes are concerned. I realize that some of your students visited in Oklahoma, and with all due respect to the schools in Oklahoma, I think you would desire to have the youngsters attend schools in Alaska. Would you want to elaborate on that?

Governor HICKEL. Well, Senator, as a general thing I think that children should go to school as close to their environment and their natural surroundings as possible. We in Alaska are putting forth a regional high school program which will put high schools where the people are. As far as the native people are concerned, it has been sort of a forgotten area, not only in our part of the country but all over America.

As you know, I am sure, we have in excess of 1,000 children that leave the vast northern areas and go to school in Oklahoma and Oregon and other spots. What I would like to see now, we don't have reservations and our people are scattered, is to build those schools, not just for the Indian people or Eskimo or Aleut, but for all the people in that general area. That is what hasn't been done and that is what we are trying to do there.

I think somewhat that same philosophy could apply here. I think it is better for the child and it is better for the family.

So as a broad philosophy, if we could get this education as close as possible to the environment in which they live, I think it would be one step and only one step of a great many steps that have to be taken to bring these people into what we call our mainstream of life.

Senator FANNIN. I know in my State of Arizona, some of the people are isolated out in areas where there are no roads and, of course, this is even more true, I imagine, in Alaska. Have you had plans in Alaska to try to meet this need?

Governor HICKEL. Yes. We have passed a bond issue. We will start our regional high schools just as soon as there can be agreement with the BIA. The bond issue was tied in—I don't like to get this specific but I have to explain it—it was tied in with the BIA program of building dormitories in these other vast areas that I won't mention but where many, many people live—Bethel area, for example. There would be several thousand people and they would have a regional high school there. There might be one out in the north where a lot of people live. So the State of Alaska has already taken those steps, and as Secretary of the Interior, I would think the same kind of a program, if the committee agreed and Congress agreed, might be a step in the right direction.

Senator FANNIN. Governor, I am certainly in agreement. On the dormitory programs, they would go to the public schools; is that right?

Governor HICKEL. These regional high schools are public schools.

Senator FANNIN. Then how about the financing of these public schools? Is the Federal Government involved?

Governor HICKEL. The State of Alaska finances the public schools.

Senator FANNIN. What do your Indian children attend?

Governor HICKEL. They are financed by the State of Alaska.

Senator FANNIN. The Federal Government does not contribute as they do in the BIA schools?

Governor HICKEL. They do in BIA schools but that is what we are trying to get away from. Our bond issue that passed, it was tied to the BIA building of dormitories because we have to bring the Indians, Eskimos, and Aleuts in from the river country maybe 50 or 100 miles so they can stay in the dormitories. As part of this program by agreement, the BIA builds the dormitories but the State of Alaska builds the public schools.

Senator FANNIN. I understand that part about building the public schools, but would not the Federal Government have a responsibility as far as the children that attend the schools, the Indian children, or Aleuts, or Eskimos, where there is not a tax base involved, the State does not tax the properties where they live, would it be similar to what exists in the contiguous States, providing that there would be a contribution by the Federal Government? Would you pay for that type of program?

Governor HICKEL. It would be wonderful if it happened. It hasn't happened. So we have just gone ahead from the standpoint of the regional schools and any other State schools.

For example, we built two small ones, Pitkas Point and Russian Village. They are small villages. They never had schools before. We went in there and built schools for them. The State did. All we did was pay the bill. But they are not BIA financed now. The BIA does finance some schools but they are specifically just Indian native schools, and so we are starting to take those over and phasing the BIA out and phasing us in. In some areas the schools are already built. They will be phased in.

Senator FANNIN. I think we all realize the importance of education from the standpoint of employment, from the standpoint of how to know that exists. Don't you believe that it is going to be

necessary for the Federal Government to assist in the financing of these schools if we are going to have the quality schools and the number of schools that will be needed?

Governor HICKEL. I think they do have an obligation. There are so many problems of the American Indians that haven't really been solved. It sort of has been after the fact and I think, yes, it will have to lead in some areas probably in conjunction with the State but the Federal Government is going to have to take the land.

Senator FANNIN. Certainly it has been our last merit insofar as their educational program and cultural developments. So you would favor an increase in the Federal participation——

Governor HICKEL. Absolutely.

Senator FANNIN (continuing). In this regard.

Governor HICKEL. Absolutely.

Senator FANNIN. Don't you feel that where they go from a BIA school, in other words, the children now are going to BIA boarding schools and they go back on the reservation. Perhaps there is a public school at the perimeter. Isn't it proper then that the Federal Government should pay the cost involved for that youngster to attend school because the property is nontaxable. There is not a tax base there. Unless we do have that type of a program, we will not have the adequate schools for the—the facilities that are very much needed, and if we are going to prepare these youngsters, going to give them the dignity and the confidence that they need to go forward, and I think that is most lacking in so many instances, and so as I understand it, then, you would favor participation by the Federal Government?

Governor HICKEL. I think they have an obligation, whether it is tuition or whatever it is.

Senator FANNIN. Would you also say that in other areas that you would urge the Federal Government to give special emphasis to the needs of our native Americans or our citizens, Indians, and, of course, in your country, Alaska, the Aleuts, and Eskimos also?

Governor HICKEL. Absolutely. Whatever we could do would be little enough.

Senator FANNIN. What percent are they in the State of Alaska?

Governor HICKEL. There are approximately 60,000 native Eskimo-Indian-Aleut.

Senator FANNIN. What percent of that would be Indians?

Governor HICKEL. Indians would be about half, I would think, would be Aleut-Eskimos the other half roughly. I think that is pretty close. Ted? Mike? Is that pretty close?

Senator FANNIN. Thank you very much, Governor. I am very anxious to work with you in the education program and very pleased that you have that interest in the children.

The CHAIRMAN. Senator Bible?

Senator BIBLE. Thank you, Mr. Chairman.

Governor, on a lighter vein I first want to say that I believe you have attracted more attention to Alaska than anything that has happened since statehood, and for that at least I compliment you. [Laughter.]

I would like to examine you first in the general area of conservation of natural resources. You pay tribute, and I think correctly and justly so, to the Secretary of the Interior, those who work in the creation of these national parks, national recreation areas, seashores, lakeshores. Then you go on to say this:

I believe we should devote a period of time to consolidations of the gains that have been made.

What does that mean?

Governor HICKEL. Roughly I think without being specific, I think there has been a great number of wonderful parks created, national monuments and so forth. I think it is important that Government feel the obligation of ownership and go in and put the capital improvements, or whatever might be there, in whatever area, that the greatest number of people could make use of. I think it is time that we studied and researched and figured out what is the best use in an overall general thing of land and how it should be used.

So as a matter of philosophy, I think the sooner that we can take these wonderful areas, for example, if it is a park or a new monument, and make it available to the American people, the better off we will be in the total environment, and that was the general thought.

Senator BIBLE. Well, on that point, pursuing it a bit further, I speak with some knowledge of this, I think, as chairman of the Parks and Recreation Committee for 8 or 9 years, and we created some 50 to 60 national parks and seashores and lakeshores.

Senator JACKSON. Would the Senator yield?

Senator BIBLE. We traveled all over the United States in doing this. So we have some firsthand knowledge of it.

Yes; I yield.

The CHAIRMAN. I just want to say, Governor Hickel, and I meant to say this when I turned to Senator Bible, that Senator Bible has been a great architect and has carried the load in handling the legislation dealing with parks and recreation areas, conservation, as chairman of the Parks and Recreation Subcommittee. We all owe him a great debt.

Go ahead.

Senator BIBLE. We have had the help of everyone on this committee. This committee worked together and I think all for the good of the national interest.

But do I understand you to be telling me that by now devoting a period of time to consolidation of gains, do you suggest that we create no new national parks——

Governor HICKEL. Oh, no.

Senator BIBLE (continuing). Or no new national recreation areas or no new wilderness areas? What do you mean?

Governor HICKEL. No; not that at all. I don't mean that at all. I think that there are many areas that I know of and many areas that I am sure you know more about in the South 48, so to speak, than I do. I think it will always be an on-going thing, but I do think that, for example, in I might say my own part of the country where I live, called Alaska, there are many national parks that I think could be made to accommodate more people. There hasn't really been what I would consider capital improvements, if I might use that, to accommodate people to use the parks.

I think it is in the general direction. A wonderful job.

One I recall in my section of the country, Glacier Bay National Monument, that is one of the finest water parks I have ever seen in the world and I would like to see that made available as nearly as possible to the greatest number of Americans and that is what I meant in working toward that program.

As far as new parks are concerned, I think it would be a long time before we would ever say there are enough parks. I think that is a matter of cataloging and coming up to an agreement with you people, the Congress in general, the Department of the Interior, somewhat even the Department of Agriculture, their forest lands. I think it is that kind of a broad statement.

Senator BIBLE. What you are saying, then, is that you would put more capital improvements in parks. No one would fault you on that. But that in itself would not cause you to come to a conclusion that until we—well, until we catch up with the capital improvements, we are not going to go forward.

Governor HICKEL. No. Not that. I didn't mean that at all. We shall always go forward.

Senator BIBLE. I wanted to explore it. Then you said "We must have a reassessment of our long-range objectives."

What are your long-range objectives in the area of conservation of natural resources?

Governor HICKEL. I think that as we have this press of population, and I haven't gone into great detail, I think this is part of the research and planning that I am so aware that we need, and as you look ahead, as I mentioned, to the year 2000, I think we are going to have to somewhat look ahead and see what is going to be needed and how are we going to use and conserve whatever natural resource we have, whether it is beauty or whether it is under the ground, and try to somewhat to set some guidelines, that after we have this press of population, there is an orderly development and use, and that is the kind of thing that I think Government should do.

Senator BIBLE. A further question on the same paragraph. You say:

> I think we should explore ways within the Department to make things work better.

I guess we are all striving to make things work better. What do you mean? What does that mean?

Governor HICKEL. That is a general thing. I think that as Governor of Alaska I obviously—and before I was Governor, for 28 years I lived there, we basically lived under the Department of Interior, and so because—before statehood, it more or less was our protector. After statehood it still owns such vast areas of our country. And I think as a general thing, not a specific thing, I think that there can be, oh, probably more progress, if that is the way to put it, in handling our Indian problem. I think that is one that always faced me in private and public life as one that really wasn't attended to with the kind of willingness to solve that I thought possibly it should. And probably it is in that general area.

Senator BIBLE. How about in the field of national parks, national recreation areas? How would you make the Department work better?

Governor HICKEL. I think it goes back to these capital improvements I talked about. And I realize it takes money and I also know the limitations on the budget.. I think in that general area you will find me pushing hard and I would hope this committee would support me, and if we could increase the appropriations in the national park area.

Senator BIBLE. Well, now, the budget which the President sends to us this very day contains an outlay of $200 million from the Land and Water Conservation Fund and that, as you know, is divided between the States on a participating basis and used for further land acquisitions within the authorized parks and national recreation areas and seashores.

Do you think that figure is too high, about right, too low? Where does it fit into your thinking?

Governor HICKEL. Senator, I would really have to study the budget. I couldn't intelligently at this point comment on whether $200 million were enough or $400 million were enough. At this point I couldn't. I would like to study it.

I know one thing, that I will always be pushing for the idea that I was talking about, and whether that is the right figure, I just really couldn't answer that at this time.

Senator BIBLE. Well, in other words, though, you are going to lend it your continued support to see that we acquire what we have already authorized.

Governor HICKEL. That is right.

Senator BIBLE. And then in line with that, develop it as we completely acquire the land. This is what I understand you to be saying.

It is a great challenge, as you know and as I know, to develop the recreation potential of the Western States, but the need—and it has been commented on here today—you develop vastly increased recreation opportunities in our Nation's metropolitan areas, being critical in that connection. We created the Fire Island National Seashore. We created the Assateague National Seashore and Cape Lookout National Seashore all on the Atlantic Ocean. We have created comparable seashores on the Gulf and Pacific coasts.

Now, the New York Times just very recently estimated that we are to require in the almost immediate future 2½ million acres of open space if we are to meet the needs of our large cities, and this does create the pressures on the lakeshores and the seashores. What priority do you give to those needs in your thinking of conservation of a national resource?

Governor HICKEL. I think it would be one of the top priorities. I would like to go back to my original press conference where I stated that I thought that the Federal Government might have to buy up land, and so as a general philosophy, you try to get the open spaces and the parks where they are accessible to the masses of the people. I don't know how much money it will take. I think studies and research in consultation with this committee and other committees would probably jell some kind of an idea. But as an idea, I think it has to happen. I don't know exactly how but as a general idea, it would be great.

I know this possibly couldn't happen but if you had a Yellowstone National Park back somewhere here, we know that that isn't possible on account of the public lands available, and so we are going to have to approach it. Maybe the Government will have to buy up some private lands to do this. This is only a thought but it is how I think.

Senator BIBLE. Well, if we are going to do it, the States are going to have to buy up some private lands, Governor, because there are very few lands not privately held, particularly here in the East, and

it presents one of the great problems we have in wrestling with and this is true probably everywhere except for the Far West.

You are going to give that—as I understand you, you recognize the needs and the demands of the big cities.

Governor HICKEL. I recognize——

Senator BIBLE. You are going to give that high priority.

Governor HICKEL. I recognize that and I do know the great pressures that will come about from some areas say it is going off the tax roll and all that, and I think we as the Federal Government have to decide just how much help in that area we are going to give. I would give that high priority.

Senator BIBLE. If I understand what you are saying, then, you feel that you make a sound case for the expansion of the national park and recreation areas systems. This is what I understand you to be telling me.

Governor HICKEL. Exactly what I am saying.

Senator BIBLE. And in providing that recreation and parks and conservation, would you lean to the multiple-use approach or would you make the parks that you are creating or recommend the parks you are creating have the pure park concept which, as you know, means you have no adverse uses at all?

Governor HICKEL. I understand.

Senator BIBLE. Where do you lean?

Governor HICKEL. Senator, I think there again it might be a case-by-case basis. It could be, and I have nothing specific in mind, that you would get some area in the highly congested East, wherever it might be, or any industrial area and you might, in order to acquire these open spaces and the surface rights so people could walk and look, you might, and I don't say you have to, you might have to have a multiple use where you don't have the real public domain now.

I am not saying it would be the best but it could be one of the things that would give the reason and take care of possibly the tax problem in a given locality where people could enjoy the surface rights, for example, and still have the use of whatever is under ground.

Senator BIBLE. Another area where I share considerable closeness with you in view of the fact that the State of Nevada has 87½ percent of its land that is federally owned, and you say your State is 96 or 97 percent federally owned, we have an unusual problem in the States which many people throughout the United States do not realize, and I am sure you know that there is a Public Land Classification Act that is also tied in with the Multiple Use Act and it directs the Secretary of the Interior to classify certain lands exclusively administered by him in order to provide for their disposal or interim management under the principles of multiple use. That is what this act fundamentally does. This is the 1964 Classification, Multiple-Use Act.

Now, as of October, 1968, more than 140 million acres of land had been classified or proposed to be classified before Federal retention and management, frozen, locked in, some 2½ million acres had been classified or proposed for disposition.

In other words, up to October, 1968, 98½ percent of the public domain lands were being held not in interim but were being placed into permanent status by the Department while only about 1½ percent were classified for disposition.

Would you give me your ideas on that particular problem? Your

State is similar to mine. I don't want you to wear your hat as Governor. I want you to wear the larger hat as prospective Secretary of the Interior. What would you do?

Governor HICKEL. I don't really understand the total question as well as I should, but I do know this. We have a Public Land Law Review Commission and I think that is to report around 1970. Is that right, Senator?

Senator BIBLE. We certainly hope so. They have been taking an awfully long time to get it done. I happen to be a member of the Commission. I hope we can finally make a report.

Governor HICKEL. Well, when that report comes out I think that will set a lot of the guidelines that would possibly answer the question that you have. I am not familiar with exactly the total aspect of what you talked about. I am not evading it. I wish I could answer it more specifically but I will tell you this, that we will sure look at it and study it and come up with the best ideas we know how to, but at this point, I just don't quite understand.

Senator BIBLE. Well, my main objective of my question and the purpose of my question, I have been very critical of the Bureau of Land Management and their attitudes on this because it does seem to me that they should have awaited the final findings of the Public Land Law Review Commission, but they are not doing it. They are going ahead anyway and already classifying.

The freezing of 98½ percent of the public domain, like my State, for example. And I am just wondering if you are confirmed whether you would wait to get the final recommendations of the Public Land Law Review Commission or would you not?

Governor HICKEL. I think we should wait. We have spent a considerable amount of money and there are very competent people working on this Commission, and I think if we don't at least wait for their recommendations, it is sort of a waste of money. That is why I brought that up.

Senator BIBLE. Another problem that is almost entirely of Western concern, it is interrelated to the question which I just asked you. Several months ago the Secretary of the Interior and the Secretary of Agriculture announced the proposed grazing fee increases, rather substantial, I might say. They made the announcement yesterday and it finally came out and is promulgated as a joint release. And again my question has been—I protested this. I did so because I thought it should await the final findings of the Public Land Law Review Commission.

Are you in any position to make an assessment or judgment on that? I don't know whether you are or not.

Governor HICKEL. I thought about that, Senator, and——

Senator BIBLE. I am not trying to put you on a spot. This is a sensitive thing.

Governor HICKEL. No. But I think what I would have done, if it had to happen, if fees had to be raised, and I don't know the background, I think I would have held some congressional hearings on it in the areas concerned, the areas involved, and find out just what really is the problem and what is the best solution. I do not know what is the best solution. I know they are going to raise them substantially and I only know that from what I read in the papers, but as a general thought I would have found out by holding hearings just what would have been the best approach.

I agree with you. I think we should wait for the Public Land Law Review Commission.

Senator BIBLE. I was wondering whether you put this in the same type of category as you do your earlier answer on the classification under the Classification and Multiple-Use Act of 1964, and I understand you to say that this is a—this is a pretty technical question and you might want to reexamine your answer, but if I understand you correctly, you say you think you would have awaited the final results of the Public Land Law Review Commission. Do I understand you correctly?

Governor HICKEL. That is what I said. I said at this point I thought—not knowing the full circumstances, I would have waited for that because that was the reason the Commission was given its duties, and if there were some pressure to do it otherwise, I think you should hold hearings in the areas involved. Maybe this was the best answer. I don't know what the findings were, where they held those hearings.

Senator BIBLE. If you will find out, if and when you are confirmed as Secretary of the Interior—we hold more hearings and compile more reports and appoint more commissions to study commissions than anybody in the world. I don't know whether this falls in that category or not.

Governor Hickel, the Office of Water Resources Research within the Interior Department supports cooperative Federal-State water research authorized by the 1964 act which I and other Senators joined the senior Senator from New Mexico (Mr. Anderson) in sponsoring.

Under this program, Federal and State funds support water research centers at the land-grant universities in each State. Through this program, we now have highly competent scientists and engineers researching answers to water conservation and development. Much of this would not be possible without the support provided through OWRR.

It is clear that adequate supplies of water of suitable quality are essential to sustain the Nation's population and economy. The cost of water facilities is very great—billions of dollars a year—and research can result in new and improved methods for meeting water needs. This can provide economies many, many times the cost of the research.

I would appreciate having your views on this water resources research as it is carried out in cooperation with the States, through universities and other competent research organizations. Would you look into this matter and be ready to report on it?

Governor, you are doubtless aware of the many deposits of geothermal steam in the public lands. The steam itself may be a valuable source of energy, and, in a number of instances, there are important minerals in the gases or brines, such as gold, silver and lithium.

In substance, geothermal steam is a potentially valuable resource of our public lands. The Interior Department has taken the position, and as a lawyer I agree, that under present law there is no authority for the Secretary to lease or otherwise provide for the development of this natural resource.

For some 7 years now, beginning in the 87th Congress, I have been sponsoring bills that would authorize the Secretary to lease these geothermal steam deposits for development by private enterprise, in accordance with our American tradition.

However, the adamant opposition of the Interior Department, among other executive agencies, to any form of recognition of the equities of pioneers—that is, the so-called grandfather clause—has blocked action on the geothermal steam-leasing bills. In fact, this administrative determination led to what I consider to be an unwarranted Presidential veto in the 89th Congress of a geothermal steam-leasing bill. This was primarily because this bill had in it a limited conversion clause.

Now, will you acquaint yourself with this problem and be prepared for future hearings before this committee.

Mr. Chairman, those are all the questions I have.

The CHAIRMAN. Thank you, Senator Bible.

I might also mention that Senator Bible is the new chairman, succeeding Senator Hayden, of the Interior Subcommittee on Appropriations.

The Senator who has certainly been most responsible for landmark legislation in the field of water and air pollution has been the distinguished Senator from Maine who chairs the Senate Public Works Subcommittee in this field, and we are proud, Senator Muskie, to have you here. I understand you do have to leave at lunch and we will be glad to have your questions at this time. Then we will adjourn at the conclusion of the questions by Senator Muskie. We will resume at 2 o'clock and hopefully will run until 4:30. That is the approximate schedule. So the news media can make arrangements accordingly.

Senator MUSKIE. Thank you very much, Senator Jackson.

Governor, I have just two lines of questioning which I hope are not too extensive.

The first has to do with a project in my own State, the proposed foreign trade zone in Maine, the Machiasport project. The second has to do with the water quality standards program.

With respect to the first, in your statement you indicated that you recognized a difference between your obligations as Governor of Alaska and your obligations as Secretary of the Interior with respect to the oil import program. I am sure you do. Yet I wonder if you really focus upon what this could mean in terms of the convictions you have developed over the years as a result of your activities in a State like Alaska, your interest in the development of its oil resources, and your responsibilities as Governor.

In the present administration we who come from fuel deficit areas were assured at the very beginning that all authority with respect to oil imports would be delegated to the Secretary of the Interior in order to insure the impartial and objective implementation of those policies. But in these last days of the administration we are finding that when the crunch comes, when the real crunch comes, that somehow the oil industry's interests prevail over those of our fuel deficit area of New England.

So I think you ought to consider the fact that there is no way for you, as I understand it, to divorce yourself of your responsibilities with respect to the oil import program as there appear to be for the White House. Since you cannot divorce yourself of these responsibilities, we are most sensitive in my area to the question whether when the crunch comes, you are going to be influenced by the points of view you have developed up to this point or by your desire to be objective.

Now, in your statement you said that you recognize that there

might have to be some increase in imports with respect to some areas of the country. That statement does not reflect the sense of urgency we in New England feel about this problem.

Senator Brooke has prepared a letter to be signed, and I understand it will be signed, by all 12 New England Senators addressed to the chairman of this committee with reference to this hearing, and I ask, Mr. Chairman, that the full text of the letter be made a part of the record.

The CHAIRMAN. Without objection, the full text of the letter will be included at this point.

(The letter referred to follows:)

United States Senate
WASHINGTON, D.C.

January 15, 1969

The Honorable Henry M. Jackson
Chairman
Senate Interior Committee
Washington, D. C.

Dear Senator Jackson:

We are taking the liberty of writing to you in connection with the hearings on the nomination of the Honorable Walter Hickel to be Secretary of the Department of Interior. As you may know, the people and representatives of New England have grown increasingly vocal in their protests over the inequitable effects of the oil import quota program administered by that department.

The adverse impact of that program in the states of our region is clear and grave. The prices of fuel oil, on which private heating and industrial power are heavily dependent in New England, have been abnormally high. Furthermore, oil supplies have been unnecessarily tight and thus the region has risked emergencies in the course of long and bitter winters.

These conditions are a direct result of the controlled and noncompetitive market in petroleum products, a market with its production base located elsewhere in the country and with little sensitivity to the legitimate needs of our region. During the years that the Oil Import Control Program has been in operation, refining capacity on the East Coast as a whole has declined by almost 250,000 barrels per day, while New England has been left without a single refinery. Our states have been effectively cut off from dependable and economical sources of oil and made captive to a program that seriously jeopardizes the well-being of our people and the vitality of our economy. We consider this unjust and intolerable, and the members of the New England delegation are committed to using every power at their command to remedy this situation.

Because the Secretary-designate, if confirmed, will have direct responsibility for the Oil Import Control Program, we consider it proper and, indeed, essential to raise this critical problem with him during these hearings. We believe that the people of New England are entitled to definite assurances from him, first, that he recognizes the urgency of this problem and, second, that he will take action to cope with it.

This action could take a variety of forms. The most immediate and promising course would be to act favorably upon so-called "Proposal A" of the Department of Interior's proposed regulations on the allocation of oil imports for Foreign Trade Zones, if the present Secretary for some reason fails to do so. An application to create such a zone at Machiasport, Maine, is now pending before the Foreign Trade Zones Board and "Proposal A", as published in the Federal Register of December 11, 1968, would make possible a reasonable volume of processing and importation of petroleum products through this zone. Not only would this project provide invaluable relief to New England fuel consumers, but it would be a major contributor to one of the country's most depressed counties.

In addition to the Machiasport proposal, other changes in the Oil Import Control Program should be contemplated, including the possibility of a general increase in imports of foreign oil, a re-distribution of quotas to promote competition, and other measures to encourage wider dispersal of refining capacity and supply sources as a means of meeting the demand for fuel in New England and other energy-poor areas. In fact we believe that the justification and operation of the entire Oil Import Control Program should be reviewed.

Because these issues are of central importance to all New England and, in our opinion, to all America, we hope that the Secretary-designate will be prepared to express his support for some action along these lines.

We will be grateful for your cooperation in presenting this statement to the nominee at a suitable point in the hearings, and will be anxious to have his comments on the problems it discusses.

Sincerely yours,

Edward W. Brooke

Edmund Muskie

George Aiken

John Pastore

Norris Cotton

Claiborne Pell

Thomas Dodd

Winston Prouty

Edward Kennedy

Abraham Ribicoff

Thomas McIntyre

Margaret Chase Smith

Senator MUSKIE. Now, in part that letter says things like this:

"The adverse impact of that program"—that is, the oil import program—"in the States of our region is clear and grave. The prices of fuel oil on which private heating and industrial power are heavily dependent in New England have been abnormally high. Furthermore, oil supplies have been unnecessarily tight. Thus, the region has risked emergencies in the course of long and bitter winters," a point of view I am sure you understand. Unfortunately we haven't found oil in New England as you have in Alaska.

The letter continues:

> These conditions are a direct result of the controlled and non-competitive markets in petroleum products, a market with its production base located elsewhere in the country and with little sensitivity to the legitimate needs of our region.

Then, the letter says this:

> Because the Secretary-designate, if confirmed, will have direct responsibility for the oil import control program, we consider it proper and indeed essential to raise this critical problem with him during these hearings. We believe that

the people of New England are entitled to definite assurances from him, first, that he recognizes the urgency of this problem, and second, that he will take action to cope with it.

Now, what the letter requests, in posing those two questions, is something more than the general review and objectivity which you promised. This letter inquires, first, as to whether or not you recognize the problem as being urgent from the point of view of New England, and second, whether you recognize that it calls for action beyond the point of review. And I ask only for an honest answer to both of those questions and then I have a third one on this subject, and then I shall go on to water quality standards.

Governor HICKEL. Senator, I think you covered it well and I think that if I ever thought it was urgent, I can see now that it is more urgent and I can understand it. [Laughter.]

I think in all fairness I have got to say that there isn't any doubt, Senator, that I will take the broad national picture other than that as you indicated I might have as Governor of Alaska. And as far as it being urgent, if you have an urgent situation, then it requires urgent and prompt action.

I will promise you this, that when confirmed as Secretary of the Interior, I would think at this point one of the first things that we would have to do would be to sit down collectively with your fellow Senators and with this committee and with the executive as such and try to find a solution that is more than apparently there, and I think with that kind of an approach and with that openmindedness that I will give it, it is about as far as I could go in saying what would I do to solve the problem. But I assure you this. We will do something. At this point I couldn't say specifically what. I think it would be wrong of me to do it. It would show that I made a decision without having all of the facts and knowledge before me.

But I assure you that those facts and that knowledge will be gained as soon as possible upon my assuming the position.

Senator MUSKIE. Well, now, let's be perfectly frank. This is the time to be frank. We in New England have been pressing for action before January 20. The oil industry has been pressing for delay before January 20 because it is rather widely said that the situation after January 20 will be less favorable to us and more favorable to the oil industry.

Now, obviously this isn't something I have coined to ask you to embarrass you this morning. Clearly, the efforts of New England and of the oil industry focused on January 20 and your accession to the secretaryship of the Interior.

This is going to put you in a terrible spot after January 20 and indeed, you may be in the position of having to lean over backward to favor New England against the oil industry in order to avoid any accusation of bias.

Now, what is your reaction to that? [Laughter.]

Governor HICKEL. Senator, would you allow me to just be a little humorous at the moment and say I wonder if I couldn't toss this back to the White House like they tossed it to the Interior. I know I can't and I don't want to be facetious.

I would say this, that I would try to recognize the problem of a certain region and still keep the national picture in mind. Now, I won't have to go into the background. You and I both know why the oil import program was brought about and how it became mandatory and the reason it was was for national defense and other things. I think that is still important. I think we should maintain that.

Now, whether we raise the quota, lower the quota, we don't want to lower the quota but if we raise the quota, let us try to do it in such a way that we can generally subscribe to and follow the pattern and the intent of why we had the oil import program, and we might be able to stretch our imagination far enough and come up with a collective idea, and I mean collective, and maybe the whole committee would agree that there you have a special problem. But until I had all those facts and talked to all those people, I don't see how in the world I can go beyond this because my full intention would be to try and solve the problem that some section of America had and yet be fair with the Nation as a whole.

Senator MUSKIE. Let me ask you a more specific question and then I will turn to my other subject.

If the impact of the oil import quota is to force higher fuel prices upon New England, higher than those paid by any other region, would you consider that an equitable result?

Governor HICKEL. I think that would be one of the things that we would have to take into mind and although I realize that there are two elements here, above all, the consumer is one of the most important because the reason that we are in production in anything is for the consumer, and so that would be one of the strong elements of making a decision. But beyond that, Senator, I don't think that I could be expected to say anything any stronger or more affirmatively or more negatively than what I have said.

Senator MUSKIE. I would not expect you to make decisions here this morning but let me point out something rather unusual about this committee. You will notice, if you look at this committee, that Senator Nelson of Wisconsin is the only Senator on it from any State east of the Mississippi.

Now, this isn't the fault of anybody except perhaps those of us who are Senators from east of the Mississippi who haven't aspired to be seated on this committee, but I think it is true that this committee has developed concerns beyond that of a western committee. I think the Department of Interior has. But it has been in relatively recent years. When you consult with Senators about the oil import policy, I hope you would not limit yourself to consultation only with Senators on this committee. I hope you will also give consideration to those of us from the oil consuming States of the country.

We feel deeply about this in New England. Whenever we try to develop the fuel policy that would be equitable to us, we meet roadblocks. Even when we try to develop our own hydroelectric resource we find other areas of the country unsympathetic for only one reason, to protect their coal resources or their oil resources against the competition of the resources that God gave to us.

Up to now we have tried to solve this problem by being nice fellows. We are no longer so disposed to being nice fellows and I think the new

Secretary-designate ought to recognize that that is our attitude at this point and probably will continue to be after January 20.

So we are going to be receptive to the kind of objectivity we have been seeking all these years and that you have promised us this morning.

Now I would like to go on to the question of water quality standards.

You have said from time to time that you applaud the decision of the Congress not to set a uniform national standard of water quality but to try to approach the problem through the initiative of the States.

We took this step deliberately, but when we took it, we recognized that we were opening the door to the foot draggers, to those who feel they have an investment in the status quo, and to those who have less than a feeling of urgency about the need to improve the quality of our waters.

We took this step for two reasons. One, because the problem is so big that we could come to grips with it more effectively if the States would develop viable and progressive policies in this field, and secondly, because obviously water use decisions can be better made by those who are directly involved.

But if this program doesn't work, the pressure for national quality standards is going to escalate.

Now, in the development of these State standards under the leadership of the Secretary of the Interior, there has been a lot of foot dragging, and we are not over the problem yet. I think he is close to it if he hasn't achieved the approval of water quality standards for all States. But, on that score I would like to ask this question first.

Is it your conception that the standards already adopted and approved are the ultimate or do you regard them as the beginning in an escalating and ever-tightening program of water quality improvement?

Governor HICKEL. Senator, you put it well. It is exactly as you state it. It is a start. It has to do, as I talked about, with the guidelines that we must seek to look ahead in 1980 or the year 2000. I think it is a start. I think it is possibly the best way to start, try to have the relationship with the States and the Federal Government. Obviously if there are foot draggers and if certain areas degrade the water more than it is obvious that they should, at some point down the road if this upgrading doesn't come about, you really don't have any other choice than to so-call step in and have new guidelines, and that would again be up to Congress and whatever Congress might do, in any respect, to upgrade or do what they might have to do to bring about what you say, then I would enforce it with everything within my power because that is exactly how I feel.

But it is a start. It is not the ultimate. But it is in my opinion the best wisdom that Congress could do at the moment to start along the right—in the right direction.

Senator MUSKIE. Now, I have debated with myself on whether to ask you this next question but I think that the best course is to ask it.

When you visited me in my office, and I think when you visited other Senators, you were accompanied by Mr. James Watt, who is secretary of the natural resources committee of the Chamber of Commerce of the United States. I should have thought to have asked you this question in my office but frankly, as you know, we were both pressed for time and I didn't think of it.

But the Chamber of Commerce of the United States has been in the forefront of those who have undertaken to challenge the authority of the Secretary of the Interior to require secondary treatment and to adopt what has been referred to as the nondegradation rule.

I think first that I would like for you to comment on the connection, if any, between the fact that Mr. Watt has accompanied you and your views on these two issues, and secondly, to solicit your views on these two issues. Might I say this just to make perfectly clear my own position: I have read the brief that was solicited or that was obtained by the Chamber of Commerce of the United States challenging this authority of the Secretary of the Interior. We have defeated it so far as this administration is concerned, but if the point of view of the Chamber of Commerce of the United States on these two points were to be adopted, in my judgment it would destroy the water quality standards program as it is now established in law. The amusing thing about the brief is it speaks of congressional intent to support its position, but I wrote the law. It is rather an amusing observation on briefs. Would you comment on that?

Governor HICKEL. Senator, I met Mr. Watt in a group of maybe five or six different people that I was interviewing. It was in going over just a casual résumé that I found out that he had been an administrative assistant to the Senator from Wyoming, Simpson—I think that is right. I had never met the man before. As far as his being with the chamber of commerce, it didn't even ring a bell one way or the other. And we were short of staff and the distance—it is a long way between here and home, and so he said that he would—he could help guide me around. I told him I wanted to go and meet the various Senators. And it was his just natural willingness to help and probably a simple rapport. [Laughter.]

I think he is a capable person. I think he is a most capable person. I think he is knowledgeable in that——

Senator MUSKIE. That may be the disturbing thing about it, you know. [Laugther.]

Governor HICKEL. Well, I'm sorry he didn't come out of your office because I would have taken him, too, because he is quite a guy.

That is the background, my background and knowledge, the reason I had him, and if I could be influenced at levels of this nature, I don't think I would be sitting here today. And as far as any water standards being degraded, I would be the first one to fight that. And I think as you remember my thoughts and some of the things that I did as Governor, when I told you I thought I was the only Governor of any sovereign State that seized a ship in coastal waters and took it to Federal court and won. It gives you a general idea of how I think.

I am not one that wants to even think about going backward. I am too progressive by nature. I think my record will show. So have no fear.

Senator MUSKIE. Let me ask you a specific question. I know that you and the Secretary of the Interior have correspondence with respect to the nondegradation policy as it applies to Alaska. Do you at this point have any question or any doubt about the validity of the nondegradation policy in its present form?

Governor HICKEL. I have none that I know of at this point and I can see no hindrance whatsoever. The actions of Alaska were entirely different in the fact that it covers such a broad area. As I mentioned before, it covers an area nearly as big as the United States in distance, and so some areas do have a different problem than other areas.

It is a very difficult thing. So we look at this case by case. But we have never allowed any, if I might say, pollution such as that mentioned in some newspaper articles where we dumped several thousand tons or millions of gallons of ammonia in a river. I just want to assure you, Senator, that that is not true because that plant isn't even in operation, and the reason for them spending considerable thousands, literally about $200,000 more in money, is to assure the State, and they are doing this through research at the University of Washington and the University of Alaska, to assure the State that what they do meets the standards. We requested that and they have agreed to spend the money. I might say not one——

Senator ALLOTT. Will the Senator from Maine yield for one question?

Senator MUSKIE. Yes; I would be happy to.

Senator ALLOTT. Along this same general line, I think it is important that it be cleared up. In the Washington Post of January 6, Governor, an article appeared, written by Drew Pearson and Jack Anderson, in which they talked about water standards, and I quote:

> Specifically the Collier Carbon & Chemical Company was still dumping three and a half tons of ammonia into Cook Inlet every day from its north Kenai plant and there were no tangible plans for stopping this.

Now, is this the plant that you have referred to that has never operated?

Governor HICKEL. That is right, Senator. The plant has never been in operation.

Senator ALLOTT. What would you say as to the veracity of this statement? [Laughter.]

Governor HICKEL. It is a sin to tell a lie. [Laughter.]

Senator ALLOTT. Thank you, Senator Muskie.

Senator MUSKIE. Just one final question to wrap up the water quality issue as far as I am concerned.

You have no plans, then, to change the nondegradation policy or the secondary treatment policy or any of the other guidelines which have been used by the Department of the Interior in the development of water quality standards.

Governor HICKEL. That is right, Senator.

Senator MUSKIE. Now, returning to the Machiasport project, I have one question. The Secretary has had under consideration since the early part of December a change in our oil import policy with respect to the licensing of imports to free trade zones.

I have no idea whether he is likely to make a decision on this between now and January 20. If he does, what are the prospects for the life of that policy after you become Secretary?

Governor HICKEL. Senator, I would have to see what decision he would make, first, and how he would approach it before I could even intelligently or from a "guesstimate" standpoint know what I would do. I would appreciate, Senator—I don't know how to answer it because I don't know what he is going to do.

Senator MUSKIE. Well, the question I guess isn't entirely fair because I had assumed that you read the regulations issued in the early part of December. They offered two alternatives, alternative A and alternative B, to govern this problem. If you haven't read it, obviously you can't react to my question.

Governor HICKEL. I haven't read it, Senator. I am sorry.

Senator MUSKIE. I will limit myself this morning to simply calling your attention to those regulations. If you have a chance, to read them, and I know you are going to be very busy between now and January 20, I would appreciate it if you would communicate your reactions to me. But I understand that you may be too busy.

Governor HICKEL. I will do that, Senator. I will try to do that.

The CHAIRMAN. Thank you, Senator Muskie.

In view of the fact that the Chair violated his own suggested rule as to adjournment, we will resume at 2:15 instead of 2 o'clock.

(Whereupon, at 1 p.m., the committee took a recess, to reconvene at 2:15 p.m., the same day.)

AFTERNOON SESSION

Senator ANDERSON. The chairman is a very busy man. He has been detained. If nobody objects, we will go ahead and call on Senator Church.

Senator CHURCH. Thank you very much, Mr. Chairman.

Governor, were you a welterweight boxing champion when you were in college?

STATEMENT OF WALTER J. HICKEL—Resumed

Governor HICKEL. No, not in college; in high school.

Senator CHURCH. In high school?

I want you to know as we begin the second round I don't think anybody has laid a glove on you yet.

Governor HICKEL. Thank you.

Senator CHURCH. Governor, in the New York Times on the 18th of December, an article appeared by William Blair. I think it was in that article where you were quoted as having said that "I think we have had a policy of conservation for conservation's sake." You have already given us an explanation of what you meant by that statement, but in the same article you were also quoted as having said: "Just to withdraw a larger area for conservation purposes and lock it up for no reason doesn't have any sense, in my opinion."

I am wondering where this has occurred, in your judgment.

Governor HICKEL. Thank you, Senator. I think basically at that point I had Alaska in mind. It is sort of tied in with maybe not just the Department of the Interior, but could somewhat cross other departmental lines, and had to do basically with what I said earlier about there had been millions upon millions of board feet of timber that have rotted for the lack of harvesting. I think I had that in mind because, Senator, as you know, your part of the country and my part of the country especially mine, where for years prior to statehood things were really somewhat locked up, 97 percent, and I had that general thought in mind, because normally I would like to see as a governmental policy if they are going to take any number

of acres of land, I don't care what, they would have a reason and policy toward that and I think that land law review committee will cover that, but I had that generally in mind as it pertains to the vast area of the North.

Senator CHURCH. I can both understand and fully appreciate that, Governor.

Governor HICKEL. Thank you.

Senator CHURCH. What concerns many conservationists, I think, is that this kind of argument has been used in attacks upon wilderness legislation, for example, where primitive areas administered as such by the Forest Service are to be reviewed and included in a national wilderness system. I recall that during the years that we were trying to get wilderness legislation written into law, opponents of the legislation used to argue that we would be locking up this wilderness for no purpose. Now you are acquainted with the wilderness legislation?

Governor HICKEL. Yes.

Senator CHURCH. And the general framework of that law. Do you think that setting aside these primitive areas, making them a part of the wilderness system, serves no purpose, and did you have that in mind when you made the statement that I referred you to?

Governor HICKEL. Senator, I did not have that in mind. I think the Wilderness Act as brought forth by Congress is a good act, and that really isn't just setting it aside for no reason. They generally have a reason for an idea. It might be an eagle's nest or it might be some other reason. Those are reasons, and I am in accord with that program. I did not have that in mind at all.

Senator CHURCH. Do you think that recreation is a good purpose for setting land aside?

Governor HICKEL. Absolutely.

Senator CHURCH. Do you think that it ranks in importance with other purposes such as grazing, mining, lumbering, and other uses to which the public domain is put?

Governor HICKEL. Yes, Senator. I think it is really one of our natural resources that we haven't used enough, and it has to do with the great overall environmental program that we are trying to and I am trying to explain to you and I think that recreation is a very important part of the total picture.

Senator CHURCH. How would you rank these multiple purposes in order of their importance?

Governor HICKEL. Senator, the multiple purposes——

Senator CHURCH. I mean the multiple purposes to which the public domain is put. Do you have a priority in your own mind as to the importance of the various purposes to which we put the public domain?

Governor HICKEL. Not specifically, Senator. I don't have it lined up like whether we should have parks first and monuments second and recreation third. I haven't thought of it that way. I have only thought of it as a broad scope of trying to somehow set the guidelines to do these things that we have to do not only today but those things that could bother us down the road, you know, 20 years or more, but not specifically.

Senator CHURCH. Is it your feeling that there is room enough on the public domain to accommodate all of these purposes?

Governor HICKEL. I think this is what we have to do, and I think this is what the public land law review committee will suggest, that we must take our total picture and somehow set these guidelines so that we can have and use the land for the best purpose. Maybe it is for a park, maybe for grazing, but I think we should inventory and look at the total picture and then sort of set the guidelines and do it before we have the press of population upon us where we have to react rather than act.

Senator CHURCH. In the same press conference to which I referred earlier, Governor, Mr. Blair wrote that you promised a national viewpoint in administering the Interior Department and not just a western or sectional outlook. That subject has come up this morning.

During the same week, I am advised that the Anchorage Daily News, in a telephone interview with you, published an article in which the following statement appeared:

> The Governor made it clear that he regards Interior as the most strategic point in politics from which to set in motion programs which can benefit Alaska, more strategic than the Governorship or a seat in the U.S. Senate. He agreed to accept the Cabinet post only after he persuaded himself he could do more for Alaska directing the activities of the Interior Department than he could if he remained as the State's chief executive in Juneau.

There ends the quote.

Governor HICKEL. Do you want me to comment?

Senator CHURCH. I would like a comment.

Did you say that in the course of this interview? Is that an accurate statement?

Governor HICKEL. I think it is generally. I think generally so. You must remember that I am Governor of the State, and in making that statement I know that I had a lot of people pushing from all sides trying to say you should remain as Governor, and so I would normally say and I think any human would understand the circumstances, if he were Governor of a State, would not say I am going to leave here because if I leave I think things will be worse. You try to tell the people that you leave to do other things in government to make it better.

I was trying to relate we have problems up there strictly a regional thing, something anyone might say for the local paper for the benefit of the overall picture. I really sincerely believe so much of the Alaska jurisdiction comes within the Interior Department in the overall picture of doing a better job for the Nation as Secretary of the Interior I would automatically do a better job for Alaska.

I think that would be just part of one picture.

Senator CHURCH. Then, if I understand your answer, you do feel that as Secretary of Interior you will be in a position to do more for Alaska than you could have done if you had remained Governor?

Governor HICKEL. That is true, and I might comment, I think, any Secretary of Interior, regardless of where he comes from, would do the same thing.

Senator CHURCH. Governor, I don't want to misread anything into your answer. I think I understand what it is you are saying. Am I correct in assuming that you are not taking on this position as Secre-

tary of Interior primarily for the purpose of getting more for Alaska than you might have gotten as Governor or in another position? That certainly isn't——

Governor HICKEL. That is not true; no, no.

Senator CHURCH. But you feel that because Interior has so large a jurisdiction in Alaska, that as a Secretary who comes from Alaska, you will have a greater impact upon Alaskan affairs than the Governor of the State itself, is that right?

Governor HICKEL. I would think, Senator, to be specific, that in the broad national scope, and having the knowledge I would of Alaska more than, say, if I came from another section of the country, that in the whole broad national picture of what had to be done, I think that by the very nature of its holdings being so large there, I would do a better job for Alaska, but not specifically would you become Secretary of Interior to do that job but just as a natural thing. I would have the knowledge and background.

Senator CHURCH. And if as Secretary a question should come up where in your judgment the best interests of Alaska as such would be served by one decision while the general interests of the country would be served by another, you would then be governed, I take it, by the general interests of the country?

Governor HICKEL. Absolutely, because, as Secretary of Interior you would make a national decision based on national problems and national assets that might come from that decision, so it would be a national decision.

Senator CHURCH. I think that is clear enough, Governor.

As Secretary, is it your present intention or inclination to recommend setting aside wilderness areas in national parks and wildlife refuges to complete tthe wilderness system?

Governor HICKEL. Is that the end of your question, Senator?

Senator CHURCH. Yes.

Governor HICKEL. Yes, whatever would be the intent of this committee or the intent of Congress, anything they would direct me to do I would do. If it were strictly an Executive order, I would think we would push along the lines of any direction we would have to do to complete a program, and even as I tossed out at that same press conference that we might have to, the Federal Government might have to buy up private lands to have parks around areas where there is a congestion of people. And so that is the general philosophy, and we would go in that direction.

Senator CHURCH. What I have in mind is the purposes of the Wilderness Act, which calls for the fleshing out of the wilderness system over the next few years through the addition of wilderness areas to be designated in the national parks when the surveys of these parks are completed, and wildlife refuges which will also come under your jurisdiction. Now, that process is going forward but it is far from complete.

My understanding is that you find no difficulty with the purpose of the act or with its implementation; is that correct?

Governor HICKEL. Senator, I do not know the act specifically. I haven't studied it, but any intent of that act or any legislation of fact we would carry out diligently and pursue it. I have no mental reservations about not doing it.

Senator CHURCH. I asked that question particularly, Governor, because at the present time Alaska has no wilderness at all under the system.

Governor HICKEL. It is practically all wilderness.

Senator CHURCH. Are you acquainted, Governor, with the purposes and objectives of the National Wild and Scenic Rivers Act?

Governor HICKEL. The Wild Rivers Act?

Senator CHURCH. Yes.

Governor HICKEL. Somewhat.

I know in a general vein about it but not specifically.

Senator CHURCH. In that act, the objective is to designate certain rivers for preservation in their natural free-flowing state, protect them against pollution, and maintain them as recreational and scenic assets. The original system established by the legislation is confined to just a few rivers, but a study segment of the act lists numerous rivers for further investigation, with the objective of adding to the system.

Do you know of any reason why the Department should not proceed to make those studies and recommend additions to the wild rivers system?

Governor HICKEL. Senator, I know of none whatsoever.

Senator CHURCH. Do you have any difficulties with the objectives of the act?

Governor HICKEL. No, not with the objectives at all, because basically it only fits in the kind of country I like to live in, but it fits in many parts of the Nation as a whole.

Senator CHURCH. In Alaska itself, Governor, do you favor using part of the national forests there to satisfy native claims, or to throw part of those forests open for State selection under the terms of the Statehood Act?

Governor HICKEL. The Statehood Act, I think, gives us the right to select around 400,000 acres. On the native claims settlement, I think I testified that we should give them land around their villages and fee simple title, say 50,000 acres, and then surface rights to other areas, but not title rights, and that if Congress in its wisdom decided to give them more than, say, 20 million acres, that that land might have to come out of the withdrawn areas.

I never specifically said forest lands, but out of the withdrawn areas for the simple fact that there is only so much usable lands in the State, so, consequently, we must protect the rights of all the people of Alaska, the 103 million acres they are entitled to. And so if some settlement went over and beyond that that was available, that it should come out of the withdrawn areas.

Senator CHURCH. Governor, why shouldn't the State of Alaska make some of its 103 million acres of public domain land available to satisfy these native claims?

Do you think the whole burden should be on Federal lands?

Governor HICKEL. No, I think I put a bill in in Alaska which passed our legislature to give native people up to $50 million. It spells out a program to help settle the problem. But in reality it is a national problem. It has been historically throughout America a national problem. The Aleut problem is and has been a national problem. I don't

think the State of Alaska should be expected any more to settle that issue than, say, some other State of the Union from the standpoint of those lands. In reality, Senator, and I think that you are well aware of this during the time of statehood, it was the idea that the 103 million acres would be given to all people. I think you would be circumventing the Statehood Act if you did that. Now, that could be a legal question. I haven't even thought about it before. I am sure you understand what I am trying to say.

Senator CHURCH. I do.

Could you say a further word of explanation about the $50 million proposal?

Governor HICKEL. I put a bill in. I was very much opposed to the freeze for the simple reason of why it was holding back our country from an economic standpoint, and that if the freeze were lifted by October of this year, I can't remember the exact date, some time in October, then the State of Alaska would come up with $50 million to pay the native people just as our good intentions of trying to solve the native land claim problems. The freeze wasn't lifted, so, consequently, the $50 million legislation went off the books.

I don't know what they will do this next session. I would hope that they would do whatever is possible to expedite the settlement of those claims.

Again, I repeat the reason for the $50 million was to expedite——

Senator CHURCH. The committee, Governor, has received a letter from Jeffrey Wandesford Smith. Are you acquainted with him?

Governor HICKEL. Not that I know of. I might. I really don't know.

Senator CHURCH. Well, this particular letter has a statement in it. It is dated January 6, and it has a statement in it that raises a question concerning the environmental protection of lands which are open for multiple use. The statement concerns the contract apparently made between the U.S. Plywood Champion Co. and the State of Alaska for the removal of 8¾ billion board feet of timber, and the charge is that this arrangement was entered into without any requirement placed upon the company to predesignate the location of its mills. Can you comment on that?

Governor HICKEL. Senator, I would like to. I wish the State had that right. That contract was made with the Federal Government.

Senator CHURCH. That is a very sufficient answer, Governor.

Governor HICKEL. I had my ideas what to do but they won't listen.

Senator CHURCH. Apart from the fact that the contract, as indicated in the letter, was not with the State, is the other information concerning it accurate?

Governor HICKEL. I don't know. U.S. Plywood Champion, I think that is the name of it, made their deal with the Federal Government, and I don't know if they have decided yet where to put the pulpmill. I do know I had my own ideas about how that timber should be handled, but be it what it may, it was strictly handled by the Federal Government, and we were not involved in that at all.

I think we would be involved if and when they decided where to put a pulpmill, water standards, and things like that.

Senator CHURCH. Up to this point, the State government has not been involved?

Governor HICKEL. No, no.

Senator CHURCH. Governor, did the State of Alaska license a company named the "Ekstedt & Cobbin Co." to operate a commercial trout and whitefish fishery in Alaska, in the Tikchik area? Are you aware of that?

Governor HICKEL. I am aware of it generally. I think this was licensed before my time as Governor, as I recall. I am not aware of the company specifically. I really have to admit I don't quite understand the question.

Senator CHURCH. Well, I just wanted to know if that license had been issued by the State government. Do you know? Was it done in the time of your administration?

Governor HICKEL. I have to be honest with you, Senator, if I had the answer right now—I can get that answer for you and I will see to it that you have it here probably in a day or two.

Senator CHURCH. Fine. I wish you would do that.

Governor HICKEL. Yes, I will do that.

Senator CHURCH. The allegation is that this license was issued by the State of Alaska, that the fishery had a capability of taking 300,000 pounds annually, and that no studies were made prior to issuing the license by reputable biologists with respect to the sustained yield capability of the river system, and that these fish were taken with unlimited fishing gear including 200-foot nets. That is the charge. If you could furnish the committee with some more factual information concerning this license, when it was issued, and your own comment concerning it, I would appreciate it.

Governor HICKEL. My comments would be if it were happening like you say, and if we had the power and if the license were issued, as I say if we had the power we would revoke it.

Senator CHURCH. Very well.

Mr. Chairman, I have finished my questions.

The CHAIRMAN. Thank you, Senator Church.

Senator Allott?

Senator ALLOTT. I wonder if the specific letter making these charges could be made available to him so that he can answer specifically.

Senator CHURCH. Yes, we will certainly do that. We will make that letter available to you, Governor.

I would ask the Chair to give you time enough to look into the facts and report back.

The CHAIRMAN. That letter will be available today so at the conclusion of our hearing the Governor may have an opportunity to look at it.

Senator Hansen?

Senator HANSEN. Thank you, Mr. Chairman.

Let me say, Mr. Chairman, I have had a lot of interest expressed by my constituents in these proceedings. Had I been first to interrogate our very distinguished witness, I can assure you and them that I would have had a far longer list of questions to have gone through than I have now, because many of the areas of interest have already covered.

I think your answers have been responsive, and I am certain that the record will supply the information that would be of importance to my people in making an evaluation of your capacity successfully to discharge the duties of the office to which you have been nominated.

I do have two questions I would like to ask.

Last year the Congress imposed some restrictions on the amount of money that might be spent by the various agencies of Government collectively, and imposed as well some limitations on the hiring of personnel to replace those who, for one reason or another, separated themselves from Federal employment. In this context there has been concern in Wyoming and I know in other parts of the country as well, where tourism is big business, as it is in Wyoming, about the policies of the National Park Service insofar as keeping the parks open is concerned. In order to comply with the budgetary and personnel restrictions imposed by the Smathers-Williams amendment last year, the Park Service has announced that there will be an uncertainty as to the dates that some of our national parks will be open, both the opening date as well as the closing date.

In other instances, the Park Service already, I understand, has gone on a 5-day per week basis, making their facilities and the particular national park and monument area, whatever it may be, open only on a restricted basis.

My question is would it be your intention and desire to make every effort, were you to become Secretary of Interior, to see that, No. 1, the national parks, important ones such as Yellowstone and Grand Teton, and I know they are all important to the States and communities next to them, would it be your intention to bend every effort to see that publicized dates could be made ahead of time, assuring people when they could depend upon being able to enter a national park that might be closed during the winter months? And, No. 2, would it be your further intention to see that in keeping with one of the prime purposes of the Park Service to protect the natural resources entrusted to its care and perpetuation, you would make every effort to see that the people could enjoy these national parks on a 7-day per week basis?

Governor HICKEL. Thank you, Senator. I would do whatever Congress wished if it were legislation. I would say this, I think it is false economy to close a national park for, like you say, maybe 2 days a week for budgetary reasons. You are talking really just about a small amount of money in the overall, and the fact is that the American people don't really have enough time as a general thing to go to their open spaces. I can't see why they should be limited to maybe 5 days a week, as you suggested.

I would think that some way that they could rotate personnel and increase the budget, if that is necessary, for the small amount that I would think it would take, I think it is just a matter of real common sense that these parks should be open 7 days a week, especially during their seasons, and even I have been told that some have been closed that are even making money, restricted, I will say.

Senator HANSEN. Let me restate my question a little more specifically. Assuming that these limitations continue which I assume they will at least until the end of this fiscal year, with the cuts, with the restrictions that have been imposed, and I don't mean to try to spell out a question to you and ask you for a snap judgment now, because I think you have already demonstrated that you are not about to make quick decisions without having all the facts before you, but it is my understanding that insofar as personnel is concerned, and I gather this is the critical figure insofar as the Park Service's decision on keeping

all of its parks open, has been based upon a two and a half, less than a two and a half percent cut in personnel.

I think, if memory serves, last year there were some 6,055 national park employees. That number has been reduced to 5,905. I think about 150 people have been removed from the employment roles of the Park Service.

Would it be your intention to make every effort not to restrict the availability insofar as days of the week are concerned or length of season is concerned to visitors to our national park system?

Governor HICKEL. I would make every effort to see to it they were open for as long as possible 7 days a week.

Senator HANSEN. Governor, Wyoming shares your interest in that we have in our State as you do in yours a significant number of Indian people. We are concerned just as you are with the development of jobs for these people, and I think we have perhaps had some of the experience that other States with Indian populations have had.

What is your attitude toward the development of jobs for Indians?

Governor HICKEL. Well, basically, I can only talk about what we have done in the past to judge what we might do in the future.

I think you have touched on probably the important point of why the American Indian all inclusive has not come into the mainstream of society and that is the simple fact that they don't have anything to do.

I think wherever we can encourage, maybe it might take a partnership program of government and industry, in some extreme instances it might take just government by itself, but somehow, somewhere, we have got to have the type of vocational training, not in lieu of academic training but in addition to academic training, some sort of vocational training that these people can work and do the jobs that anyone with their ability might be able to do.

I think that whatever programs that we would come up with, we actually want to search and try to get the ideas of all the people that have the problem in various areas, and I think collectively if we have the desire, that we can approach it this way and solve that problem.

It is one of how do we get the people to work. I don't have the answer at the moment. I know in our own country we tried various things and they work. I think above all we have to try the simple things first, and I think they will work.

Senator HANSEN. In Wyoming, as I am sure is true in many other States, with Indian reservations, we find various kinds of important natural resources on these reservations. Do you subscribe to the idea that if these natural resources could be developed, that they could be brought into use, so as to provide jobs for Indians on their reservations, where they live, near their homes, that this would be generally a desirable direction for the Government to take in trying to bring the job and the Indian together?

Governor HICKEL. Senator, if I understand the question correctly, it would be land that is now already set aside for the Indian people. I think it would behoove us at that point to talk with them to get their wishes, get the wishes of the people directly responsible for the programs, and I couldn't see anything wrong at the moment, without

going into it any further. It would enhance their betterment in life and give them the chance to have the self dignity of self-help. I think it would be the only thing the Government could do would be to encourage a situation such as that.

Senator HANSEN. You spoke generally about your attitude toward and appreciation of recreation. In Wyoming this is very important to us. Tourism is our third most important and fastest-growing industry of the State. Would it be your desire, as head of the department, to give encouragement in every way you could in conformity with the laws that are written by the Congress to develop this recreation potential of our natural resources?

Governor HICKEL. Yes, Senator, I would.

Senator HANSEN. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Hansen.

Senator Moss?

Senator Moss. Thank you, Mr. Chairman.

We welcome you here, Governor, at this hearing, and certainly appreciate your very candid answer. I will try to be brief and not repetitious of what has gone before.

As my colleague from Wyoming pointed out, you have already answered a good many of the matters that were on our minds and on which we wanted answers for the record here.

I wanted to ask you first, Governor, if you became the Secretary of the Interior, and Congress imposed upon you a personnel ceiling requiring that you fill only three out of every four vacancies for jobs, and to reduce your personnel over a period of time to meet a deadline, would you attempt to comply?

Governor HICKEL. Sure, if it were a direction of government we would. I think at that point we would just all have to work a little harder.

Senator Moss. Would you comply even if that required you to close the park 1 or 2 days or something like that, because you didn't have the personnel to keep it open?

Governor HICKEL. I think that is a good question. I think it is a matter of just setting priorities, what are the most important, and in my opinion the recreation of the great American public and their ability to visit parks on a 7 day a week would have a higher priority than, say, something of less value that might be able to be postponed, and yet accomplish the end result at a later time.

You can't postpone a person not visiting a park. He either can visit it on a Sunday or he can't. He can't postpone that day a week because that day is gone so it is a matter of assigning priorities. I think at that point you would try to assign the personnel to keep that park open, and probably put off some other things that could be just as well done a few months later.

It may not be possible.

Senator Moss. Well, our national parks and monuments, most of them, are rather remote, and the people that are assigned there cannot commute very readily back and forth to some populated center, and besides there are different assignments, so you recognize that it might be just impossible to have the personnel to keep it open for the whole time.

The Anchorage Daily Times on December 13, 1966, quoted you as saying that "Few Americans want a tax increase when snipping off the domestic boondoggle will provide the money that will be needed to win the war."

I just wondered what boondoggle or boondoggles you were referring to.

Governor HICKEL. What was the date of that again, Senator? What date?

Senator Moss. It is the date of December 13, 1966.

Governor HICKEL. December 13, 1966.

Senator Moss. I don't know whether the boondoggle is still alive or not, but I want to know what one you were going to snip off.

Governor HICKEL. Back at that time I am not sure I knew either.

Senator Moss. Well, there are times when there are little hard realities, aren't there, about providing the funds? You just can't snip off boondoggles and suddenly have the money available.

Governor HICKEL. I understand that very well.

Senator Moss. And this might lead into the question as to your attitude on the continuation of the surtax, because I assume this had something to do with it when they were talking about the surtax, whether the surtax ought to be continued or ought to come off.

Governor HICKEL. I don't think I am well enough versed on that at this point to make a decision. I think I will leave that up to Congress.

Senator Moss. It makes a difference whether you have enough people to run the parks, then you would be interested in having a little more money.

Governor HICKEL. I understand that.

Senator Moss. Do you have in mind any particular activities today that you consider boondoggles?

Governor HICKEL. Not necessarily. I think that is sort of—and I can't recall the exact time I made that statement or why it was there or even if it were true. Sometimes you know I just don't believe everything I read in the newspapers.

Senator Moss. I certainly can't vouch for it except that was printed in that daily newspaper.

Governor HICKEL. I don't have anything specific. I think we would be belaboring the point to try to guesstimate what a boondoggle might be.

Senator Moss. Governor, one of the newest agencies within the Department of the Interior is the Bureau of Outdoor Recreation, which is charged with administering Federal recreation programs and disbursing funds for State and local parks. The Bureau is trying to provide Americans with recreational opportunity wherever they live.

How quickly have you moved in Alaska to utilize grants from the Bureau's land and water conservation funds to expand your State park system?

Governor HICKEL. I think our record will show, and I would like to bring that record to you at some time, I don't have it with me, that we moved fast on Alaska on our roadside parks and our upgrading of those parks. I think we did a magnificent job.

Senator Moss. Did you in 1967 cut the staff and planning budget to implement the program in the State from $97,000 to $2,500?

Governor HICKEL. Senator, I honestly can't answer that right now. I don't know. I am generally one that pushes for more funds and more programs through. If that happened it must be some technical thing or some reallocation of a position. I can't answer that specifically.

Senator MOSS. Of course that would be a tremendous cut to go from $97,000 in the budget down to $2,500.

Governor HICKEL. Yes.

Senator MOSS. It would cripple any program, would it not?

Governor HICKEL. What program was it again?

Senator MOSS. This is the program of the State Park Bond Act. There was a $900,000 authorization to match the land and water grants. Then there was a planning budget of $97,000 which was cut to $2,500 according to my information.

Governor HICKEL. This doesn't sound right, because I increased the budget from $97 million to $124 million in two sessions. I really don't know. I will try to get the facts for you, Senator.

Senator MOSS. I would appreciate it very much. The information I have is that also the establishment of the Chitina River Wayside Park, which was desired by the city of Fairbanks, was cut out because of deleted funds from the budget.

I am inquiring in this area because the Bureau of Outdoor Recreation, which is a fairly new agency in Interior, is geared largely in getting funds into the hands of the States and local communities to have them buy open space and establish parks, and the last Congress, as you know, provided that there be a fixed amount in the budget of the land and water fund so that it could be utilized for that purpose of getting it into the hands of the State, and I am trying to find out how well you utilized it in Alaska when you were on the receiving end, and able to draw some of these funds.

Governor HICKEL. All I can say is that I will get that for you. I see there is a letter here that was supposed to be given to all the Senators and some of the actions that were taken during my administration on that, and I will see that you get a copy of that, but, generally, and I know really specifically, at any time we had a chance to upgrade and to move forward along the lines you are talking about, we did that.

Senator MOSS. You told us earlier about your efforts to protect the musk ox on the island and to plant them in other areas. Is this quite different from your attitude toward the moose range, however, the Kenai Moose Range?

Governor HICKEL. Senator, I don't see the similarity. I am trying to.

Senator MOSS. Did you advocate the shrinking of the size of the moose range and other refuges?

Governor HICKEL. No. That moose range question came up in 1957 as I recall, before statehood, I think under men more competent than me to handle that. At that time I think the moose range was opened after hearings for development of oil, I think it was 1957 or 1958. I would like some help on that.

I know you have a Senator here who probably knows that better than I. I had no involvement in one way or the other. I think the opening of that moose range has done a tremendous job for the moose. They have multiplied. They have now scattered themselves not only on the

Kenai but other areas, and really walking through there, I think whoever made that decision, it must have been a committee such as this at that time, or a Secretary of Interior or whoever was involved made a wise decision, because if you go through there now and see it, it is like walking through a garden. But it had nothing to do with the musk ox. It is an entirely different thing.

Senator Moss. No, I used that as an illustration. It seemed to me your answer on the musk ox was one that satisfied me.

Governor HICKEL. Yes.

Senator Moss. That you did want to increase the herd. But I had understood that you had said that the moose range should be shrunk so that the flatlands would be left out and only on mountainside.

I had read the hearings that were held before the House Interior Committee, and in that it said, this is your answer.

> Take the Kenai moose range, 1 million acres for the Kenai moose. That is more acres than some of the people have down here. I think it could be smaller.

Governor HICKEL. I think that was reduced in 1957 or 1958 or some time in there long before my time, and as I repeat, you could go down and see the many, many areas that we set aside that the moose could have that were more remote, more advantageous not only for the moose but for other animals like that, and I say that whoever made that decision back that number of years ago made a very good decision, because it not only helped the moose, it helped the total environment of the area.

And as far as this shrinking it down, I cannot even recall what the total number of acres are at this time.

Senator Moss. This hearing was last July, 1968, before the House Committee, and I assume you were not thinking then in terms of being the Secretary of the Interior.

Governor HICKEL. No.

Senator Moss. But this was a colloquy between you and Mr. Saylor on the House Interior Committee, and Mr. Saylor went on, following the answer I read, saying:

> One of the great resources of your State is your great hunting and fishing which draws a good bit of revenue into your State; is that not right?

And you answered:

> That is true. I cannot see any reason why they could not have a million acres and have it up on the slopes of the Chugiak Mountains or the Kenai range rather than just have the vast areas of wonderful flatlands that they have now.

And Mr. Saylor said:

> First you have to understand what the moose think. In other words, it is all right for you to think like a governor, but you have to understand how the moose thinks. You cannot tell a moose to change his habits which were created as a result of the natural environment in which the moose had been living. I do not know how you can get the moose to live up on the slopes at the top of the mountain.

Your answer is:

> They go there automatically. You do not have to force them up there. They will go up there.

Governor HICKEL. That is true.

Senator Moss. Your answer now is that you think the moose range is all right, that it was a good idea to set it aside and you hope it remains?

Governor HICKEL. No. What I said was that we had a large area set aside as the moose range and I do not know how long ago, Senator.

I will have to get those facts. It was before my time of involvement in public life. It might have been in the forties. Then a decision was made it was too big in 1957 and they opened it up for drilling. They said it was something that would be detrimental to the moose. This decision was made, like I say, over 10 years ago.

You would have to go down there and see the compatibility of finding a resource and walking through it. It is just like a garden now. In fact, man has helped the area, and the moose have multiplied more since man has been in there, not on a living basis. They do not really live on the land, but on a developing basis that the moose have become more populated. And so the decision at that time that there could have been a multiple use was a good decision made long before my time. And I would hope that you, Senator, sometime if you could, go up and take a look at what had happened many years ago, and the wonderful way they guided it, because those are the kinds of guidelines I think we need.

I think you would then appreciate the fact of what I am trying to convey or was trying to convey to Congressman Saylor.

Senator Moss. And you now agree that the flatlands along with the mountains are good for the moose?

Governor HICKEL. That is right.

Senator Moss. At the time Alaska was seeking statehood, about the time statehood was granted, there was a great deal said about the depletion of the salmon fishery and that it would recover under State administration.

Can you tell me how the salmon pack compares today with 10 years ago?

Governor HICKEL. Not in specific cases, but I know it has been going up, from the elimination of the so-called salmon trap, and I do not know if you—the salmon trap was eliminated as I recall by the Statehood Act, or about that time, and I think that there has been conservation measures that have gone into effect, and they have been very beneficial to the salmon catch. I think there is much more that can be done, and I would not want to go into that detail now, but somehow there has to be some different guidelines set on maybe gear limitation and all those factors that go into the catching of salmon, but I think since statehood that the pack has come up considerably.

Senator Moss. Do you have any rough estimate on the percentage, how much it has gone up in 10 years?

Governor HICKEL. I really cannot answer that, but I can sure get the figures for you and I will.

Senator Moss. Thank you. If you could, supply them.

I received a letter from a man named Walter Femeris, Jr., president of Femeris Oil & Refining Co. Do you know Mr. Femeris?

Governor HICKEL. No; I do not.

Senator Moss. He is from New Mexico and he wrote about visiting you in Alaska, and part of his letter, he said he spent some time with

you in last May up there. He said, the part of his letter that I am concerned about, he says:

> The importation of crude oil into the United States is undoubtedly now a paramount issue in the execution of the responsibilities of the Department of Interior. Governor Hickel convinced me that he is fully knowledgeable in this most important field, has not only the best interests of the oil industry in his thinking, but, more importantly, showed evidence of excellent thinking and good vision on the necessity of protecting the best interests of the United States and its citizens.
>
> I strongly urge favorable consideration of Governor Hickel for the appointment.
>
> WALTER FEMERIS, Jr.

Now my question had to do with the point of view that this gentleman obviously has, and whether yours coincides, whether the impression he got is right, that the paramount thing is your good thinking about keeping oil from being imported into the United States.

Governor HICKEL. Did that letter say that, Senator?

I do not recall talking to the man, but I have always talked in terms that it is not only the producer but the consumer, and the total national picture must be taken into consideration. I have conveyed that to many people who have talked to me, and I do not read that in that letter, and I do not recall the person.

Senator Moss. Well, if you do not recall the person, of course, you have no responsibility for what he writes.

Governor HICKEL. I do not recall the person.

Senator Moss. He says the company is a small independent crude oil refiner and marketeer with no ax to grind, and looking for no special favors, but seeks intelligent Government supervision of the oil import program and the industry in general.

Then he goes on to say "The importation of crude oil to the United States is a paramount issue," and he feels that that ought to be continued, the prohibition of any imports.

Governor HICKEL. Well, I think the program now does not prohibit. I think it is mandatory that we do have an import program.

Senator Moss. Yes, import quota, and with certain exceptions, which brings up the problem, of course, just how much of an exception is to be made on the import quota program.

Well, I just wanted to see if your views accorded with this gentleman, since he expressed them rather strongly to me in this letter.

On this matter of oil, you stated earlier in the questioning that you had no knowledge of whether your commissioner of natural resources held any oil stock.

Governor HICKEL. That is right.

Senator Moss. Do you not think you should have made inquiry on this before you appointed him as commissioner of natural resources?

Governor HICKEL. Well, I knew this man. We had had difficulty in setting guidelines and carrying out the programs that I thought should be carried out, and they were quite strict, I might add, and so we finally found the person who would take the job. He was competent. He was an independent operator. He worked for an independent operator. He was a geologist, and it just did not seem to be that important at the moment.

It is hard enough to get competent people to serve in governmental capacities. Sometimes it is difficult in a country as far away as ours,

and to get them out with knowledge, because we do not have or did not have people with knowledge in the oil industry for very long in such an infant industry.

I will also defend Mr. Kelly and I think his record will show, it is a matter of public record, that he is doing an excellent job in the managing of those natural resources. In fact, I am proud of it, and I would just say that I will stand on his record and the record that we have along those lines.

To answer your question specifically, I did not think about any conflict because he was not with any major company. There is no conflict of philosophy. And so I have no further comment on it, because I feel real clean and decent about it.

Senator Moss. Did he not also have a relationship with the Halbuty Oil Co.?

Governor HICKEL. He is a stepson of Mr. Halbuty.

Senator Moss. He is a stepson of Mr. Halbuty?

Governor HICKEL. Yes. You have to get these men from somewhere.

Senator Moss. I agree. You have to get them from somewhere. I know a funny story on that. I will tell you it later.

I was interested in your statement in which you indicated that you recognized that this Department of the Interior was really a department of natural resources, and this interests me a little bit because I have been introducing a bill here in the last Congress or two urging that we actively convert Interior to a Department of Natural Resources, and bring them together so you can have overall planning, interrelated planning on environment as well as exploitation of resources, and we do not have one hand not knowing what the other is doing within the Federal Government, which does occur in certain places.

I would like to have you comment a little further on that, not whether you think that is politically feasible, because maybe it is not. Maybe the Congress will not do it. But as to whether that is desirable that we have our resource planning brought together as one department.

Governor HICKEL. I would like to speculate a moment just on thoughts, Senator, if I might.

I think your idea has merit, and I think there is some overlapping somewhat in the Department of Agriculture and Department of the Interior. We have forest lands which are a natural resource, and I think you have another problem where you have the human resource, like the Indian, Aleut, and Eskimo that is in the Department of the Interior, and somehow, someway, I have always thought that maybe they got lost, because we have the human resource, the natural resource, and the natural resource might have overshadowed the human resource.

You might be on the right track. It should be possibly the Department or it could be the Department of Natural Resources and Environment, because I think environment goes with natural resources. It does not make any difference whether it is a copper mine or the beauty of a scenic wonder.

And so maybe if Congress thought that way, and this committee thought that way, I would sure keep an open mind on it, because it has real possibilities of setting guidelines that might be important not so much today as 20 years from now. And so I like the idea.

Senator Moss. Well, as an example, you see, the Department of the Army, through the Corps of Engineers, builds flood control projects. As a result, they maintain a lot of manmade lakes, reservoirs, and we have more waterborne recreation going on under the supervision of the Army than under some of these agencies that are charged with recreation and conservation, and this is, I think maybe, the most glaring example where you have a department that seems to be wholly unrelated to recreation, at least when I was in the Army it did not have much recreation supervising a great deal of it under the Corps of Engineers.

One other question and then I will desist, because I have several of my colleagues that I am sure would like to ask questions. This is on the question of the control of resident fish and wildlife.

In recent years there has been something of a controversy going on between the States on the control of resident fish and wildlife, and the Federal Government, which holds reservations of various kinds, and currently, or in the last session, and there will be another bill in this session trying to clarify this division.

First of all, have you encountered any problem in Alaska, and if so, how do you think it should be resolved?

Governor Hickel. Senator, I have to plead ignorance. You are talking about the resident fish and wildlife. Do you mean a State?

Senator Moss. It really comes down to this: The States maintain that they hold in trust for all of the people of the State the resident fish and wildlife, the resident game. Fish is not much of a problem. Therefore, the State has the paramount right as to how that fish and game should be managed, what the seasons will be for taking it, the bag limit, all of the other factors, and some of us have the view that the Federal Government may be able to interject and control it within Federal areas without attention to whatever the State regulation is.

Governor Hickel. You are talking about possibly on Federal lands versus State lands?

Senator Moss. Yes; recreation areas, wildlife rufugees. National parks are closed ordinarily to hunting.

Governor Hickel. Yes.

Senator Moss. But places where some hunting is permitted.

Governor Hickel. I do not have any real thoughts on it I have not really run into a conflict as yet, and we have an awful lot of wildlife.

I would think that generally a State on its land would have control to set the opening date of hunting, fishing, or whatever it might be. If there were some conflict of possibly an interstate conflict like a national park crossing two State lines like they have in the West, maybe the Federal Government would have to do it there.

We do not have that problem in our country, and I cannot see any reason at the moment, inasmuch as facts brought it out. If there were a conflict I think we should sit down and try to set guidelines. Maybe the Federal Government might have to intervene, but I would say only at the point that the State was not assuming the responsibility that they rightfully should assume.

Senator Moss. Your State, like the others, has a department of fish and game.

Governor Hickel. Yes.

Senator Moss. And it does have many technically trained people that work for the State.

Are you satisfied that the State of Alaska has the competence to manage and determine these questions about management of game and fish within the boundaries of the State of Alaska?

Governor HICKEL. I think so. I think that they have done a better job conserving than, in my opinion, without being critical of some of the Federal policies, especially where it lies in the conflict of international waters. I would just say that in my time of government I had a director of international fisheries just to help guide the problems of the North Pacific when they meet with the Russians and the Japanese, and somewhat now with the Koreans.

So I think that as a general thing, and we are quite basically a fishing country, that we have competent people along those lines, and we have been trying to help the Federal Government really get the feel of the necessity of taking a good look at and establishing a national fisheries policy.

With those thoughts, and the very fact that we think it is that important probably shows the depth of the thought we have given it.

Senator Moss. Your answer earlier this morning about guiding your resources into commercial fisheries and sports fisheries I thought sounded like a very good organizational idea. Has the commercial fisheries branch sort of overshadowed and dominated or are they really two coequal branches?

Governor HICKEL. The commercial fish have dominated, and prior to my time. I do not think this is specifically pro or con against any administration before me, but I saw the dominance of the commercial fishery industry, and really, as a betterment to them and the sports fish, we divided the Department, and reconstituted the board somewhat so there was a balance between sports fish and game and commercial fish. In the past it had been topheavy one way.

Senator Moss. This has worked out satisfactorily?

Governor HICKEL. Yes; it is working out fine. It has been only in about a year, but it is working.

Senator Moss. Has Alaska's water standards been approved yet by the Federal Government, the Clean Water Act?

Governor HICKEL. Yes.

Senator Moss. The water quality standards?

Governor HICKEL. Yes.

Senator Moss. They have now been approved and are in effect; is that right?

Governor HICKEL. That is right, I am pretty positive of that, yes. I think they were accepted last February. Maybe I can find out. I am sure they have been.

Senator Moss. If you are sure they have been, then the date is not of great importance.

You in Alaska do have a lot of water and you are not pressed perhaps as hard as other areas——

Governor HICKEL. Yes.

Senator Moss (continuing). But having the standards in effect now is of equal importance. I just wanted to determine that you had been able to go ahead in Alaska and get approval.

Governor HICKEL. They have been approved.

Senator Moss. Thank you, Mr. Chairman. That finishes my questions.

Thank you, Governor.

The CHAIRMAN. Senator Hatfield?

Senator HATFIELD. Mr. Chairman, Governor.

Earlier in your testimony, Governor Hickel, I understood the statement you made concerning what you had done in the area of fishery management, I understood you to say that you created a department of commercial fisheries and a department of sports fisheries.

Governor HICKEL. Senator, yes; we had one department. We took that department and divided it into two sections with a deputy commissioner of commercial fish and a deputy commissioner of sports fish and game.

Senator HATFIELD. So actually you created two divisions within a department?

Governor HICKEL. Yes.

Senator HATFIELD. So you still have a unified fishery administration?

Governor HICKEL. Yes.

Senator HATFIELD. I am glad to know that, because I was going to say that I tried 8 years to get a unified department, and you were able to accomplish the opposite very shortly but I am glad to know that we are still on the same frequency on fish management.

Governor Hickel, a question in the area of timber management, which is a vital part of our State's economy. As I recall, you said there were millions of board feet of timber rotting in the forests of Alaska. I think that probably can be said of our State too.

What would you do to correct, or what kind of policies would you undertake to correct the situation and develop better timber management?

Governor HICKEL. Senator, I think that is a good question and one that is going to take the collective thoughts of many people like yourself to really come up with an answer.

But what we really have to do is harvest the overripe timber on a sustained yield basis, and rather than possibly worrying about whether we are going to get the right stumpage fee. I know that is important, but I think it is more important to utilize wisely that resource that is ready to be utilized.

I do not have a pat answer or something that I could lay out in front of you as to how we do that, but in the general direction I think that we should aim toward harvesting the overripe timber, not only for the benefit of the forest itself, but just for the utilization of the resource.

Senator HATFIELD. Do I understand then that you would review the cutting policies?

Governor HICKEL. I think we should, Senator, not from the standpoint of exploiting. That would not be the word at all. But from the standpoint of harvesting realistically what has not been harvested.

Senator HATFIELD. Governor, you realize that as contrasted to the Forest Service that the Bureau of Land Management has doubled the yield from its forests that it manages, and much is based on the difference of cruising or what we should call scaling methods as used between the two agencies.

Do you have any ideas as to how you are going to approach this matter?

Governor HICKEL. Senator, I do not right at the moment. You are talking about basically cruising and inventorying this timber?

Senator HATFIELD. And scaling.

Governor HICKEL. Yes.

Well, I do not know how to expedite that with the exception of more money and men. There might be new technology, we have used some in the north, of mapping and cruising this timber rather than the old-fashioned methods, and I am not saying we are not using the new methods now. But if we could cruise it more rapidly and catalog it, I think then we could probably solve the problem that I see we have.

Senator HATFIELD. You are aware of the conflict that exists between the two agencies n terms of the methods used for cruising?

Governor HICKEL. That is right, I am.

Senator HATFIELD. And would you seek to perhaps, through interagency discussion and other activities, resolve this conflict for general timber management improvement?

Governor HICKEL. Senator, I would like to answer this.

Yes; I would, but we are cruising timber now—the State is—for some specific purposes. We are using the modern methods.

Senator HATFIELD. What do you feel about the access road problem with reference to timber management?

Governor HICKEL. I think that bill, we start harvesting probably the more inaccessible timber, that we are going to waste somewhat a natural resource, even on the sustained yield basis, and I think that somehow we should look at the return we get from timber, and see if we cannot, with the access road that could possibly be put in areas that would make it economical to only harvest that timber that is not being harvested now and that is overripe.

Senator HATFIELD. As Secretary of the Interior, would you seek to increase the access road programs so as to bring not only greater possibilities of harvest, but, more important, better conservation practices, fire control, pest control.

Governor HICKEL. I would do anything, Senator, that would really give us the wise use and conservation of that resource, and I cannot be real specific. But if studies show, and if hearings told me, and if knowledgeable men said this is the wise thing to do, and we were convinced to do it, we would do it.

Senator HATFIELD. Governor, you are familiar with the blocking system, the blocking up of the checkerboard management of lands in the West?

Governor HICKEL. Are you talking about forest or mineral lands?

Senator HATFIELD. The BLM forest lands; yes.

Governor HICKEL. I am not quite familiar with the checkerboarding of BLM lands, but go ahead. I can follow it in other resources.

Senator HATFIELD. The question that I wanted to ask you is in reference to this particular program that is now underway in the BLM, which involves land exchange, land exchanges between State lands, public lands of the Federal character, and private lands.

Are you in sympathy with this general program in terms of developing better timber management?

Governor HICKEL. Senator, I am not really conversant enough with it. I know there has been some argument about trading Federal lands for private lands.

As an idea, as you spoke it, and as it was conveyed to me, it makes sense that I should at least become thoroughly familiar with the idea, and I think that once I get the idea conveyed to me, and once I see the problem, I could see some real merit in doing what you say, but I am just not that conversant with that.

Senator HATFIELD. May I take that point one step further.

Would you have any feeling about the matter of trading lands in one State for a particular project within the Department for lands that the Department controls in another State?

Governor HICKEL. I think that could cause nothing but a lot of problems.

Senator HATFIELD. You are so right. I do not think you have discussed the subject of power development in your testimony thus far to my recollection, and as you know, this is very important to our part of the country, and for that matter the entire country.

We have had long controversies. Fortunately, they are more in the history now of our State than at the present, between the various interests in the field of power development.

My question is to ask you to comment in terms of your philosophy and some of your ideas of hydropower development, and you might add to that nuclear, thermo, and any other kind of power development.

Governor HICKEL. Senator, I think if I might sort of digress a moment and not be too long, as a general philosophy I think the partnership program between the governmental agencies the various governmental agencies and private power is working pretty good. There was a time when there was great opposition to public power.

I think public power at the time of its inception, basically in the thirties, did a magnificent job for a section of the country and people that were unable to have this power before. And, so, I think guidelines were set then.

I think private power has done an excellent job in many areas. But there were areas that people did not have power, that only some form of co-op such as an REA or some form of public power brought about.

In our country we basically have all public power in one way or another.

I think when we are talking about hydro or thermal or whatever we are talking about in the generation of power, we should look at the ultimate end to the consumer, of what is going to be the best for the great number of American people, the greatest number, and I think when you balance that out, I think you will find that both public and private power can live with those guidelines.

I do not think we should arbitrarily say that public or private is going to do any one thing. I think we should study the area out. Maybe it is a dam on some river, and I am not being specific, to see who could best develop that power for the greatest general good.

That is my basic philosophy.

Senator HATFIELD. Governor, then as I understand it, you are in sympathy with that which is now going on under the Bonneville Power Administration seeking to strengthen the Northwest power pool by a coordinated agreement which would include both the public and the private and the co-ops and other types of distributors in the hydropower program, at least now and in the future perhaps, leading to thermo, and even nuclear.

Governor HICKEL. I would think that if you had such an arrangement where they were going forward, I think that would be the direction to go.

Senator HATFIELD. There is this kind of program underway and I am of course very hopeful that as Secretary of Interior that you would give it further impetus and give it your support, because, as I understand your philosophy on power development, it is certainly in line with that. Without getting into the old conflict of either public or private, but recognizing the important role that both should play, so we can then expect from you the kind of leadership to give progressive advancements to this kind of development; is that correct?

Governor HICKEL. You would get progressive leadership, I assure you, Senator.

Senator HATFIELD. I will not ask you about log exports, but I will ask you about that later.

The CHAIRMAN. Senator Burdick?

Senator BURDICK. Thank you, Mr. Chairman.

Out in the Pacific Ocean we have some 2,200 islands which we have the responsibility of caring for under the authority and mandate of the United States, known as the trust territory. The subcommittee made a trip out there about a year ago. We also took a full look at the development of the Territory of Guam.

On returning to Washington, we introduced several pieces of legislation directed at improving the social and economic conditions of the Pacific islands. Some legislation was enacted into law, and I regret to say that other proposals could not be acted upon prior to adjournment of the 90th Congress.

The capital improvement needs of the trust territories are well-known, and I think by increasing the ceiling on the authorization appropriation for Micronesia to $50 million for fiscal year 1970–71, that we have adequately provided for those funds. There are two matters that need to be faced, however.

The first is providing seed money for the expansion of the local economy in Micronesia, legislation to establish a $5 million revolving loan fund was passed by the Senate in 1968, but was not acted on by the House.

Mr. Secretary-designate, to date the economy in the trust territories has been more or less based upon Federal programs and Federal money. And the subcommitte felt that some effort ought to be made to generate the private economy and the private sector.

The Senate passed this bill to provide $5 million as a kind of seed start.

Do you have any views on what needs to be done, what we should do in Micronesia under the mandate we received from the United Nations?

Governor HICKEL. Senator, I am not personally acquainted with that area. I have been through the South Pacific but I am not acquainted with the specific problem, but as a general thing I know the problem of living in a territory for many years, and I know the difficulty of getting private enterprise somewhat to take a lead.

It was very apparent in a country as close as Alaska, not to mention the number of thousands of miles you are talking about.

If we could do that for $5 million, I think it would be money well spent. I think it would be like I talk about what you can do now for a small amount of money that will cost you many, many millions more if you wait until late. So as a general thing, if you could upgrade the environment and the living standards of any people that we have the trust over, we are talking about a number of people and only $5 million, you are really not talking about a lot of money, and I would support any program.

It appears to me that that seems to be quite a small amount of money. I do not know the overall program, but if you could do it for $5 million, I would not only be happy, I would support it.

Senator BURDICK. I am not representing that it can be done for $5 million, but just as a starting point.

Governor HICKEL. Oh, yes. Yes; I would support it, because the money that you spend as a philosophy to get an economy started is really the cheapest money in the world.

Senator BURDICK. Thank you.

On the second item, which is probably more and more urgent, is for the administration and Congress to come to some agreement on the future status of the trust territories.

Micronesia has been under the U.S. trusteeship now for some 23 years and they have expressed a strong desire for some other status. As a matter of fact, when we were out there some wanted us to call for a plebiscite immediately. Some did not want it immediately. There were mixed feelings about it, however, or mixed opinions. But the desire was reflected most recently in the communication that President Johnson submitted to Congress recommending the establishment of a commission to consult with the people of Micronesia to ascertain their wishes and views and to study and critically assess the political alternatives open to Micronesia.

The chairman of the full committee, Senator Jackson, introduced Senate Resolution 106 in response to the President's request providing for the creation of such a commission. The joint resolution was passed by the Senate but failed to receive favorable action in the House.

Governor, do you think it is time for the creation of such a commission?

Governor HICKEL. As a general thing, Senator, I think that you have a good grasp of the situation. The sooner that we can bring people under our jurisdiction into self-government, the better off we are, and obviously this is the first step in the right direction.

So if we have to take that step and that commission is the first step, then I would most heartily endorse it, because there are many more steps to go beyond that, and if the wisdom of the findings of the Interior Committee recommended that, I think that would be awfully good step to go, and I would support such a thing from the general philosophy of people involved in government.

Senator BURDICK. Thank you very much.

One question, going back to the mainland now for a minute.

You have heard about the pollution of our Great Lakes. You have heard about the pollution of rivers, about the pollution of the Potomac. We have an asset in the northern tier of States in the northern border particularly. Pollution is making giant strides in our fresh water lakes. The communities in that area are less, in some cases, less than 75 years old, most of them under 100 years old. Yet this disease called putrefication is taking place and doing great damage to our water lakes.

Do you believe that immediate attention ought to be applied to the pollution of fresh water lakes in the interests not only of the preservation of the resources and for recreation, but also as an economic means? What do you think about that?

Governor HICKEL. Yes, Senator, I think that you stated something right at the last that is very important.

Water is an economic factor, especially fresh water, pure water, and so if it is being polluted now, we should at least enforce the minimum standards, the water quality standards of 1966, and if those are not being followed at this point, we would have to seek new legislation. But above all, as Secretary of the Interior, I would enforce wthat legislation and what statutes available that would prohibit pollution. I would enforce them fully.

Senator BURDICK. I have another wide area that is of interest to my territory.

It is the problem of the American Indian.

We have many reservations out in my State of North Dakota. Of course my colleagues to the south also have Indian problems and, further, the chairman of the subcommittee.

At this time, Mr. Chairman, I would like to yield to Senator McGovern.

Senator BIBLE. Without objection.

Senator MCGOVERN. As Senator Burdick has indicated, my questions relate primarily to Indian affairs although that is not the limit of my interest in the confirmation proceedings here, but I am the chairman of the Subcommittee on Indian Affairs, and represent a State with a considerable Indian population, so I would like to address most of my questions to issues that relate to the interests of our Indian people, and the so-called native claims question that you are familiar with.

Senator Jackson raised the question earlier today of native claims, but a little later on I would like to go into that more fully with you, because I regard it as one of the really crucial questions that you will have to face if you are confirmed as Secretary of the Interior.

One of the newspaper columnists said the other day quoting a citizen of Alaska, that some of us on this committee are so concerned about the approval of reclamation projects in our State, that we are not very likely to be vigorous in our questioning of you. I think we need have no fear of that, really, and I am sure you would agree. But I am not sure that my questions will fully satisfy all of the people who have written to me about your confirmation. After I mentioned your name on a nationwide television program a couple of weeks ago, we received over 2,000 letters in opposition to your con-

firmation. One of these was from a correspondent from Illinois, who opened his letter in this way:

> If I were a South Dakota Indian, I would view Mr. Hickel's approval as Secretary of Interior as the final revenge for Custer's stand.

In all fairness to you, I have had letters from Alaskan Indians, natives, and others endorsing you and praising your record as Governor. That should be known, too. But I feel very deeply that this committee and the Nation are concerned not only about the conservation of our physical or natural resources, but we are concerned perhaps even more keenly about the human resources of this country. The pollution problem that Senator Muskie referred to here earlier is certainly a serious one, but we have also permitted tens of thousands of once proud red men in this country that we refer to as the original inhabitants of America to decline into miserable reservation slum areas all across the country. It is my own judgment that we have a responsibility both as members of this committee and as ones interested in the Department of the Interior to face up to that problem.

As the Secretary of the Interior, you, of course, will be charged with the trusteeship of Indian lands, and the welfare of our Indian citizens. You will be the principal Federal official responsible also for the social and economic advancement of our Indian citizens and the Alaskan native.

In this connection would you tell the committee what the Kuskokwim cooperative of Bethel, Alaska, is, and for what purpose it was established?

Governor HICKEL. Senator, I will try to answer that to the best of my ability, and would like to give you a voluminous record on that at the close of the testimony which I can get for you.

As a general thing, Kuskokwim Co-op was formed by the Alaska community State, action program, something like that, it was tied in with the poverty program. Before getting into too much detail, I would like to say that I would much rather give you the record rather than trying to remember the details of how the whole thing is lined out, because I have no notes in front of me.

Generally they were formed to buy fish from the local fishermen in that area. Now they constituted, and this is a general thing, possibly 15 percent of that area, and the rest were made up in other maybe not co-ops but segments of that population that sold to various fish buyers.

Now, in forming that co-op, they made an agreement with the Japanese that if they had the consent of the Governor of Alaska, they would enter into this agreement to sell fish to the Japanese.

Prior to this time, and let us go back a year, up in the Kotzebue area, that is farther north, we called in the Japanese to buy fish because there weren't any American processors available. That was the year before. And I might add that this had been done by previous administrations.

And so before we got into this season, I wrote to the American processors, all that were available, and told them that if they were available to buy any fish to let me know, and if they were not then we would call in other processors.

We got a good reaction from the processors up and down the coast of the United States, including Alaska, and they came back and said that they would buy all the fish. And I also emphasized would they buy 25 percent more than last year in case there was a big run and they agreed to do that.

Now, why did we do this? No. 1, the primary processing that is a general edict of our State government, which had been there before my time, and I am carrying on, and also to sell to American processors wherever they are available. These fish were available, I mean these processors were available, and a great number of these fish were sold to the American processors. The Japanese came in, and contrary to what a lot of people think, there weren't tons and tons of fish spoiled. I sent a man out there to be sure that the native people would have a market for their fish, and that they got to market and they were preserved.

What we were really doing was protecting the great volume of people, the great number, and also protecting this primary processing. At no time would I ever want to harm an Indian, Aleut or Eskimo, but you had to weigh one side of one small group against the total picture that we had to deal with in the State of Alaska.

Senator, that is generally with very rough broad edges, but I can get you the specifics to date and to this whole problem of how it was brought about, and when you read the facts, I am sure that at that time you can make a decision whether I did the right thing or not.

If I had to do it again, I would do it exactly as I did, and although I had to make the decision at the moment, after thinking it over, I really did not have another choice, because it was breaking down a system in order to gain a system.

Senator McGovern. Governor, isn't it a fact that whereas the commercial buyers in that area as distinct from the co-op, that the commercial buyers in that area had been in the practice of buying only grade 1 salmon, often culling out something over a third of the catch? That the co-op also made arrangements to buy the grade 2 salmon. That beyond that they bought other strains of salmon for which there had been no market in that area, and that through the operation of that cooperative in the short time that it had been in operation, they increased the income of the local fishermen some threefold?

Governor Hickel. That is not quite right. You know the fishermen were all paid the same price for the fish. Then the co-op becomes a middleman and sells to other person. As I said this is a very detailed and very involved situation, and I want to assure you that the fishermen themselves were all paid the same price for fish, and yet the American canners and the American processors that had not been generally so abundant in that area went in there this time to see to it that there was a market for that fish, unlike years before.

The reason they did that, and the reason now that the situation is becoming better is the fact that we wrote to them and said that if they were not in that area, we would invite other processors in.

We did not state who or what, but obviously at that point it would have been the Japanese.

I might also mention as a matter of record that in 1965 we had two Canadian ships that were buying fish and wanted to take them to Prince Rupert for processing, and the Governor before that stopped

that the same kind of a thing as we stopped from going to the Japanese. So I didn't set a precedent. I was just following a precedent.

Senator McGovern. Governor, is this generally true? That the agrement that the co-op reached with the Japanese resulted in a purchase price of 33 cents a pound for the king salmon and 23 cents a pound for the silver salmon, whereas the domestic buyers that you referred to were purchasing it for around 15 cents a pound? It is my further understanding and I will ask you to comment on this, that the Japanese firm also contracted to buy salmon roe at 40 cents a pound which the domestic buyers had never taken. There was no domestic market at all for that type of fish.

Governor Hickel. Senator, the domestic buyers do process salmon roe and they basically sell them to the Japanese after they are processed. I think this is one of the real cruxes of the problem. We have a primary processing before the sale. I do not know what the volume is at this time, but it is a considerable amount of money from salmon roe by all processors.

You see, this goes clear up and down the coast. It has nothing to do with one little small area, in relation to literally tens of thousands of fishermen and many, many processors. The problem was, Are we going to process before we sell, and the American processors, as I repeat, sell many many hundreds, well, tens and tens of thousands, I do not have the figures, dollars' worth of salmon roe to the Japanese after they are processed.

Senator McGovern. Governor, it is my understanding that in your capacity as Governor you took steps to encourage Japanese purchasers of Alaskan oil and, in some cases, other Alaskan products. Is it a fact that you used the power of your office to discourage if not to outright block the Japanese fish purchase involving this cooperative?

Governor Hickel. No: that is not true, Senator. We encouraged the Japanese or any other prospective purchaser to come purchase our products. The Japanese purchased and will purchase at the end of this year liquefied gas after it is processed. The Japanese have a pulpmill up there. The Japanese have many sawmills in there at which they process the round logs. And so it is not a case of doing anything but just to protect the primary processing. We did not want to break that down. And so yes, we encourage anyone to come, but not to take it out in the raw.

Senator McGovern. You did not advise the Japanese company that you were opposed to this transaction?

Governor Hickel. Oh, yes: I did. I wrote a letter. I said they do not have my consent. That is a matter of record.

Senator McGovern. Wouldn't that have the effect of discouraging the transaction then?

Governor Hickel. Only for unprocessed basically. Do you see the difference, Senator?

Senator McGovern. What happened to the contract with the Japanese firm completed with the cooperative as a result of your letter to them advising them that you were opposed to this transaction?

Governor Hickel. The contract I think, as I recall, and I found this out after it had gone, I think it had gone to court when they got an injunction to try to stop the Japanese from buying, we found out

that the Japanese in their letter of consent signed said they had to have the Governor's consent. We had never given consent. They thought we had.

Senator McGovern. Governor, is that necessary? Is there anything in our laws that require a company from a foreign country to get the consent of the Governor of the State before they can make a commercial transaction or a commercial contract with a local group of producers or sellers?

Governor Hickel. In our State this has been carried on, as I said, before I became Governor, and I was carrying out that precedent of primary manufacturing, and the Japanese know well that this is our intent, and unless you have the consent of a governing body, whether it might be for some special reason or other, they as a matter of policy do not come in.

Senator McGovern. Governor, doesn't it seem to you that that prerogative falls more within the jurisdiction of the Congress or the State Department, to determine trade matters of that kind, rather than to give that power to the Governor of the State?

Governor Hickel. I think it is just a matter of edict. I think the Japanese when they lay down the condition that they must have the Governor's consent, and regardless of who is Governor, that they made that part of the contract. Really at that point——

Senator McGovern. You mean this was done at the request of the Japanese?

Governor Hickel. Oh, yes, the Japanese said you must have the consent of the Governors. And so then it becomes a binding thing. I do not think it has anything to do with law. I agree with you wholeheartedly that it is Congress that sets the laws in international trade. In this unique situation, where we have this primary processing law, it has been adhered to by the Japanese specifically on account of their great involvement in not only capital improvements but in trade with Alaska.

Senator McGovern. What happened to the fish catch that the cooperative had purchased, after the Japanese company canceled their contract at your suggestion or as a result of your intervention, Governor?

Governor Hickel. Senator, as I recall, the fishery flew them to Anchorage, froze them and then they were sold but it was a primary process of freezing them. They were flown to Anchorage and our State government gave all the assistance it could to see to it that these did get in and get frozen.

Senator McGovern. Is it correct that after your initial efforts to get the company to cancel its contract with this local cooperative that you then gave them permission or encouraged the ship to go into this area and pick up the remaining fish that had not been sold? Some of them as you say were flown into Anchorage?

Governor Hickel. Into Anchorage.

Senator McGovern. And it is my understanding that a considerable part of that shipment spoiled, it did not get there?

Governor Hickel. I would say a very, very small part of the original shipment, as I recall reported to me did. It was an insignificant amount, I assure you, and I am trying to think. Down below

Kuskokwim there is a place called Kwiquk, as I recall. That is another spot in the Bristol Bay. And I do not recall now whether the American processors were able to get in there or not, but I tell you, Senator, I can get you the full record of this, and as I say, it is all rather involved, there is a lot of detail, and you might allow me to say this in all humility. That is just one of the problems that I would have as Governor, and we have a Director of International Fisheries and a complete fish and game department, a commercial fish department that handles this.

I myself, never got that personally involved, but I can get you the record and would be most happy to do so.

Senator McGovern. My understanding is that something around 9,000 pounds spoiled as a result of this action. But to get back to this other question, Governor, did you then at that point, after the spoilage of the fish that were flown into Anchorage, did you then go to the Japanese company and urge them to complete the transaction and purchase the rest of the fish that had not at that point been sold?

Governor Hickel. If they were processed, if they were frozen, if they were flown to Anchorage and frozen, then anybody can purchase them. The Japanese purchased them from many, many people, once they were processed.

Senator McGovern. Is the implication of that, Governor, that even though it results in a loss to the Alaskan natives who were selling their fish to this cooperative, that you were placing the interests of the processors ahead of these primary producers? You were saying in effect that when the American processor comes in and offers a smaller price than the Japanese company, they ought to have priority because they were American buyers?

Governor Hickel. That is not true, Senator. I would like to bring a witness here, at your request, and show you that 80 to 85 percent of the other native people supported my position in telegrams and in phone calls. They said, "Governor, you must maintain the position." And so it is not a case of trying to harm anybody. It is just a case of maintaining the judgment. The judgment there percentagewise was overwhelmingly to do what I did.

Senator McGovern. That was true with the members of this cooperative?

Governor Hickel. No. The members of the co-op is a small group compared to the total overall picture of the fishermen and the fishing industry, very, very small. And I had that problem to make the decision.

Like I say, 16 or 20 percent in that area, not in the State of Alaska, just in that area, and the overwhelming number in that area supported our position.

Senator McGovern. Governor, isn't it a fact that the domestic buyers are not at the present time nor at any time in the past been prepared to satisfy the native fishermen of that territory with reference to the amount of fish and types they were willing to buy or the price they offered? Hasn't this been a source of great dissatisfaction that made the Japanese offer look so much more attractive to the local fishermen?

Governor HICKEL. Senator, as I mentioned, the year before we called the Japanese in because there were not any processors. We called them into the Kotzebue area. That is why I wrote the letter to the American processors, that if they were not in a position to buy the fish that were processed, that I would invite in other processors, which was our prerogative. But it would have been after they were prima procedure processed.

It was after that I wrote a strong letter to the processors, American processors all up and down the coast. Would they be able to be in there and purchase that fish, a number of fish or even an excess run—25 percent greater than the year before and they agreed to do it and they came in. It is not a case of protecting or hurting anybody. The last thing we would do or any Governor would do would be to want to hurt his own people. But you have to take into consideration whether you are going to make a decision to help the very small group in that area, and in the total overall picture of the State of Alaska. I think in there lies the reasons why that not only my predecessor made the same decisions but I made the same decision I did.

Senator MCGOVERN. Is it true that you stated, Governor, that the North Pacific Fisheries Treaty prohibited an agreement of the kind the Japanese made with this local cooperative?

Governor HICKEL. That was printed in the newspaper. At no time do I know of making an official statement, because the North Pacific Treaty has nothing to do with our primary manufacturing.

Senator MCGOVERN. So you were misquoted in the news stories that carried that?

Governor HICKEL. I think that is entirely possible.

Senator MCGOVERN. Governor, let me just quote a couple of sentences from one of the stories that appeared in one of the papers. I think this was the Anchorage Daily News, a column by Mr. Joe Rothstein, the editor of that paper.

Governor HICKEL. I know him.

Senator MCGOVERN. Let me quote a couple of statements of his with reference to this issue. He said:

> In league with the canned salmon industry and other powerful American business interests, the Governor brought the full power of the State of Alaska to bear on a pitifully few native fishermen, whose only offense was seeking out new and more profitable markets for their fish.

He goes on to say that—

> Governor Hickel's involvement in what was essentially a private transaction, between Alaska native fishermen and a Japanese trading company can best be described as outrageous.

What comment would you make on that?

Governor HICKEL. Well, I would say, No. 1, I cannot remember all of what you said, except that it was outrageous. But I did not write the contract nor had any part or any knowledge of what was in that contract when the Japanese said they had to have the Governor's consent. I did not do that. I had no knowledge of who they were dealing with. This came out later. It came out in the injunction when they stopped the Japanese from buying. The Japanese made their document available.

I would like to make it clear that if it was just a private company trying to do business with the Japanese, that is fine. Why this one clause was put in there is unknown to me. I had no part of it. I did not put the clause in. When they did ask me whether they could sell to the Japanese, I said there were American processors available and that there would be jobs created by maintaining this primary processing. I think this is the total thing.

The general welfare of all the people in that area is enhanced by this primary processing, and if we just start to sell the fish in the raw, and then there are no American processors, and pretty soon there are only Japanese, I just shudder to think what might happen when we get all those wonderful native people in the hands of just a foreign buyer without any processing. I think pretty soon that all we will be doing is just catching the fish and taking them from the net and putting them on the boat and that is the last we will see of them. This is really the overall picture.

It is something like, I hate to refer to this, but allowing a camel in the tent, but I must repeat, I had nothing to do with the contract with the Japanese or ASCAP, and why they put in they had to have the consent of the Governor is unknown to me. But that part of it immediately made the contract null and void if I did not give the consent.

Senator STEVENS. Mr. Chairman, will the Senator yield?

Senator MCGOVERN. I yield.

Senator STEVENS. The State senator from that area is here and will be pleased to answer any detailed questions you may have concerning the reason that the people of the area generally supported the Governor's position. I would be pleased to make him available to the Senator, to meet him personally. I am sure he would like to meet with you or would be glad to appear before the committee to answer the detailed questions that I am sure the Senator may have in mind.

Senator MCGOVERN. It may be, Mr. Chairman, at some later point the chairman and members of the committee might wish to examine other witnesses, but I think for the time we are asking questions of the Governor and we ought to confine it to that.

The CHAIRMAN. We will proceed. We can pass on what additional witnesses may wish to appear before the committee when we have heard more of the testimony here.

Senator MCGOVERN. I appreciate, Governor, the thrust of your last answer that you feel there is some risk involved to the local producers in that area, in this case the fishermen, if they were at the mercy of only one outlet for their fish. You described this as a possible danger of encouraging the Japanese to make purchases in that area. Is there not also a danger to the local fishermen in that area if their outlets are confined only to the whims of the local domestic buyers who over the years have been very selective in the type of fish they wanted to buy and offered no market at all for certain fish, or if they did offer a market, at considerably below the price that the Japanese firm was willing to pay. From the standpoint of the local producer, wouldn't his interests be better served by a little competition involving foreign firms as well as the domestic purchasers?

Governor HICKEL. You are very right that the competition is on the primary processing, and you must understand you lump all the Ameri-

can buyers into one, that would be like saying that if we did not have foreign automobiles that everybody manufacturing a car would have a monopoly. There was competition in nine different processes, and they are very competitive. It is not just saying that all the American processors are one and they are all lined up together. I think that is misconstruing the facts, because really I would say bring the Japanese in on a competitive basis if they buy primary processed fish. That might be one point.

But on this point, when we finally—and, Senator, I can understand what you say about the commercial interests taking advantage in some areas. I think that happened. I do not think there is any doubt about that. I think we have been trying to change that since I have been a young man in Alaska. We do not like that and never did. It is part of the exploitation that has gone on in our country. But also when I took the position, and it was a fairly strong position, a copy of that letter will be made available to you, where I wrote to the American processors making it crystal clear that if they did not come in and treat this as a competitive thing, that I would invite other processors, and I think that is why we had a great number of processors up and down the coast, the west coast of the United States and Alaska, that came in this year to alleviate that problem that I saw happen before, and I have been trying to rectify it.

Senator McGovern. Let me ask you one final question on this, Governor.

Is it fair to say that your action, whether it was in agreement with the Japanese or not, your action to prevent supply of the foreign vessel with necessary Federal clearance, the ship, I think you will agree, did have any Federal clearance that it needed to go into those waters, wasn't that action to prevent the consummation of the trade agreement of a foreign firm and a private American seller the usurption of the constitutional power of the Congress of the United States to regulate trade in foreign commerce?

Governor Hickel. I could only say that the only strength that we had in doing what we did was based on the fact that the contract with the Japanese stated that they must have the consent of the Governor, and that is the only basic strength we had. That is about all we could do.

Senator McGovern. That was the only authority under which you were acting, but you also say that you favored blocking the entrance of the Japanese, even if that had not been within the agreement that they reached with the local co-op, you would have used what influence you could to have blocked that transaction?

Governor Hickel. To protect what I was trying to do for the benefit of the great number of the Alaskan fishermen. We are talking about a co-op with 150 and I have to make additions based on thousands of fishermen. The decision was made in the broad general interest. I think, Senator, that when you do see this, if you would have been Governor, you could not have just made a specific arrangement to break down a system for one small area, one small group in one area, and not take the whole State of Alaska into consideration, and that is fishermen that run from Ketchikan to Kotzebue, and that is thousands and thousands of coastal miles, tens of thousands.

I think I would really be glad to sit here and answer this on and on and on, but I would like to bring the record in to show exactly what happened and let the so-called legal people go over it. I will stand on my decision, because I had to make it for the general welfare of all the people and not the specific welfare of one small section.

Senator McGovern. Governor, if we may return now to the so-called Alaskan native claims question, I have a number of questions on that. Is it correct that as Governor of Alaska you gave general support to the claims of the Alaskan natives for land and compensation?

Governor Hickel. Yes, I gave strong support. I do not remember what testimony, but I testified and I gave strong support to the native land claims settlement.

Senator McGovern. As Secretary of the Interior, would you continue to press for an early equitable settlement of those native claims?

Governor Hickel. I think it is the duty of the Secretary of the Interior, regardless of who he might be, to press for those settlements, because I think, as I said, they may not have a legal claim but they have a moral claim and I feel no matter who would be Secretary he should press for it.

I will not press for it unduly just for some reason other than the national interest, because I think it is one of national importance and concern.

Senator McGovern. Governor, as I understand it, 2 years ago the present Secretary of the Interior, Mr. Udall, froze the lands that Alaska had claim to under the Statehood Act, something over 103 million acres, on the grounds that a significant portion of that land was land to which the natives had laid claim. It is my understanding that you are strongly opposed to this land freeze by Secretary Udall. If I understand Mr. Udall's position, both he and you felt that the proper way to settle the claims of the Alaskan natives was by congressional action by legislation, that the purpose of Secretary Udall's freeze order was to prevent the loss of that land and the Indian claims until such times as Congress could act.

Now, what is your explanation for your desire to set aside as I understand it Secretary Udall's freeze order and open up that land to the State of Alaska before the Congress has had a chance to legislate on the matter of native claims?

Governor Hickel. Senator, this is a long, involved question, and I would like to answer it to the best of my ability. The land freeze—I mean the native land claim is not something that just happened when I got elected to office. I would like to for the record state that land freeze went on just a few days before I took office.

There had been claims going back to 1960; they should have been settled. All the land freeze did was keep the State of Alaska from selecting any lands, regardless of what, because of this land freeze.

I objected to it because I said we can protect the natives. We want to. We should. And we even spelled out that they should have so many acres around their villages, and that would be easy to set aside.

At the time that the land freeze went on, no one conversed with me. No one asked me about the problem or what it would cause to happen in the State of Alaska. As Governor I really did not have any other choice. How would you like to be Governor of a State with that much

Federal lands and when by congressional action of the statehood bill we were given the right to choose? And so I had no choice.

The people said, well, it is illegal. The statehood bill gives us the right to choose this land, and arbitrarily someone said, "No; you don't have the right." As Governor of the State of Alaska, there would be no other choice. You wouldn't sit there and strangle. You cannot just die. What I am trying to say is that I think there are ways to solve this besides putting a club on all the good Alaskan people, native and nonnative alike, and say that club shall be there until Congress in its wisdom decides to settle this problem. What if it never settles it? Then does the land freeze go on and on and people just die off?

I do not think that the land freeze is a positive thing. I think it is a negative thing and I want to solve it, and I do think that Congress, in their wisdom, will some day settle that. How long, I do not know. But I had to oppose that freeze, and I had to oppose it for the reasons I told you, and I still think that we could protect those people by another method.

Senator McGovern. Governor, you say you do not know how long the Congress will delay action on this. Yet you indicate that is the proper solution to the question. It is the only way it can be solved. As you know, Secretary Udall confirmed this order only a few days ago, made it an official act. Don't you think that the Congress is entitled to some time to act on this matter? Why the great rush to move ahead on a matter that involves the claims of thousands of Alaskan natives that will affect their future development? They also have an interest in this matter as you yourself have said.

It is an interest that can only be protected, as you earlier said, by congressional act. Why doesn't it make sense to have a restraining order on the taking of this land until such time as Congress can settle the guidelines under which the native claims will be settled?

Governor Hickel. Senator, I might say that, and I think that is a valid point. It wasn't just last week. He put the freeze on the end of November or first of December, 1966.

Senator McGovern. Yes, and then confirmed it in December of 1968.

Governor Hickel. And what action he took just the other day I do not know if it is necessary or not, because we were locked in regardless, whether he withdrew it or whether he just issued the freeze. It has been on since 1966. And so it is not just a case of 1 year or 2 years. It has been on for a considerable length of time and it has been on.

Senator McGovern. Yes, but in his most recent action he said it was to give the 91st Congress time to act. That was the purpose of it.

Governor Hickel. That is right, Senator. But he also when he put on the land freeze in 1966 he said that he wanted to give the 89th Congress time to act, and I know the problem of trying to get legislation through, and I do not see the wisdom of punishing people to try to solve a problem, and I assure you that I would sit before this committee if I were Secretary of Interior, and I would ask your judgment, and I would ask the judgment of the House Interior Committee, that is not there some way that we can protect the native people of Alaska, and I am sure there is, and still allow this other thing to go on, because I do not think anybody can guarantee that this native

land claim problem will be settled this session. I hope it would, or next session.

I think in their lives, the simplicity of what I am saying, let us protect them because they need protecting. They have a claim. But let us just do not tie up for everybody something that has been tied up since the end of 1966, in the hope that it will be solved some day. I do hope it will be solved.

Senator McGovern. Governor, you testified in this connection before the Senate Interior Committee in February of last year that as a consequence of the land which Alaska has already taken under the Statehood Act, I think at that time some 5 million acres that had been patented, you said, "Some of the native lands are already irretrievably gone because we have seen the establishment of vested and equitable rights."

Now, if that is a correct analysis, that the land which the State of Alaska has claimed as patented, if that means that the claims of the Alaskan natives are irretrievably gone, isn't it a very serious matter to open up the rest of this land to the State of Alaska and thus to further place the natives in a position where their claims and their interests are irretrievably gone?

Governor Hickel. Senator, there is only one area, and the State has offered—we do not want to go up and I hope you would not think and I am sure you do not, that we are out to hurt people—there is one area, the Minto area, that the State made a selection long before my time. You must understand that this did not all happen with me. The native land claims were filed back in 1960, 1961, and 1962. And so we have said where the State did take this land, again it was before my administration, that we would trade them other lands. We would give them that land back, because I am totally convinced, I do not think anyone would disagree, that where this happened for some reason, and there were a village in that area, they moved in there, because some of these villagers moved, they have a right to own the land in fee simple title around the village where they are at.

Now, the State is not going in to punish people. The State is going in to work with them. They are all our people. And in there lies the inequity of trying to place class against class. They are all Alaskans.

I cannot see anything in that one statement, and I know the specific thing, and that is the men to area. We have agreed to trade that land for other lands.

Senator McGovern. Governor, I quite agree that as Governor of your State you would look at this problem as one in which you would want to avoid putting one group against another, the Alaskan natives against other citizens of the State. But as Secretary of the Interior, won't you bear a special gardian relationship to the Alaskan natives, to the Indian, the Aleuts, the Eskimos, that will give them some special claim on your considerations as you try to resolve this problem?

In other words, in that post don't you bear a different relationship?

Governor Hickel. I would think so.

Senator McGovern. To the American Indian than you do to other citizens?

Governor Hickel. I would think so, but we also have to live by congressional act. We have the Statehood Act, which specifically says

what all the people of Alaska can do, and it is that circumventing of the Statehood Act that makes it a difficult thing, and that is one reason why a lower court in Alaska threw out the land freeze as being illegal.

Now, yes, I would have a special interest as Secretary of the Interior, and I had a special interest as Governor of trying to solve this problem, and I repeat I believe and I sincerely believe they have a moral claim, and they should be given it, my testimony is very clear in the hearings.

I think that I would carry that out as Secretary of Interior trying to solve the problems for those people under my jurisdiction.

Senator McGovern. Mr. Chairman, I have a number of additional questions here, but I remember your 4:30 time. I do not know whether you want to stop.

The Chairman. Yes; I think we should. Governor Hickel has been on the stand here quite a while today. It is a long session. We will resume tomorrow, but the Chair wishes to state that Senator Church had a question relating to a matter that probably should be clarified. This is in further reference to a discussion that he had, Governor, with you earlier this afternoon. I think it should be clarified.

Senator Church?

Senator Church. Governor, we left one question at loose ends, and I think it was probably my fault for not identifying the subject matter with sufficient precision, but rather than go through the delaying procedure, presenting you with a letter and your supplying a written response, I thought I would ask the question again, because I do think you are familiar with the subject.

The members of the committee received a letter dated January 11, 1969, from Warren W. Matthews, Jr., of 8916 Loralee Street in Anchorage, Alaska, and Theofore R. Dunn of 2413 West Bardsen Drive, Anchorage, Alaska.

In that letter the following charge is made, and I would like to read it to you and then get your reaction to it:

One example is the Tikchik Lakes Fishery.

Do I pronounce that correctly?

Governor Hickel. Tikchik I think it is.

Senator Church (continues reading):

The Tikchiks are a series of lakes north of the town of Dillingham in Western Alaska. This lake-river system may well be the greatest remaining sport trout fishing area of the United States. In this area Governor Hickel promoted a commerical fresh-water fishing industry in 1967. Unlimited gear was allowed with row after row of nets as long as two hundred feet dropped down through the ice. The company formed to operate this commercial fishery planned to export about 300,000 pounds of fish annually. This enterprise was promoted by Governor Hickel, even though there was not a single study made by any reputable biologist with respect to the sustained yield capability of the lake-river system.

We are enclosing an article which appeared in a local paper in which Governor Hickel announced the formation of this company. Although the announced purpose was only to take link trout and whitefish, all types of fish were caught in the net and taken, including a great many trophy rainbow trout. Most States would not permit such an undertaking. Fortunately for future generation Alaskans, this particular commercial enterprise failed. It failed incidentally after an Alaska Air National Guard plane C–134–J cargo aircraft supplied by the State of Alaska to the company broke through the ice after landing on Noatak Lake while deliverying equipment for the fishing company. This appeared on February 14, 1967.

I think that identifies it.

Governor HICKEL. That helps me; yes.

Senator CHURCH. I wonder if you could reply?

Governor HICKEL. I will.

First, I would like to say I did not promote the enterprise. I do not know the people involved in the fisheries. I remember now because when you mentioned the Air National Guard. I think it is a matter of record, public record, you can get this, that the Governor of Alaska did not ask the Air National Guard in there. I think you can get that.

Senator CHURCH. Yes.

Governor HICKEL. And I would appreciate it if you would, because it came from a far different and higher level than me. And that when I finally saw what was happening, I realized that it was probably not the best kind of business going in that area. I do not know whether we issued a license on it or not. It was early in my administration.

But naturally as a Governor, I would be happy that a new industry might be trying to start some place and would congratulate them on trying to do a job.

Now, I remember the situation, and that is about as much as I remember about it. I do recall it did not work. The people that were trying to do it failed at it, and the methods which they used evidently were not good and were to extensive, and so I have no apologies for thinking it may work on some basis. It did not work, and probably that is the best thing that happened. But I wish you would check out these other facts.

Senator CHURCH. Yes.

Governor HICKEL. Because I never ordered the Air National Guard in.

Senator CHURCH. I did not mean to suggest that you did, Governor. I just quoted from the letter that we had received.

Governor HICKEL. Yes.

Senator CHURCH. However, attached to that letter——

The CHAIRMAN. Will the Senator yield right at that point?

Senator CHURCH. Yes.

The CHAIRMAN. I am just curious about the use of an Air National Guard plane to haul cargo to this lake. I gather they landed on the ice, is that it?

Governor HICKEL. Yes, Senator.

The CHAIRMAN. Do you know why?

Governor HICKEL. No, the reason why it went through the ice?

The CHAIRMAN. No, no. You just didn't order cold enough weather.

Senator STEVENS. Mr. Chairman.

The CHAIRMAN. Yes?

Senator STEVENS. Would you yield for a moment? I do have the facts on this fishery.

The CHAIRMAN. Could we get an answer though to this question that came out of this letter? I think it is very important. The Governor indicates that he had nothing to do with it. Who ordered the Air National Guard plane to haul cargo to the lake in support of a private operation? That is I think a pertinent question.

Governor HICKEL. I might answer this when you find out who ordered the plane there. It is not entirely unusual, although it does

not happen very often, in remote areas of Alaska where they do not have transportation, and they run into an emergency situation, I do not care whether they are out of gasoline or out of food or if a powerplant broke down in some village which might be operated by an individual, that in this vast area that the Air National Guard goes to the rescue. I have seen them do it many times.

The CHAIRMAN. I understand that.

Governor HICKEL. Yes.

The CHAIRMAN. In other words, I could fully understand that if they had an emergency out there—they needed something—they get it in, and then I assume other than where human life is involved they would reimburse the Government for that expenditure. But the way the record stands here, it sounds as if the Air National Guard was involved in supporting a private company engaged in the commercial fisheries in a lake.

Senator Stevens, can you shed any light on it?

Senator STEVENS. I do not know anything about the plane, Mr. Chairman. I would like to answer Senator Church if I might, concerning this fishery. This is in the drainage of the Wood River Lakes and started in 1966. There were two fishermen who fished those lakes between March 15 and April 16, and they caught 7,700 pounds of fish. Between September 22 and October 14 they caught 12,700 pounds of fish.

Subsequent to that Governor Hickel became Governor, and in January 1967 he instituted or his people instituted a very elaborate permit system, and there were four fishermen who fished the period from March 13 to April 9 and they caught only 2,400 pounds of fish under that system. They ended their fishing in the spring of 1967 because the permits prohibited the sale of salmon, rainbow, grayling, and required a written report on the catch in these lakes and prohibited fishing in the closed area within the lakes and the spawning and resting areas for the fish in those areas.

There is no fishing in that area between June 1 and August 31 because it is a primary breeding ground. It was an experiment started before the Governor was there and ended soon after he became Governor.

Senator CHURCH. If I might just ask a question or two about this.

I appreciate the information supplied by the Senator from Alaska. I take it, Governor, that you could give us some further information about the use of the plane. Can you furnish that to the committee. Was the plane under your——

Governor HICKEL. No.

Senator CHURCH. It was not under your direction?

Governor HICKEL. No, it was not under my direction, and that is why I say let us find out, because this thing happened in between, and I remember the situation very clearly about what happened.

The CHAIRMAN. What was the date that the plane was used for this? Do you have that?

Well, that can be checked.

Governor HICKEL. Yes, I do not know.

Senator HATFIELD. Mr. Chairman, could I ask a question on this subject before we get off of it?

The CHAIRMAN. It looks like we are going to be on it a little bit, but go ahead, yes.

Senator Hatfield.

Senator HATFIELD. Senator Stevens just indicated some factual information on this, and I would like to sort of get it clear in my mind in relation to the charge in Senator Church's letter. As I understand it, and I would like to be corrected if I am wrong, the charge is that this project was promoted or at least initially the whole project was promoted, and there was an action on the part of the Governor's office to initiate it or help get it started.

Senator CHURCH. Yes.

Senator HATFIELD. Is that the substance of the charge?

Senator CHURCH. Certainly that is the thrust of the charge in the letter, and attached to the letter is a news item from an Alaskan paper in which the Governor announced the formation of this commercial fishery, and in which it is stated that "principals in the new company formed with the aid of the State department of economic development are" and then several individuals are named.

The CHAIRMAN. What is the date of that?

Senator CHURCH. The date is January 19, 1967. Would that be right?

Governor HICKEL. Yes; right after, yes.

Senator CHURCH. The reason I raise the question, Governor, is that evidently there was some connection between the establishment of this commercial fishery and the State government, the department that is mentioned here, the State Department of Economic Development.

The CHAIRMAN. A point of clarification again. As I understand it, Senator Stevens' position is that this company was in being prior to Governor Hickel's assumption of duty?

Governor HICKEL. That is right.

Senator STEVENS. Mr. Chairman, may I interrupt you there? I do not know that the company was in being but I know that the fishery was in being before the Governor became——

Governor HICKEL. What do you mean by the fishery?

Senator STEVENS. There were people fishing those lakes commercially.

The CHAIRMAN. Commercially?

Senator STEVENS. Yes.

The CHAIRMAN. But this specific company came into being then after Governor Hickel took office and he took office in January of 1967.

Governor HICKEL. December of 1967.

The CHAIRMAN. December?

Governor HICKEL. December of 1967, of 1966.

The CHAIRMAN. December of 1966?

Governor HICKEL. Right.

The CHAIRMAN. And this announcement that Senator Church has referred to occurred in January?

Governor HICKEL. January.

The CHAIRMAN. Of 1967. So what it involved then was that while there had been commercial fishing in the lakes in question prior to his becoming Governor, that another company entered the picture?

Governor HICKEL. Yes.

The CHAIRMAN. And that is what Senator Church is directing his questions to the Governor about at this time.

Senator CHURCH. I wonder if I might—I think that is very helpful, Mr. Chairman—if I might just read the short newspaper article, Governor, and then you can comment on it if you care to.

The formation of a new company——

The CHAIRMAN. Would you just establish the paper.

Senator CHURCH. This is Juneau, January 19, 1967.

The article reads:

The formation of a new company, Eksted and Cobbin, to operate a freshwater fishery at Tikchik lake system and market production in Chicago and New York was announced Wednesday by Governor Walter J. Hickel. Hickel said the firm plans to export some 300,000 pounds of whitefish and lake trout annually to the eastern areas. He said fish from the lakes are said to be superior in quality to whitefish and lake trout now marketed in Chicago and New York, fishing efforts by the new firm, Hickel said, will provide jobs for some 20 persons all year except for a summer break for the salmon fishing season on Bristol Bay.

Principals in the new company formed with the aid of the State Department of Economic Development are James Eksted of Eagle River, Casey Cobbin of Dillingham and Louis Kemp and Red Kemp Fisheries, Deluth, Minnesota.

That is the full article. So evidently this was set up by your administration as a part of a commercial development for the area, is that right?

Governor HICKEL. That is apparently right, and I do know, and Senator Stevens, I would like to get more facts on that because it happened within the department of economic development in the continuing administration, and I do remember distinctly our setting pretty strong guidelines, and it was the guidelines as I recall that made this an uneconomical thing, and the guidelines basically had to do with the amount of fish and the depth of the nets and things like that. I would like to get the full story on it, because I do not have it all in my head. I sure do not have anything to be ashamed of. I just do not know all the facts.

Senator CHURCH. I understand that, Govornor, and I do not want to press you for facts that you are unable at this time to supply, but I did want to read to you the charge that was made and designate it with sufficient specificity so that you could supply, the committee with whatever information relating to it that you think you may have.

Senator HANSEN. Mr. Chairman.

The CHAIRMAN. Senator Allott had a question.

Senator ALLOTT. Two or three short questions.

The CHAIRMAN. Confined to this particular point.

Senator ALLOTT. No. 1, the regulations were covered by you, and this is what made the project unfeasible.

Governor HICKEL. Senator——

Senator ALLOTT. Under your administration.

Governor HICKEL. Yes. Our department of fish and game set up guidelines and the limitation has to do with the size of nets. As I recall, they exceeded some of these so-called guidelines, and the operation never worked as I recall.

Senator ALLOTT. Now, the second question. Did you ever have any interest in this company personally?

Governor HICKEL. No, not whatsoever. I wouldn't know the people if they walked in here. I am just not in that kind of business.

Senator ALLOTT. Did you order the plane in?

Govornor HICKEL. No.

Senator ALLOTT. The National Guard plane in?

Governor HICKEL. No.

Senator ALLOTT. Do you now know who did?

Governor HICKEL. I am not sure. I am really not sure.

Senator ALLOTT. But you did not?

Governor HICKEL. No; I did not.

Senator ALLOTT. You are positive on that?

Governor HICKEL. I am positive. If my Secretary of State did, I know nothing about it, but I know I did not.

The CHAIRMAN. Senator Hansen, on this point. We will confine it to this matter so that we can adjourn here shortly.

Senator HANSEN. In an effort to be helpful I would just like to make this observation, Mr. Chairman. I, too, have served as Governor of the State as a number of people have around this table, and I think that Senator Bellmon and certainly Senator Hatfield and our distinguished colleagues on the other side would agree with me that probably the situation in Alaska is not unlike that in Wyoming. We have a Department of Natural Resources, and I think everything that has happened in Wyoming in the last 12 or 15 years has been accomplished certainly not without the knowledge of that board, and ordinarily the pattern is to make an announcement at which time a new business comes into being. The support of the State is indicated by the presence of the director of the natural resource board. He has been doing what he can to cooperate, and I see nothing at all in the testimony we have had from Governor Hickel to indicate any deviation from a pattern that I assume is pretty standard insofar as the Western States are concerned.

The CHAIRMAN. What the Senator is saying is that it is actually not uncommon sometimes for Senators and Congressmen to take credit for an industry that might be coming to their state. Every now and then a press release is given out. But I think the questions asked by Senator Church are good questions, and I think it helps to clarify something that was disseminated. This letter was disseminated I think to all members of the committee, and I think Senator Church's question was very helpful here, because the letter as it stands would leave certain inferences that apparently are not warranted by the testimony to this point.

Senator CHURCH. Mr. Chairman, let me just say the letter as it stands makes two charges. First, that adequate guidelines were not laid down to reasonably protect the fishery.

The second charge is the use of a National Guard plane for purposes of supplying a private business, and I think both these matters ought to be cleared up.

Governor HICKEL. There isn't any doubt about it.

The CHAIRMAN. Governor, check on the regulation. The guard matter you have no knowledge. If you can check that, get that for us. With reference to the fisheries regulations as I understand it, your administration according to your testimony and the statement of Senator

Stevens tightened up on fishing regulations, fishing requirements, and as a result this firm went out of business, and do I understand that all other firms who were engaged in this commercial undertaking in this area also went out, or what happened?

Senator STEVENS. Mr. Chairman, my understanding is that the fishing in that area commercially ended in the spring of 1967.

The CHAIRMAN. All right, let us get that confirmed and you will have answered. I think you have answered substantially the two points raised here, but I think it would be well to have it finalized by tomorrow and you can get that information I am sure.

All right, we will stand adjourned then until 10 o'clock tomorrow morning when Governor Hickel will return for further questioning.

(Whereupon, at 4:55 p.m. the committee was recessed, to reconvene at 10 a.m. Thursday, January 16, 1969.)

NOMINATION OF GOV. WALTER J. HICKEL, OF ALASKA, TO BE SECRETARY OF THE INTERIOR

THURSDAY, JANUARY 16, 1969

U.S. SENATE,
COMMITTEE ON INTERIOR AND INSULAR AFFAIRS,
Washington, D.C.

The committee met, pursuant to recess, at 10:05 a.m., in room 1202, New Senate Office Building, Senator Henry M. Jackson (chairman) presiding.

Present: Senators Jackson, Anderson, Church, Moss, Burdick, McGovern, Nelson, Metcalf, Gravel, Allott, Jordan of Idaho, Fannin, Hansen, Hatfield, Stevens, and Bellmon.

Also present: Senator Cooper.

Jerry Verkler, Staff Director; Stewart French, chief counsel; William Van Ness, special assistant; James Gamble, professional staff member; Roy Whitacre, professional staff member; Porter Ward, professional staff member; Daniel Dreyfus, professional staff member; Denny Miller, professional staff member; and Charles Cook, minority counsel.

The CHAIRMAN. The committee will come to order.

At the last hour there was a discussion about the company that was involved in a commercial fishing operation on Tikchik Lake. It was asked that the Governor ascertain who arranged for the Air National Guard plane, and certain other matters pertinent to the colloquy that took place yesterday afternoon.

Governor, I believe you are in a position now to respond to the questions that remain in connection with that colloquy?

STATEMENT OF WALTER J. HICKEL, GOVERNOR OF THE STATE OF ALASKA, NOMINEE TO BE SECRETARY OF THE DEPARTMENT OF THE INTERIOR—Resumed

Governor HICKEL. Thank you, Mr. Chairman.

I am glad to have the opportunity to get the straight information and I would like to read a telegram that I received just a short while ago:

"On January 1967 State of Alaska was requested by Eagle River Cold Storage to airlift equipment to Tikchik Lake. Equipment included prefabricated building packages, insulation, generator, diesel fuel, and gasoline. Use of National Guard aircraft was disapproved by Governor Hickel on advice of adjutant-general. Subsequently Eagle River Cold Storage requested Headquarters, U.S. Air Force assistance.

"Mr. Greeley, assistant to Senator Gruening, stated Eagle River Cold Storage had requested senatorial assistance in securing USAF approval, since no other ski-equipped commercial airlift was available. Approximately 2d February Alaskan Air Command received USAF approval for mission on reimbursable basis. Alaska National Guard was assigned task of accomplishing airlift. Airlift was under USAF operational control.

(Signed) Maj. Gen. C. F. McCRESSEN."

The CHAIRMAN. Do I understand that the regular commercial rate was paid?

Governor HICKEL. Mr. Chairman, I would assume that. It does not state that in here. It says "Mission on reimbursable basis." I would assume that would be the commercial rate.

The CHAIRMAN. That is what you would assume?

Governor HICKEL. Yes.

The CHAIRMAN. At least it was to be reimbursed.

Senator STEVENS. Mr. Chairman, would you yield a moment?

The CHAIRMAN. Yes.

Senator STEVENS. This is a normal thing in Alaska where there is no transportation available for the equipment of this size to make this request, and it is the type of thing that must be done. It is my understanding that this was an SBA financed project, and if the equipment that was purchased by borrowing Government funds was to get out they had to get transportation somehow and it had to move out in the winter. There are no roads in that area and it had to be air transportation.

The CHAIRMAN. The Senator has not responded to the main question, which was whether it was reimbursed.

Senator STEVENS. It is my understanding that that was reimbursed. I will have some other telegrams coming in here later today.

The CHAIRMAN. That is the real issue. I think everyone understands that in an emergency you certainly call in whatever assistance is necessary, and I think the only question that remains now is whether it was reimbursed. I think the wire to the Governor from the general would indicate that there was a reimbursable requirement. Whether it was in fact paid is not indicated in the wire.

Senator ALLOTT. Would the Senator yield for just one comment on that. I think there is one other thing that is significant, and on that the wire is explicit: The Governor did not request this, in fact turned it down, Governor Hickel. Therefore the problem of reimbursement is not one of Governor Hickel's. It is one of the Federal Government.

The CHAIRMAN. The Senator is correct. It becomes lateral to this matter, but I think for purposes of clarification that it ought to be finally resolved, as long as this matter has been brought up. There is a public interest in knowing that. I think the Governor's statement is adequate. His testimony yesterday, and the comments of Senator Stevens today answer the basic question regarding the commercial fishing operation in Tikchik Lake.

In summary, as I understand it, the fishing operation was permitted prior to the Governor's taking office. Subsequent to his taking office, this firm entered into business in January. A press release was put out

by the economic development board, which is under the Governor, just stating they were going into business.

Then the Alaska Department of Fish and Game issued more stringent regulations and subsequently the firm went out of business. I think that completes this episode.

Now, at the last hour Senator McGovern had a number of questions. Before we turn to Senator McGovern, Senator Cooper had one question. He is here as the ranking minority member of the Public Works Committee which has jurisdiction over water pollution. We will turn to Senator Cooper for a moment to ask whatever is necessary in connection with a specific matter that he is concerned about.

Senator COOPER. I thank the chairman and members of the committee. I shall be brief. I believe that Senator Muskie has already questioned the witness on the subject of water pollution control. My question goes to protection of parklands and wildlife refuges, historical monuments, against the unnecessary invasion of our Federal-aid roads, and this has become a real issue in the Congress.

This committee, the Interior Committee, and I believe under the initiative of Senator Jackson, in the adoption of the organic act establishing the Department of Transportation, section 4(f), provided for the protection and conservation of these areas I have mentioned. I shall read it. It will take just a moment:

> The Secretary shall not approve—

That is the Secretary of Transportation—

> shall not approve any program or project which requires the use of any land from a public park, recreation area, wildlife and waterfowl refuge, or historic site unless, (1) there is no feasible and prudent alternative to the use of such land and, (2) such program includes all possible planning to minimize harm to such parks, recreation area, wildlife and waterfowl refuge, or historic site resulting from such use.

There is a prohibition against the Secretary of Transportation approving the location of any road which would unnecessarily invade one of these areas. As Secretary of Interior you have the control, yes, the control over these areas. Last year the House, in acting upon the Federal highway aid bill, in practice nullified this section. We were able in conference, Senator Jordan anyway, to secure almost all of its restoration, but as Secretary of the Interior you would have to determine if a parkland or a wildlife refuge or historic site is of such significance that it should be protected, and also you would insist to the Department of Transportation that it should not be built to invade these areas unless there were no other feasible alternative.

Now, I myself explained these sections, but are you familiar with the section of the Department of Transportation Act the enforcement of which would depend very much upon the attitude you take? Are you familiar with this section?

Governor HICKEL. Yes, Senator. I think I received a letter from you with that act, and I read that part that you had marked, and I am wholly in accord with the portion that you read, and would so enforce that policy as Secretary of Interior.

Senator COOPER. I am very glad, because we know with the great interest now in highways, roadbuilding, and the highway department, that these roads are now invading parks, wildlife refuges, historic sites, and cities, and a strong will is necessary upon the part of the Congress and upon the Secretary of Transportation and you as Secretary of Interior to see that these invasions do not continue. Am I correct in my understanding that you would carry out the intent of the Congress with respect to this provision?

Governor HICKEL. Yes, sir; Mr. Senator, that is right. I would.

Senator COOPER. I thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Cooper.

Senator McGovern?

Senator MCGOVERN. Mr. Chairman, Senator Moss has asked if I could yield to him for a couple of questions.

The CHAIRMAN. Senator Moss.

Senator Moss. I thank the Senator from South Dakota and the chairman.

Governor, I do have some two or three questions that have to do with the subject matter that I understand Senator McGovern is going on with, having to do with the native claims in Alaska. You have testified here that Congress has the sole responsibility for establishing guidelines with respect to the native claims. You have also stated that you believe you could meet with this committee and work out an equitable arrangement to protect the interests of the State and all of its citizens. Is this a fair assessment of your testimony before this committee?

Governor HICKEL. Senator, that is about what I said. I do not recollect exactly what it was, but the most important thing was that I thought that we could work out an arrangement whereby the native people of Alaska would be protected in the native claims.

Senator Moss. My questions now have to do with a lawsuit and I wanted for the record for you to state that you authorized or concur in the filing of a suit against the Secretary of the Interior and others in the U.S. District Court for Alaska in February 1967, seeking to nullify the Secretary's freeze order?

Governor HICKEL. Yes, Senator, I did with the advice of our attorney general and other legal counsel that we had on a special consulting basis. We filed that lawsuit with the full intention that we thought the freezing circumvented the Statehood Act.

Senator Moss. And I assume you are aware the judgment in favor of the State of Alaska and against the Secretary and others was handed down on September 37, 1968, which stated in part that—

> Defendants and their successors have no lawful discretion or power to interrupt, delay, impede or interfere with the process of selection under Section 6(b) of the Statehood Act on the ground of pending native claims.

That this case has been appealed by the United States, and a stay order has been issued pending final adjudication. Now against this background, I have just two or three questions. Since you have stated that Congress has the sole responsibility in that matter, why did the State of Alaska litigate the issue?

Governor HICKEL. Senator, they did that for the reason I mentioned because they felt the freeze circumvented the Statehood Act, and the

Congress has in our opinion the right to settle the native land claims, and they are really two different things, the freeze and the native land claims.

Senator Moss. But the land involved in the freeze may be involved in the settlement of the native land claims, is that not so?

Governor HICKEL. That is right; yes, sir.

Senator Moss. My second question, in view of the pending litigation which is now on appeal, what do you envision that you could work out with this committee which would result in an equitable arrangement that would protect the interest of the State and all of its citizens, if you are confirmed as Secretary of the Interior?

Governor HICKEL. Senator, I would like to have more time to really put together the total idea. It is very involved. I would need the guidance of this Interior Committee, because they would have to approve eventually, and I would generally, this is general policy, sir, would come up with a plan by which we could set aside so many acres, not the whole country but so many acres, to protect the native people in the land around their villages at least.

Then I would also think we could set up a trust fund that in the event any income from these lands might be given to the natives at some later time, if legislation passed gives this money to them. It would give them a chance to keep going and yet we could protect the native people and still not so-called tie up the whole State.

Senator Moss. One complication here is that the matter is now in court in litigation. It is on appeal. Normally Congress does not legislate on matters that are in litigation, and so it seems to me we are at a bit of an impasse, and if you become Secretary of the Interior, you are really on two sides of a lawsuit, are you not?

Governor HICKEL. Senator, I really think the freeze is an entirely different thing than settling the native land claims. Secretary Udall withdrew 250 million acres after that, so at this point that is in a withdrawn status. And I have stated many times that before we would lift any freeze or override that Executive order, I would come to this committee and the Committee in the House, and try to work out a solution by which that freeze could be lifted and still protect the native people.

It could be possible, after I got legal advice, that the lawsuit could be dropped. I do not know at this time.

Senator Moss. Would it be fair to say that your inclination would be to partially lift the freeze that Secretary Udall has imposed, but that some of the lands you would still keep in a status where they may be reserved for the natives?

Governor HICKEL. Yes; Senator. I have said publicly that we would never lift the freeze without protecting the native claims.

Senator Moss. The pleadings and judgment in this lawsuit are, I think, quite interesting, and I would ask, Mr. Chairman, that they be made part of the record so that they are available for all of the committee to see.

Senator ANDERSON. Is there objection?

The Chair hears none.

They will be received in evidence.

(The documents referred to as being received in evidence follow:)

IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF ALASKA

Civil Action No. A-21-67

The State of Alaska, Plaintiff

v.

Stewart L. Udall, Secretary of the Interior; Boyd L. Rasmussen, Director, Bureau of Land Management; Burton L. Silcock, State Director for Alaska, Bureau of Land Management; and Robert C. Krumm, Manager, Fairbanks Land Office, Bureau of Land Management, Defendants

COMPLAINT FOR REVIEW, FOR DECLARATORY JUDGMENT AND RELIEF IN THE NATURE OF MANDAMUS

The plaintiff for its complaint alleges as follows:

1. The plaintiff is the State of Alaska.

2. The defendant, Stewart L. Udall, is the Secretary of the Interior of the United States; the defendant, Boyd L. Rasmussen, is the Director of the Bureau of Land Management of the United States Department of the Interior; the defendant, Burton W. Silcock, is the State Director for Alaska of the Bureau of Land Management; and the defendant, Robert C. Krumm, is the Manager of the Land Office of the Bureau of Land Management at Fairbanks, Alaska; and, as such, they are charged with the administration of the laws relating to the lands owned by the United States in Alaska, including the grant and selection of public lands pursuant to the Alaska Statehood Act of July 7, 1958, 72 Stat. 339, as amended. The official residence of defendants Udall and Rasmussen is the District of Columbia. The official residence of defendant Silcock is Anchorage, Alaska, and of defendant Krumm is Fairbanks, Alaska.

3. The jurisdiction of this Court is invoked under Title 28, sec. 1361, United States Code, and upon the ground that the matter in controversy arises under the laws of the United States, The amount in controversy, exclusive of interest and costs, exceeds the sum or value of $10,000.

4. This case is concerned with the unlawful, arbitrary and unreasonable actions of the defendants in withholding or refusing to issue a tentative approval and patents to certain public lands of the United States duly selected by the plaintiff pursuant to the Alaska Statehood Act.

5. The plaintiff seeks judicial review of the actions of the defendants under Section 10 of the Administrative Procedure Act of June 11, 1946, 60 Stat. 243, as amended (5 U.S.C. 701–706); and relief under the provisions of Title 28, secs. 2201–2202, United States Code, relating to declaratory judgments and under the provisions of Title 28, sec. 1361, United States Code, relating to the power of the Court in actions in the nature of mandamus.

6. As a compact with the United States at the time of admission to the Union, the State of Alaska and its people, pursuant to Section 4 of the Alaska Statehood Act, "forever disclaim all right and title * * * to any lands or other property (including fishing rights), the right or title to which may be held by any Indians, Eskimos, or Aleuts (hereinafter called natives) or is held by the United States in trust for said natives * * *."

7. At all times herein material, the plaintiff was entitled to a grant of public lands of the United States under Section 6(b) of the Alaska Statehood Act, providing as following:

"(b) The State of Alaska, in addition to any other grants made in this section, is hereby granted and shall be entitled to select, within twenty-five years after the admission of Alaska into the Union, not to exceed one hundred and two million five hundred and fifty thousand acres from the public lands of the United States in Alaska which are vacant, unappropriated, and unreserved at the time of their selection: *Provided*, That nothing herein contained shall affect any valid existing claim, location, or entry under the laws of the United

States, whether for homestead, mineral, right-of-way, or other purposes whatsoever, or shall affect the rights of any such owner, claimant, locator or entryman to the full use and enjoyment of the land so occupied; * * *."

8. Section 6(g) of the Alaska Statehood Act prescribes the requirements for selections and provides for the issuance of patents to selected lands as follows:

"* * * All lands duly selected by the State of Alaska pursuant to this Act shall be patented to the State by the Secretary of the Interior. Following the selection of lands by the State and the tentative approval of such selection by the Secretary of the Interior or his designee, but prior to the issuance of final patent, the State is hereby authorized to execute conditional leases and to make conditional sales of such selected lands. * * *."

9. On September 29, 1960, plaintiff selected and filed list FO26798 with the Fairbanks Land Office, covering approximately 11,520 acres of unsurveyed public lands of the United States comprising the W/2, T. 4 S., R. 9 W., F.M., pursuant to Section 6(b) of the Alaska Statehood Act (hereafter "Tract A"). Upon adjudication by the Fairbanks Land Office and publication of a notice of selection by plaintiff as required by the regulations of the Secretary of the Interior, the selection was tentatively approved on April 18, 1962, as provided in Section 6(g) of the Alaska Statehood Act.

10. On January 22, 1962, plaintiff selected and filed list F028865 with the Fairbanks Land Office, covering approximately 11,520 acres of unsurveyed public lands of the United States comprising the W/2, T. 6 S., R. 11 W., F.M., pursuant to Section 6(b) of the Alaska Statehood Act (hereafter "Tract B"). By decision dated June 15, 1962, the Fairbanks Land Office held that Tract B was subject to selection by the plaintiff and was free from conflicting entries. The June 15, 1962, decision also ordered the publication of a notice of the selection to afford all persons claiming any of Tract B adversely to the plaintiff an opportunity to object to the issuance of a patent to the plaintiff. The required publication was completed on July 25, 1962. No adverse claims to Tract B were filed within the time prescribed in the notice of publication.

11. Thereafter, on April 1, 1963, the Bureau of Indian Affairs of the United States Department of the Interior filed a petition of the "Native Indians of Nenana", protesting the plaintiff's selections on the ground that Tracts A and B were within an area of over 3,124,000 acres claimed by the Natives under original Indian title based upon use and occupancy for a long period of time (F030957).

12. By decision dated April 17, 1963, the Fairbanks Land Office dismissed the protest of the Native Indians of Nenana. An appeal to the Director of the Bureau of Land Management was filed April 23, 1963, for the Natives by the Bureau of Indian Affairs. On July 31, 1963, the Director of the Bureau of Land Management transmitted the appeal to the Secretary of the Interior for disposition.

13. Tracts A and B in suit are part of a compact area in excess of 560,000 acres selected by plaintiff from September 23, 1959 to January 30, 1962, under Section 6(b) of the Alaska Statehood Act. The Fairbanks Land Office issued tentative approval for more than 275,000 acres of the selected lands between July 25, 1960 and October 11, 1962, pursuant to Section 6(g) of the Alaska Statehood Act, including Tract A. The 11,520 acres comprising Tract B are no different in status or character than the 275,000 acres for which tentative approval was issued. The entire 560,000 acres of selected lands were subsequently blanketed by the claim of the Native Indians of Nenana.

14. Although Tract A has been approved tentatively for almost five years and Tract B has been ripe for tentative approval for almost four years, plaintiff has received no patent to Tract A and no notice of the disposition of Tract B. Upon information and belief, plaintiff represents that the defendants are withholding a patent to Tract A and tentative approval for Tract B because of the alleged claim of original Indian title by the Native Indians of Nenana. Under these circumstances, plaintiff has exhausted its administrative remedy or, in the alternative, to exhaust the administrative remedy would be futile. The action of the defendants in failing or refusing to issue a patent to Tract A and tentative approval for Tract B has been withheld or unreasonably delayed within the purview

of Section 10(e) of the Administrative Procedure Act (5 U.S.C. 706) and the scope of Section 1361, Title 28, United States Code, so as to permit judicial review.

15. The subject Tracts A and B were, at all times herein material, "public lands of the United States in Alaska which are vacant, unappropriated, and unreserved at the time of their selection" and, as such, were available for selection and patent to the plaintiff pursuant to Section 6(b) of the Alaska Statehood Act. The subject Tracts A and B did not fall within the ambit of the disclaimer of title contained in Section 4 of the Alaska Statehood Act.

16. The actions of the defendants in withholding or refusing to issue a patent to Tract A and tentative approval for Tract B, pursuant to Sections 6(b) and (g) of the Alaska Statehood Act, were unlawful, arbitrary, unreasonable and without a rational basis; in violation of the express and mandatory provisions of the applicable statutes and policy of Congress; and contrary to the regulations, decisions and practices of the Secretary of the Interior relating to the issuance of patent and tentative approval to selections by plaintiff where all requirements of law were fulfilled, in that:

a. The grant of lands by Section 6(b) of the Alaska Statehood Act was *in praesenti* and, upon satisfaction of all requirements to the grant, plaintiff was entitled to the subject lands as a matter of right.

b. The tentative approval by defendants of the selection of Tract A, pursuant to Section 6(g) of the Alaska Statehood Act, was a determination that the plaintiff had complied with all requirements of law, was entitled to the subject lands as a matter of right and could thereafter treat them as its own.

c. The defendants were required to issue tentative approval for Tract B, pursuant to Section 6(g) of the Alaska Statehood Act, upon completion of publication of the notice of selection by plaintiff since no adverse claims were asserted.

d. The issuance of tentative approval as to some but not all of the plaintiff's selections where the status and character of the lands were the same was arbitrary, inconsistent and unreasonable.

e. The protest, based on original Indian title, against the plaintiff's selection is not a valid basis for withholding a patent to the subject Tract A or tentative approval for the subject Tract B.

Wherefore, plaintiff prays:

1. That the Court review the actions of the defendants in accordance with the provisions of Section 10 of the Administrative Procedure Act (5 U.S.C. 702–706);

2. That it be declared and adjudged that the defendants acted unlawfully in withholding a patent to the subject Tract A;

3. That it be declared and adjudged that the defendants acted unlawfully in withholding tentative approval for the subject Tract B;

4. That it be declared and adjudged that the protest against plaintiff's selection is not a valid basis for withholding tentative approval or a patent to the subject Tracts A and B;

5. That the defendants be ordered and directed to issue to plaintiff a patent to Tract A and tentative approval for Tract B, in the usual form, forthwith;

6. That plaintiff have such other and further relief as is judged equitable.

Dated, February 10, 1967.

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IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF ALASKA AT ANCHORAGE

Civil Action No. A-21-67

The State of Alaska, Plaintiff

v.

Stewart L. Udall, Secretary of the Interior; Boyd L. Rasmussen, Director, Bureau of Land Management; Burton L. Silcock, State Director for Alaska, Bureau of Land Management; and Robert C. Krumm, Manager, Fairbanks Land Office, Bureau of Land Management, Defendants

AMENDED COMPLAINT FOR JUDICIAL REVIEW OF ADMINISTRATIVE ACTIONS, FOR DECLARATORY JUDGMENT AND RELIEF IN THE NATURE OF MANDAMUS

The plaintiff for its complaint alleges as follows:

FIRST CLAIM FOR RELIEF

1. The plaintiff is the State of Alaska.

2. The defendant, Stewart L. Udall, is the Secretary of the Interior of the United States; the defendant, Boyd L. Rasmussen, is the Director of the Bureau of Land Management of the United States Department of the Interior; the defendant, Burton L. Silcock, is the State Director for Alaska of the Bureau of Land Management; and the defendant, Robert C. Krumm, is the Manager of the Land Office of the Bureau of Land Management at Fairbanks, Alaska. These defendants, in their respective official capacities, are charged with the administration of the laws of the United States relating to the public lands of the United States in Alaska, including the grant and selection of public lands pursuant to the Alaska Statehood Act of July 7, 1958, 72 Stat. 339, as amended (hereinafter the "Alaska Statehood Act"), whereby the State of Alaska was granted, and declared to be entitled to select, certain public lands of the United States as more specifically therein provided. The official residence of defendants Udall and Rasmussen is the District of Columbia. The official residence of defendant Silcock is Anchorage, Alaska. The official residence of defendant Krumm is Fairbanks, Alaska.

3. The jurisdiction of this Honorable Court is invoked under the provisions of Title 28, secs. 1361 and 2201, United States Code, the Administrative Procedure Act (5 U.S.C. 702–706), and upon the ground that the matter in controversy arises under the laws of the United States. The amount in controversy, exclusive of interest and costs, exceeds the sum or value of $10,000. Venue is laid in this Honorable Court under the provisions of Title 28, sec. 1391(e)(3), United States Code on the ground that the real property involved in this action is situated within the judicial district of Alaska.

4. This is an action for judicial review of certain administrative actions of the defendants, as officers of the United States Department of the Interior, pursuant to the provisions of the Administrative Procedure Act (5 U.S.C. 706); to compel defendants in their capacities as such officers to perform their respective duties owed to the plaintiff pursuant to 28 U.S.C. 1361; for a declaratory judgment pursuant to 28 U.S.C. 2201–2202, for the purpose of determining a question of actual controversy between the parties, as hereinafter more fully appears; and for enforcement, by mandatory injunction or other appropriate relief, of the provisions of the Alaska Statehood Act pertaining to the grant to and selection by the State of Alaska of certain public lands of the United States.

5. At all times herein material, the plaintiff was entitled to a grant of public lands of the United States under Section 6(b) of the Alaska Statehood Act, providing as follows:

"(b) The State of Alaska, in addition to any other grants made in this section, is hereby granted and shall be entitled to select, within twenty-five years after the admission of Alaska into the Union, not to exceed one hundred and two million five hundred and fifty thousand acres from the public lands of the United States in Alaska which are vacant, unappropriated, and unreserved at the

time of their selection: *Provided*, That nothing herein contained shall affect any valid existing claim, location, or entry under the laws of the United States, whether for homestead, mineral, right-of-way, or other purpose whatsoever, or shall affect the rights of any such owner, claimant, locator or entryman to the full use and enjoyment of the land so occupied; * * *."

6. Section 6(g) of the Alaska Statehood Act prescribes the requirements for selections and provides for the issuance of patents to selected lands as follows:

"* * * All lands duly selected by the State of Alaska pursuant to this Act shall be patented to the State by the Secretary of the Interior. Following the selection of lands by the State and the tentative approval of such selection by the Secretary of the Interior or his designee, but prior to the issuance of final patent, the State is hereby authorized to execute conditional leases and to make conditional sales of such selected lands. * * *."

7. Pursuant to the provisions of Section 6(b) of the Alaska Statehood Act, the plaintiff State of Alaska, on or about September 29, 1960, selected and filed with the Fairbanks Land Office of the Bureau of Land Management, United States Department of the Interior, its land selection list F026798, embracing approximately 11,520 acres of unsurveyed public lands of the United States, which said lands were, at the time of their selection, "vacant, unappropriated, and unreserved", and were within, and not in excess of, the maximum limitation upon the acreage granted to the plaintiff State of Alaska and which it was entitled to select pursuant to Section 6(b) of the Alaska Statehood Act. The lands so selected as aforesaid comprised the W/2, T. 4 S., R. 9 W., F.M., and is hereinafter referred to as "Tract A". Following adjudication by the Fairbanks Land Office and upon publication of the notice of selection by plaintiff, as required by the regulations of the Secretary of the Interior, the selection of lands so made was thereafter, on April 18, 1962, tentatively approved as provided in Section 6(g) of the Alaska Statehood Act, and such selection is now and for some time past has been ready to be patented to the State of Alaska, by the Secretary of the Interior, pursuant to the Alaska Statehood Act.

8. Thereafter, on April 1, 1963, the Bureau of Indian Affairs of the United States Department of the Interior filed a petition of the Native Indians of Nenana, under Serial No. F030957, purporting to protest the selection by plaintiff of the aforementioned "Tract A" on the ground that the same was situate within an area comprising over 3,124,000 acres claimed by the said Natives under original Indian title based upon use and occupancy for a long period of time. By decision dated April 17, 1963, the Manager of the Fairbanks Land Office dismissed the protest of the Native Indians of Nenana. An appeal to the Director of the Bureau of Land Management was filed on April 23, 1963, on behalf of such Natives, by the Bureau of Indian Affairs. On July 31, 1963, the Director of the Bureau of Land Management transmitted this appeal to the Secretary of the Interior for disposition.

9. The aforementioned Tract A, which is the subject matter of this first claim for relief is part of a compact area in excess of 560,000 acres heretofore selected by plaintiff State of Alaska, during the period from September 23, 1959 to January 30, 1962, under the provisions of Section 6(b) of the Alaska Statehood Act. Tentative approval, pursuant to the provisions of Section 6(g) of said Act, was issued by the appropriate officer of the Department of the Interior for more than 275,000 acres of these selected lands, during the period between July 25, 1960 and October 11, 1962, including the specific lands embraced in the aforementioned Tract A. The entire 560,000 acres of selected lands, including said Tract A, were subsequently blanketed by the aforementioned claim and protest of the Native Indians of Nenana.

10. Although the aforementioned Tract A was thus duly selected and tentatively approved for the issuance of a patent on April 18, 1962, or almost five years prior to the date of filing of this complaint, the defendant Secretary of the Interior and other officers of the United States Department of the Interior failed and refused to perform their respective ministerial duties to issue and deliver a patent to the lands embraced in Tract A to the plaintiff. Plaintiff is informed and believes and thereon alleges that, the said defendants are now, and for a long time prior hereto, have been wrongfully and without proper legal authority, withholding the patent to said Tract A, to which plaintiff is entitled because of the filing of the purported claim or protest based on original Indian title of the Native Indians of Nenana, as aforesaid. Under these circumstances, plaintiff has

fully exhausted its administrative remedy, or, in the alternative, to further attempt to exhaut such administrative remedy would be a futile act.

11. Administrative action on the part of the defendant officers of the United States Department of the Interior who have failed or refused to issue the patent to Tract A to which plaintiff is entitled as aforesaid, has been withheld or unreasonably delayed within the purview of Section 10(e) of the Administrative Procedure Act (5 U.S.C. 706), so as to permit judicial review, and also within the scope of 28 U.S.C. 1361 so as to furnish a proper legal basis for an action in the nature of mandamus, as therein provided.

12. The lands embraced in the aforementioned Tract A were, at all times herein material, public lands of the United States in Alaska which are or were "vacant, unappropriated, and unreserved at the time of their selection," and, as such, were available for selection by and patent to the plaintiff State of Alaska, and were duly selected and should have been duly patented pursuant to Sections 6(b) and (g) of the Alaska Statehood Act.

13. The actions of the defendants, and each of them, in withholding refusing to issue and deliver to the plaintiff State of Alaska a patent to Tract A, pursuant to Sections 6(b) and 9 of the Alaska Statehood Act, were and are unlawful, arbitrary, unreasonable, and without rational basis in law or in fact; were and are in violation of the express and mandatory provisions of the applicable statutes and policy of the Congress of the United States; and were and are contrary to the regulations, decisions, and established practice of the Secretary of the Interior relating to the issuance of patents for state land selection, and more particularly, selections by the plaintiff State of Alaska, where all requirements of law have been fulfilled, for the following reasons:

(a) The grant of land to plaintiff contained in Section 6(b) of the Alaska Statehood Act was *in praesenti*, and upon satisfaction of the requirements of the grant, as contained in said Act, plaintiff was and is absolutely and unconditionally entitled to the subject land as a matter of legal right, and defendants are absolutely and unconditionally required to issue and deliver a patent thereto as a matter of their legal and ministerial duties.

(b) Tentative approval given by defendants to the selection of Tract A by plaintiff, pursuant to Section 6(g) of the Alaska Statehood Act, was a determination that plaintiff had complied with all requirements of law and was and now is entitled to the subject lands as a matter of right and was thereafter entitled to treat them as its own.

(c) The claim or protest referred to hereinabove against plaintiff's selection, based on purported original Indian title, was not and is not now a valid basis for withholding a patent to said Tract A. Plaintiff alleges that whatever legality or validity the said claim or protest has must be legally limited to seeking monetary compensation from the United States in appropriate proceedings.

SECOND CLAIM FOR RELIEF

1. Plaintiff State of Alaska hereby realleges and incorporates herein by reference, as if fully set forth, the allegations contained in paragraphs 1 through 6 of its first claim for relief.

2. Pursuant to the provisions of Section 6(b) of the Alaska Statehood Act, plaintiff on or about January 22, 1962, selected and filed with the Fairbanks Land Office of the Bureau of Land Management, United States Department of the Interior, its land selection list F028865 embracing approximately 11,520 acres of unsurveyed public lands of the United States, which said lands were, at the time of their selection, "vacant, unappropriated, and unreserved", and were within, and not in excess of, the maximum limitation upon the acreage so granted to the plaintiff State of Alaska and which plaintiff was entitled to select pursuant to Section 6(b) of the Alaska Statehood Act. The lands so selected as aforesaid comprised the W/2, T. 6 S., R. 11 W., F.M., and are hereinafter referred to as "Tract B". By decision dated June 15, 1962, the Manager of the Fairbanks Land Office held that said Tract B was subject to selection by plaintiff and was free from conflicting entries. The aforementioned decision also ordered the publication, in accordance with the regulations and practices of the Secretary of the Interior, of a notice of the selection to afford all persons having or asserting to have any adverse claim to all or any portion of said

Tract B, an opportunity to object to the issuance in due course of a patent to the plaintiff. Such required publication was completed on July 25, 1962, and no adverse claims to Tract B were filed within the time prescribed in the notice of publication, pursuant to the applicable regulations and practice.

3. Thereafter, on April 1, 1963, the Bureau of Indian Affairs of the United States Department of the Interior, filed a petition of the Native Indians of Nenana, under Serial No. F030957, purporting to protest the selection by plaintiff State of Alaska of the aforementioned Tract B, on the ground that the same was situate within an area comprising over 3,124,000 acres claimed by the said Natives under original Indian title based upon use and occupancy for a long period of time. By decision dated April 17, 1963, the Manager of the Fairbanks Land Office dismissed the protest of the Native Indians of Nenana. An appeal to the Director of the Bureau of Land Management was filed April 23, 1963, on behalf of such Natives, by the Bureau of Indian Affairs. On July 31, 1963, the Director of the Bureau of Land Management, transmitted this appeal to the Secretary of the Interior for disposition.

4. The aforementioned Tract B, which is the subject matter of this second claim for relief, is part of a compact area in excess of 560,000 acres heretofore selected by plaintiff State of Alaska during the period of September 23, 1959 to January 30, 1962, under the provisions of Section 6(b) of the Alaska Statehood Act. Tentative approval, pursuant to the provisions of Section 6(g) of said Act, was issued by the appropriate officer of the Department of the Interior for more than 275,000 acres of these selected lands, during the period between July 25, 1960 and October 11, 1962, including the specific lands embraced in the aforementioned Tract B. The entire 560,000 acres of selected lands, including said Tract B, were subsequently blanketed by the aforementioned claim and protest by the Native Indians of Nenana. The 11,520 acres comprising said Tract B are no different in status or character than the 275,000 acres for which tentative approval was issued as hereinabove set forth.

5. Although the aforementioned Tract B was thus duly selected and was and is qualified for and entitled to tentative approval, for a period of almost four years prior to the filing of this complaint, the plaintiff State of Alaska, has received no notice of, and the defendants, officers of the United States Department of the Interior, failed and refused to take up any action looking toward appropriate disposition of this land selection thus duly made under the provisions of the Alaska Statehood Act. Plaintiff is informed and believes and thereon alleges that, the said defendants are now, and for a long time prior hereto have been wrongfully and without proper legal authority, withholding from said plaintiff, the required tentative approval for Tract B, to which plaintiff is entitled because of the filing of the purported claim or protest based on original Indian title of the Native Indians of Nenana, as aforesaid. Under these circumstances, plaintiff has fully exhausted its administrative remedy, or, in the alternative, to further attempt to exhaust such administrative remedy would be a futile act.

6. Administrative action on the part of the defendant officers of the United States Department of the Interior who have failed or refused to grant tentative approval to the selection of Tract B to which plaintiff is entitled as aforesaid, has been withheld or unreasonably delayed within the purview of Section 10(e) of the Administrative Procedure Act (5 U.S.C. 706), so as to permit judicial review, and also within the scope of 28 U.S.C. 1361 so as to furnish a proper legal basis for an action in the nature of mandamus, as therein provided.

7. The lands embraced in the aforementioned Tract B were at all times herein herein material, public lands of the United States in Alaska, which are or were "vacant, unappropriated, and unreserved at the time of their selection", and as such were available for selection by and patent to plaintiff State of Alaska, and were duly selected and should have been duly patented pursuant to Section 6(g) of the Alaska Statehood Act.

8. The actions of the defendants and each of them in failing and refusing to grant tentative approval to the selection of plaintiff State of Alaska to Tract B, pursuant to Sections 6(b) and (g) of the Alaska Statehood Act, were and are unlawful, arbitrary, unreasonable and without rational basis in law or in fact; were and are in violation of the express and mandatory provisions of the applicable statute and the policy of the Congress of the United States, and contrary to the regulations, decisions and established practices of the Secretary of the

Department of the Interior, relating to issuance of patents for State land selections, and more particularly, selections by the plaintiff State of Alaska, which has fulfilled all requirements of law, for the following reasons:

(a) The grant of land to plaintiff State of Alaska contained in Section 6(b) of the Alaska Statehood Act, was *in praesenti*, and upon satisfaction of the requirements of the grant, as contained in said Act, plaintiff was and is absolutely and unconditionally entitled to the subject land, as a matter of legal right and defendants are absolutely and unconditionally required to issue and deliver a patent thereto as a matter of legal and ministerial duty.

(b) The defendants and each of them were required by law to grant tentative approval for the selection of said Tract B, pursuant to Section 6(g) of the Alaska Statehood Act, upon completion of publication of the notice of selection by plaintiff State of Alaska, when and because no adverse claims were asserted to such land.

(c) The issuance of tentative approval as to some but not all of the lands duly selected by the State of Alaska where the status and character of the lands approved as well as of the lands unapproved, were and are identically the same, was and is arbitrary, inconsistent, unreasonable, and wholly unauthorized by law, regulation and practice.

(d) The claim or protest referred to hereinabove against plantiff's selection, based on purported original Indian title, was not and is not now a valid basis for withholding tentative approval of the selection of the said Tract B. Plaintiff alleges that whatever legality or validity the said claim or protest has must be legally limited to seeking monetary compensation from the United States in appropriate proceedings.

Wherefore, plaintiff, prays for the following relief:

1. That this Honorable Court review the administrative actions, including the failure and refusal to act, of the defendants and each of them in accordance with the provisions of Section 10 of the Administrative Procedure Act (5 U.S.C. 702–706).

2. That it be declared and adjudged that defendants and each of them are without legal authority to withhold a patent from the plaintiff State of Alaska to Tract A, which is the subject matter of the first claim for relief of this action.

3. That it be declared and adjudged that the defendants and each of them are without legal authority to withhold tentative approval for the selection of Tract B which is the subject matter of the second claim for relief of this action.

4. That it be declared and adjudged that the protest of the Native Indians of Nenana heretofore filed against plaintiff's selections of Tract A and Tract B is not a valid or lawful basis for the failure or refusal of defendants and each of them to act by granting a patent to the plaintiff State of Alaska for said Tract A or granting tentative approval to the plaintiff State of Alaska for said Tract B.

5. That defendants, and each of them, be ordered and directed to take all necessary steps, each within the scope of his respective authority, to issue and deliver to plaintiff State of Alaska, a patent to Tract A, in the same form in which other patents were heretofore issued to the plaintiff State of Alaska for land selections under Section 6(b) of the Alaska Statehood Act, and without any reservations, restrictions, or other derogation of title, and to grant tentative approval in the usual form for the selection by plaintiff State of Alaska, of said Tract B.

6. That plaintiff have such other and further relief as to this Honorable Court appears just and proper.

Dated this — day of February, 1967.

D. A. Burr,
Attorney General of Alaska.
Edgar Paul Boyko,
Special Counsel to the State of Alaska.

Of Counsel
Wilkinson, Cragun & Baker,
Charles A. Hobbs,
John S. White,
Washington, D.C.

IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF ALASKA, AT ANCHORAGE

No. A-21-67 Civil

The State of Alaska, Plaintiff

v.

Stewart L. Udall, Secretary of the Interior; Boyd L. Rasmussen, Director, Bureau of Land Management; Burton L. Silcock, State Director for Alaska, Bureau of Land Management; and Robert C. Krumm, Manager, Fairbanks Land Office, Bureau of Land Management, Defendants

FINDINGS OF FACT AND CONCLUSIONS OF LAW WITH RESPECT TO SUMMARY JUDGMENT FOR PLAINTIFF

Pursuant to Rule 52(a), Federal Rules of Civil Procedure, in conjunction with the summary judgment in favor of plaintiff filed concurrently herewith, the Court makes the following findings of fact and conclusions of law, stating each separately:

FINDINGS OF FACT

1. A controversy arising under the laws of the United States and for more than $10,000.00 exists between the parties.

2. Plaintiff is the State of Alaska. Defendants are officers or employees of the Department of the Interior of the United States, and their individual capacity is as follows: Stewart L. Udall, Secretary of the Interior; Boyd L. Rasmussen, Director of the Bureau of Land Management, Department of the Interior; Burton L. Silcock, State Director for Alaska of the Bureau of Land Management, Anchorage; Robert C. Krumm, Manager of the Fairbanks Land Office, Bureau of Land Management.

3. The real property which is the subject of this action is located in Alaska and within this federal judicial district.

4. Defendants and their succesors in office are charged with administration of the Alaska Statehood Act, 72 Stat. 339 *et seq.* (1958).

5. On or about September 29, 1960 plaintiff filed with the Fairbanks Land Office of the Bureau of Land Management, Department of the Interior, a land selection list embracing approximately 11,520 acres of unsurveyed public domain of the United States comprising the West one half of Township 4 South, Range 9 West, Fairbanks Meridian, State of Alaska, hereinafter referred to as Tract A.

6. At the time of its selection Tract A was open to selection by plaintiff, and was vacant of human population, unappropriated by any person or by any agency of government and not reserved by other legislation.

7. Plaintiff satisfied all pertinent regulations of the Secretary of the Interior (43 CFR §§ 2013.9-4, 2222.9) and its selection of Tract A was tentatively approved by officials of the Department of the Interior on April 18, 1962.

8. None of the defendants has issued or delivered to plaintiff a patent to Tract A.

9. On or about January 22, 1962 plaintiff filed with the Fairbanks Land Office a land selection list embracing approximately 11,520 acres of unsurveyed public domain in the United States comprising the West one half of Township 6 South, Range 11 West, Fairbanks Meridian, State of Alaska, hereinafter referred to as Tract B.

10. At the time of its selection Tract B was open to selection by plaintiff, and was vacant of human population, unappropriated by any person or by any agency of government and not reserved by other legislation.

11. On July 25, 1962, plaintiff duly published its notice of selection of Tract B, and no adverse claims were filed within the time provided by regulations of the Secretary of the Interior.

12. None of the defendants has issued tentative approval of plaintiff's selection of Tract B or a patent thereto.

13. Tracts A and B are part of an area in excess of 3,124,000 acres of public domain which are the subject of a claim by the Native Indians of Nenana. The claim, filed on April 1, 1963, with the Fairbanks Land Office, protested plaintiff's selection of Tracts A and B on the ground that these tracts were part of the acreage owned by the Nenana Indians under superior right, title or interest based on aboriginal possession, or Indian title or use and occupancy.

14. On April 17, 1963 the manager of the Fairbanks Land Office dismissed the Nenanas' protest to selection of Tracts A and B.

15. On April 23, 1963 the Bureau of Indian Affairs, on behalf of the Nenana Indians, filed with the Director of the Bureau of Land Management on appeal from the dismissal of their protest and claim.

16. On July 31, 1963 the appeal was transmitted to the Secretary of the Interior, defendant Udall, for disposition.

17. Since July 31, 1963 defendant Udall has taken no affirmative action on the appeal.

18. Such failure or refusal to act on the part of defendant Udall is purported to be based on ground of pending native claims.

CONCLUSIONS OF LAW

1. The Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. Sec. 1331(a) (1948) and Sec. 1361 (1962), 28 U.S.C. Sec. 2201–02 (1948), and 72 Stat. 339 *et seq.* (1958); venue is laid pursuant to 28 U.S.C. Sec. 1391(e)(3) (1962).

2. Each of the defendants is an officer or employee of the United States or an agency thereof within the meaning of 28 U.S.C. Sec. 1361 (1962).

3. Tracts A and B, which are the subject of this action, are vacant, unappropriated and unreserved within the meaning of Section 6(b) of the Alaska Statehood Act of July 7, 1958, 72 Stat. 339 *et seq.* (1958).

4. Under such Section 6(b) plaintiff is entitled, as a matter of present, absolute and unconditional right, to select Tracts A and B and to take title thereto by patent upon due selection.

5. Plaintiff duly selected Tract A within the meaning of Section 6(g).

6. The issuance of a patent to Tract A, as required by Section 6(g) of the Statehood Act, is "a duty owed to the plaintiff" within the meaning of 28 U.S.C. § 1361 (1962).

7. In the performance of such duty, defendants, or their successors in office are requested to issue to plaintiff without further delay, a patent to Tract A.

8. Plaintiff has satisfied, within the meaning of Section 6(g), all administrative requirements for tentative approval of its selection of Tract B .

9. Tentative approval of plaintiff's selection of Tract B is "a duty owed to the plaintiff" within the meaning of 28 U.S.C. § 1361 (1962).

10. In the performance of such duty, defendants or their successors in office are required to grant, without further delay, tentative approval of plaintiff's selection of Tract B.

11. Defendants and their successors have no lawful discretion or power to interrupt, delay, impede or interfere with the process of selection under Section 6(b) of the Statehood Act on the ground of pending native claims.

Dated: September 27, 1968.

JAMES S. VON DER ——,
U.S. District Judge.

IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF ALASKA, AT ANCHORAGE

No. A–21–67 Civil

The State of Alaska, Plaintiff

v.

Stewart L. Udall, Secretary of the Interior; Boyd L. Rasmussen, Director, Bureau of Land Management; Burton L. Silcock, State Director for Alaska, Bureau of Land Management; and Robert C. Krumm, Manager, Fairbanks Land Office, Bureau of Land Management, Defendants

SUMMARY JUDGMENT FOR PLAINTIFF

Plaintiff having filed, pursuant to Rule 56(a), Federal Rules of Civil Procedure, a motion for summary judgment in its favor as to all claims for relief in the amended complaint, and the Court, having read and considered

the stipulation with respect to undisputed facts, the affidavit of Joseph Keenan in support of summary judgment (defendants having filed no counter-affidavits) and the legal memoranda on file, and having heard and considered oral argument on the motion, it appearing to the Court that there is no genuine issue of material fact as to either the first or second claim for relief in the amended complaint,

It is ordered and adjudged that plaintiff's motion for summary judgment be and hereby is granted as to each claim for relief and as to the entire action, that plaintiff have judgment in its favor and against defendants and each of them, and that the relief prayed for by plaintiff is granted, as follows:

It is ordered, adjudged and declared, pursuant to 28 U.S.C. § 2201 (1948), that defendants and each of them are without legal authority to withhold a patent from plaintiff to Tract A, that defendants and each of them are without legal authority to withhold tentative approval of plaintiff's selection of Tract B, and that the claim and protest of the Native Indians of Nenana is not a valid or lawful basis for the failure or refusal of defendants and each of them to issue a patent to Tract A and to grant tentative approval of selection of Tract B.

It is further ordered and adjudged, pursuant to 28 U.S.C. § 2202 (1948) and 28 U.S.C. § 1361 (1962), that defendants and each of them, and their successors, are mandated, enjoined and compelled, each within the scope of his respective authority, to forthwith issue and deliver to plaintiff a patent to Tract A in the same form in which patents have heretofore been issued for land selections made under Section 6(b) of the Alaska Statehood Act, without any reservations, restrictions or other derogations of title, and to forthwith grant written tentative approval, in the same form heretofore followed, of plaintiff's selection of Tract B.

Dated:

_____,

United States District Judge.

Senator Moss. I do thank the Senator from South Dakota for yielding to me. Thank you, gentlemen.

Governor HICKEL. Thank you, Senator.

Senator MCGOVERN. Governor, yesterday you will recall that I questioned you at some length about the Kuskokwim fishing case, at which the Alaskan Cooperative at Bethel, Alaska, was blocked at least in part by your intervention in making a sale to a Japanese company which they thought would produce a better price for the fishermen in that area. Because of what seemed to me to be persistent discrepancies in the position you now take in justifying that action as over against what you were quoted as saying at the time, that the basis be your action, I would like to go into that again completely with you if I may.

In this morning's Washington Post there is a story out of Anchorage which reads as follows:

An Eskimo fishing cooperative filed a $150,000 suit against Governor Walter J. Hickel of Alaska today over his action in preventing sale of salmon to a Japanese firm. The Kuskokwim fishermen cooperative said in the suit filed in Superior Court that Hickel falsely or in reckless disregard and ignorance of fact told the Japanese firms that the purchase of the fish from the Eskimos would violate the International North Pacific Fisheries Treaty. The Japanese firm backed out of the deal when Hickel warned that it would violate the treaty.

Now, did I understand you to say yesterday that you blocked the Japanese fish purchase not because it was in violation of an international treaty, but in violation of a State law that required the primary processing of Alaska products before they can be sold to foreign bodies?

Governor HICKEL. Senator, I do not know where anyone got the idea that I sat down with the Japanese and said that they were violating a treaty. At one point, and I got this information last night, the

Attorney General ruled that it could be in violation or thought it could be in violation of the treaty. But the Japanese, when they met in my office had one question and that was whether I had given consent, and part of their contract which I had nothing to do with, stated that they had to have the Governor's consent, and that is my total involvement in that part of the contract.

Senator McGovern. Governor, when you say you do not know where anyone got the idea that you told the Japanese company they were in violation of the treaty, may I quote from the letter which you sent to the Japanese company last spring at the time this matter was pending, and ask whether or not this in fact was your letter, and I am quoting from a press report in the Anchorage Daily News which is in quotating marks, so presumably it is a direct quote from your letter, reading now from the June 3, Anchorage Daily News:

"In stating his opposition to the plan to bring the Japanese ship into Kuskokwim, Governor Hickel wrote the Mitsubishi International, 'The International Convention for the High Seas Fisheries of the North Pacific Ocean explicitly requires Japan to abstain from loading, possessing or transporting salmon from the waters which are specified in the treaty.' "

Continuing your letter:

"There exists possibilities for exemption from the Treaty in situations of emergency. However, these situations are not present on the Kuskokwim River. For these reasons"—you state in the letter some further reasons here that emergency conditions did not prevail. Then you conclude:

"For these reasons I cannot conclude any order to place the Japanese freezing vessel in the mouth of the Kuskokwim River."

Governor, is not that a statement from you to the Japanese company that you felt they were violating this treaty if they went through with the fish purchase?

Governor Hickel. Senator, you are absolutely right. That is what we found out last night. Both our attorney general and the Director of International Fisheries felt that the North Pacific Treaty was involved. That letter was written. I had not remembered it, and it is something that I just did not recollect. I was not trying to evade it. Out of thousands of letters you write sometimes you do not remember exactly what was in there.

Subsequently, after writing that letter, and on the advice of the attorney general and my director of international fisheries the State Department ruled that that was not part of the treaty. So consequently there was not and could not be any legal, or any action whatsoever to keep the Japanese from coming in. The only part that could—yes, sir?

Senator McGovern. But Governor, nevertheless that was the point that you cited in blocking the action at the time, was it not?

Governor Hickel. At the time of that letter that is true. When the Japanese finally came to me in Juneau, I do not remember the names of the people but probably you have a record of that; they came in and asked whether I had given consent. That is when I saw, and it is a matter of record, that before they could have a contract with the co-op they had to have the Governor's consent and it was on that point that they refused to buy the fish.

Senator McGovern. I assume then from that statement this morning, Governor, that you in effect are accepting the analysis of the Eskimo Fishing Cooperative in which they say in this suit that you were in error in using the treaty as the grounds for blocking this contract with the Japanese company?

Governor Hickel. Senator, if I may——

Senator Stevens. Will the Senator yield there for just a moment?

Senator McGovern. Yes, I yield.

Senator Stevens. I wonder just how far the Governor, who is the Governor of my State, should be put in the position of jeopardizing a lawsuit that the attorney general has not responded to, in response to questions here concerning the fitness to serve as Secretary of Interior, and I ask respectfully, because this is a lawsuit just filed, I do not even think he has seen the pleadings yet, and I do not want to see my State jeopardized at all by virtue of answers to questions here.

Senator McGovern. Let us strike the portion of the question then that related to the lawsuit and simply underscore, Governor, and I want to be sure I am not misquoting you, that the information you gave the committee yesterday that you had never at any time cited the Japanese, that is the fishing treaty as a grounds for your answer that you now retract that justification?

Governor Hickel. Senator, yes. I would like to comment for a moment if I may, and that is, it is hard to recollect a total picture like that. You will recall when this problem came up I said I would like to have the official record. We would like to present to this committee the official record of all the documents of that very involved case. It is often difficult, if I might say this with all humility, to remember exact wordings or contracts and all the things that are involved in such a situation without the benefit of having reams of information at my elbow. Obviously I cannot remember everything that was put in the letter. I was in error only because I did not recollect that, and I do remember very clearly that in the final analysis the reason that the Japanese did not buy the fish was because they had not received the Governor's consent. I remembered that because they were in my office specifically. And so for whatever it might be worth, I was in error, yesterday, but it was a human error, lack of remembering exactly what happened.

Senator McGovern. Governor, could you furnish the committee with copies, with a copy of the letter you sent to the Japanese company at that time as well as the letter you sent to the fishing cooperative?

Governor Hickel. Senator, I would be glad to do that. It will take me probably a couple of days to get all the things put together. But if the Chair would want me to, I would like to have the full record presented to the committee so they could read it at their leisure. If that would be in order, I would be glad to do it.

Senator McGovern. It seems to me that is a very important matter, Governor, because this has been, as you know, a celebrated case which has been argued out in the press now for many months, and you were under very heavy criticism at the time that you interpreted the treaty as you did. I do not have to remind you of that, I am sure, because the press was filled with accounts alleging at the time that the treaty was not a valid explanation for the action which you took.

I think it would be very helpful to the committee to get that material, and I would hope we could have it before we reached any final judgment on this confirmation issue.

Could you also furnish the committee, Governor, with a copy of the contract between the Bethel Fishing Cooperative and the Japanese company? Is that available?

Governor HICKEL. Senator, I am not real sure that I can get that, as we had no part of the contract. We either have to get it from the Japanese or from the co-op.

Senator MCGOVERN. Have you ever seen the contract, Governor?

Governor HICKEL. Senator, I only saw that portion that the Federal court, I think it was the Federal court, made of record stating why they had held the injunction. That was that portion where it said they had to have the Governor's consent. I have never had in my hands the contract.

Senator MCGOVERN. When did that information become available to you, the clause stating that the contract would not be operative until after the Governor had given his approval?

Governor HICKEL. I recall, Senator, I think it was in the early part of May, sometime in May that it was brought to my attention. I cannot remember the exact day, but it was in May of 1967. When was the problem, 1967 or 1968?

Senator MCGOVERN. 1968.

Governor HICKEL. 1968, May of 1968.

Senator MCGOVERN. Did I understand you to tell the committee yesterday, Governor, that it was that clause in the contract that was at least a partial basis for your action in blocking the transaction?

Governor HICKEL. Senator, I think it is the cause of the Japanese not buying the fish in the round. You know the Japanese ultimately bought the fish. They were flown in and frozen. The Japanese did buy them. And I also like to make a point here that the co-op really was not hurt in this thing, and I think testimony will bring that out. They have told me it was one of the best seasons they had. It is very clear that the Japanese did buy fish but after they were frozen. The reason they did not buy them in the primary state was the fact they did not have the Governor's concurrence. But the Japanese wanted to buy the fish without the Governor's consent, I am sure they could, because this is the policy of the State that has been going on since statehood.

Senator MCGOVERN. In that connection, Governor, when you say it was just a policy of the State, what is that policy based on? Was there a State law that required primary processing a precondition for a sale of this kind?

Governor HICKEL. We have a statute, for example, on crab that they cannot be shipped out of the country in a live state. We have the primary processing of timber. There is a policy in the U.S. Forest Service in the State of Alaska. It is really a policy. As I say, it started with statehood, and that we are carrying out. We think it is a good policy. The only statute that I know of is the one on the crab, and the U.S. Forest Service policy on primary manufacturing of timber, and we follow that out.

Senator McGovern. Governor, could you furnish the committee with a copy of any statute, any State law that provides a basis for this interpretation, this action on your part?

Governor Hickel. Senator, I could on the king crab. That one is on the statute. The other is policy.

(The information referred to follows:)

ARTICLE 5—TRANSPORTATION OF FISH AND SHELLFISH

Section 240. Transportation of King or Dungeness crab
Section 250. Penalty

SEC. 16.10.240. Transportation of King or Dungeness crab. No person may take out of, ship, transport, or send from this state any live King crab, species paralithodes camtschatica, or live Dungeness crab, species cancer magister. (§ 1 ch 33 SLA 1962)

SEC. 16.10.250. A person, association, or corporation violating § 240 of this chapter or contributing to or cooperating in the violation of § 240 of this chapter is guilty of a misdemeanor, and upon conviction is punishable by a fine of not more than $5,000, or by imprisonment for not more than one year, or by both. Each unlawful removal of live crab is a separate offense. Vessels and equipment used in or in aid of a violation of § 240 of this chapter may be seized and disposed of as provided in AS 16.05.190. Conviction under § 240 of this chapter is grounds for suspension of a fishing license or permit by the Department of Fish and Game. (§ 2 ch 33 SLA 1962)

Senator McGovern. But what is the policy based on? That is what I am getting at. If the statute relates only to crab, on what basis then do you provide for a policy relating to other commodities, more specifically to the salmon?

Governor Hickel. Based on a policy that was started with the previous administration immediately after statehood, and we are just carrying out that policy.

Senator McGovern. Isn't it a fact, Governor, that that policy has very frequently been biased with reference to other commodities, including other types of fish?

Governor Hickel. Sometimes.

Senator McGovern. Halibut and other fish are regularly caught and landed outside of Alaska without any processing. The same is true with petroleum, with minerals of all kinds that the primary processing policy has not been operative in a majority of cases?

Governor Hickel. Well, in our timber it is a policy, along with the Federal Government policy, and in fishing it is a policy. We try to do the best we can, even in our mineral resources, and in the new petroleum industry we are trying to come up with a legal tax incentive that will encourage the primary processing of our natural resources, and it is something that I think any man in this room, if he were Governor of that country, would try to protect, because therein lies the reasons that the people can work year round. Our primary processing of salmon put many many hundreds of fishermen to work in canneries and processing plants. It is something that we want to protect, and I think it is for the good of our country of Alaska and the Nation as a whole.

Senator McGovern. Governor, as I said here a moment ago, there seems to be many discrepancies between the press accounts of what happened at this time——

Senator Stevens. Would the Senator yield there, please?

Senator McGovern. Yes, I yield to the Senator.

The Chairman. Senator Stevens.

Senator Stevens. Senator McGovern, it is my memory that there is only one newspaper in the State that criticized Kuskokwim and I was wondering if you have other papers other than the Anchorage Daily News that criticized the Kuskokwim issue?

Senator McGovern. I was about to read from the New York Times.

Senator Stevens. That does not happen to be a paper in my State. I am wondering about the Alaska papers who were better informed of what was going on. Mr. Rothstein, who I believe was the editor of that paper, is now Senator Gravel's assistant. I am sure we know the background of the paper's feelings on the matter but I wondered if there are any other papers you might have from Alaska that criticized the Government?

Senator McGovern. I am not really at this moment interested in compiling the number of papers that have criticized the Governor, but trying to clarify what seems to be the Governor's public statements at one time as over against what the Governor is now telling the committee, and I think it is in his interest that these discrepancies be clarified, because they are in clear conflict in a number of instances, and the Governor himself has just testified that what he said yesterday was not the basis for the action that he took in blocking this transaction.

Senator Stevens. Senator, I am new here, but I am an attorney, and it is my background that when a witness is questioned about a letter in court, he gets a copy of the letter. I wonder what is the policy of this committee with regard to questioning a witness about an article or a letter. Is it courtesy to furnish him a copy of that, let him read it before he gets questions concerning it?

The Chairman. Just a minute. If the witness asks for it, surely he can have it. There has been no request pending.

Senator McGovern. Mr. Chairman, maybe I could read a few passages from this article in courtesy to the Governor, and in deference to Senator Stevens. I have no desire to try to misinterpret what the Governor said. But this is what seems to me to be a rather plainly stated analysis of the problem and account that appears in the New York Times last December 31, 1968. It was written by Mr. E. W. Kenworthy, a respected journalist with The Times, and I would just like to read a few paragraphs from this article, a rather lengthy one. I will not read it although I would ask unanimous consent, Mr. Chairman, that the entire article be placed in the record.

[From the New York Times, Dec. 31, 1968]

Hickel Faces Fish Co-op Inquiry—Senators Will Study Alaskan's Action in Eskimo's Case; Governor Prevented Sale of Salmon to a Japanese Ship

(By W. E. Kenworthy)

Anchorage, Dec. 29—Informed Alaskans now expect that their Governor, Walter J. Hickel, who is Secretary of the Interior-designate, will probably be questioned more intensively during Senate confirmation hearings than any other of President-elect Richard M. Nixon's Cabinet choices.

Considerable regret is voiced here about this, even by Democrats and newspapers that opposed Mr. Hickel, for Alaskans very much want an Alaskan as Secretary of Interior. And generally Mr. Hickel, an aggressive, confident, can-do man, is regarded as an improvement on his Democratic predecessor, William A. Egan.

On the other hand, it is recognized that Mr. Hickel has made himself a potential target for some tough questioning by the Senate Interior Committee. This is because of his close associations with oil interests and his appointments of men connected with the oil industry because of some off-the-cuff remarks on conservation and pollution, and finally because of conflicting statements on the big issue of Eskimo and Indian claims that have left Eskimo and Indian leaders wondering if he really is, as he professes to be, their friend.

ATTITUDE OF SECRETARY

The Interior Department is the guardian by law of the interests of these peoples, but how well this trust is performed depends largely on the interest and attitude of the Secretary himself.

On this score, the Senate committee is likely to question Mr. Hickel at length on what is known here as "the case of the Kuskokwim co-op." This involved the Governor's successful effort last June to prevent a group of 150 Eskimos at Bethel on the Kuskokwim River from selling their salmon to a Japanese buyer at higher prices than domestic buyers would pay.

The Kuskokwim affair, which stirred up a great controversy here, began in 1967 when Bruce Crow, an Eskimo leader, and six colleagues organized a buying and marketing cooperative.

Like most native villages, those on the Kuskokwim are rural slums. The Eskimos were almost outside the cash economy with an average income of perhaps less than $500 a year, of which about $200 came from salmon fishing.

NO CANNERIES WERE THERE

Commercial fishing on the Kuskokwim had never amounted to much. The big Seattle packers had no canneries there. There was not even a cold-storage plant. Much of the catch, either fresh or smoked, was eaten locally.

With a loan from the Federal Department of Agriculture, the co-op built a small cold storage plant. It paid the fishermen members roughly the same prices as the domestic buyers. But where the commercial companies bought only grade 1 king salmon, often culling out one-third of the catch, the co-op also bought grade 2.

Furthermore, the co-op bought the silver salmon that run in August after the kings have finished; the commercial buyers had rarely stayed around Bethel to buy silvers.

The difference in the co-op's buying practices in 1967 increased earnings for most members from $200 to $1,400. For some members their annual income increased from $500 to $2,000 and more.

THEN PLANT BURNED

The next winter the cold storage plant burned.

There was not time to rebuild for the 1968 season. To keep their venture going and get money for a new storage plant, the co-op needed a buyer that would contract for the whole catch. The Alaska State Community Action Program, part of the Federal antipoverty campaign, came to their aid. So did the Alaska Legal Services, a group of lawyers hired by the Office of Economic Opportunity to give legal aid to the poor.

A buyer was found in Mitsubishi International, a Japanese company. Mitsubishi contracted with another Japanese concern to send its freezer ship Akitsu Maru No. 10 to the Kuskokwim River at the beginning of June to pick up dressed fish from the first run of kings.

The agreement called for 33 cents a pound for kings and 23 cents a pound for silvers, considerably more than the prices later paid nonco-op members by domestic buyers. Moreover, Mitsubishi agreed to pay 40 cents a pound for salmon eggs, which the domestic buyers had not taken.

ASKED FOR SUPPORT

Mr. Crow, the co-op president, wrote Governor Hickel asking his support for the project, and Mitsubishi informed the Governor of the projected arrival of the ship at Bethel.

Yet, suddenly on May 31, as the ship was heading for the river, the newspapers reported that the Governor had sent letters to Mr. Crow and Mitsubishi, saying

he would not approve the project and intimating he would not permit it to be carried out.

In the letter Mr. Hickel justified his action on these grounds:

There were enough American processors prepared to buy the catch.

The International North Pacific Fisheries Treaty (among the United States, Canada and Japan) prohibited such purchase and processing by the Japanese.

If the Japanese ship should come into Alaskan waters, it had to be by invitation of the governor.

In the letter to Mitsubishi, the Governor said the treaty "explicitly requires Japan to abstain from loading, processing or transporting salmon from the waters which are specified in the treaty."

In the leter to Mr. Crow, he said he would "not allow the entrance of a Japanese freezing vessel into the Kuskokwim River."

Eskimo leaders were astounded. Mike Chase, chief of the village of Nunapitchuk who is a co-op member, said: "My * * * ative gives them a chance to make money for themselves and their kids, not to be on welfare."

Lawyers for the Legal Services and other legal experts were also amazed at the Governor's reasoning.

First, they noted, a Governor had assumed the right to interpret a Federal treaty, a right reserved to the State Department and the courts. Second, they said the treaty dealt with the right to fish and not to buy fish from domestic producers. Third, they argued that the ship did not need an invitation from the Governor but simply had to be cleared in advance by the American consular service in Japan. Mitsubishi assured the Governor that the ship had been properly cleared.

By June 3, with the opening of the season a few days away, the ship was lying off the three-mile limit while the captain waited to see whether the Governor would take action to prevent her entering the roadstead. Then over the next three days, these developments occurred:

A Federal judge denied the co-op's request for a restraining order against the Governor, saying there was no evidence he intended to interfere with the ship.

Governor Hickel wrote the State Department demanding verification of the Mitsubishi statement that the ship had been cleared. "If this report is true," he said, "it would seem to have been a matter of simple courtesy for the Federal Government to have advised the Governor of the state involved." (Actually it was not part of the State Department's duty to provide such notice, and the notice by Mitsubishi was a courtesy).

In a telegram to the Governor, Senator Ernest Gruening said: "I hope you will give the fishermen the benefit of the doubt. What possible harm can be done by doing so?"

Mr. Hickel wired back: "What possible harm? For one thing, harm to our processors who employ thousands of Alaskans through substantial capital investment."

On June 6 the State Department officer in charge of fishery treaties said: "If this is a transaction in normal trade, if they are buying the fish from American fishermen, we see no violation of the treaty."

The next day the Governor sent to Bethel a 10-man group headed by Charles H. Beacham, the State Director of International Fisheries, and including policemen and representatives of several state departments.

Mr. Meacham said:

"We are to do our fact finding and if we find anything to do something about, we'll do it. But first we've got to find something to do anything about, if we are going to do anything."

On June 8 the first fish were brought in, but the ship was still at the river mouth and the fish were flown to Anchorage. The ships captain was evidently not taking any chances with the Governor's representatives still there.

MET MITSUBISHI AGENTS

On June 11 the Governor met for several hours with three Mitsubishi representatives. Later an assistant, Walter Kubley, told reporters:

"The Governor did not presume to tell the Mitsubishi people how to do their business. There was no agreement as such, but it was understood that the Mitsubishi people would go to Anchorage and Bethel and make arrangements for living up to their contract to buy the co-op's fish."

The agreement, as the Governor understood it, evidently was that Mitsubishi would pay for the fish but fly them to Anchorage for dressing and freezing.

It did not work out that way. Mitsubishi took a few fish. Then, on June 13 Mr. Crow announced that Mitsubishi had sent him a note breaking the contract.

TO OTHER BUYERS

Stan Patty, an aide to the Governor, said arrangements would be made to have the fishermen sell their fish to other buyers than the co-operative.

"This," he said, "is to establish the policy that foreign fishing operations such as this freezer may come into Alaska only on the invitation of the Governor."

On June 14 the co-op paid to have several tons airlifted to Anchorage. But because of the delay and lack of ice almost all of it—8,875 pounds—spoiled.

There was a last ironic note. On June 27, after the American freezer ship Teddy sailed away with a full load of the co-op's salmon, the Governor "invited" the Akitsu Maru to put into Bethel and buy the rest of the salmon production. The Japanese agreed. They paid the co-op more than double the price per pound paid by the Teddy operators.

Senator McGovern. Let me read from this article, Governor. Then I will ask you to comment on it if you would.

"Mr. Crow, the co-op president, wrote Governor Hickel asking his support for the project and Mitsubishi International informed the Governor of the projected arrival of the ship at Bethel. Yet suddenly on May 31 as the ship was heading for the river, the newspapers reported that the Governor had sent letters to Mr. Crow and Mitsubishi saying he would not approve the project, and intimating he would not permit it to be carried out."

And follows a summary of what appeared in those two letters that we have asked you to furnish to the committee. Just very briefly, it reads as follows:

"In the letter Mr. Hickel justified his action on these grounds. First, there were enough American processors to buy the catch. Second, the International North Pacific Fisheries Treaty prohibited such purchase and processing by the Japanese. Third, if the Japanese ship should come into Alaskan waters it would have to be by invitation of the Governor. In the letter to Mitsubishi the Governor said the treaty explicitly requires Japan to abstain from loading, processing, or transporting salmon from the waters which are specified in the treaty.

"In the letter to Mr. Crow he said he would not allow the entrance of the Japanese freezing vessel into the Kuskokwim River."

I ask, Governor, whether that is a fair summary of the two letters that you sent?

Governor Hickel. I think that is a fair summary but it is just one newspaper account and I know of many newspapers in Alaska that lauded me for the action I took in protecting our primary processing.

There is one point raised in the matter you just read which recalls something else to mind. As I recall, the contract with the Japanese and the co-op and allow me a little variance on dates, was signed the end of April. That agreement stated they had to have the Governor's consent, and I was never aware of that contract until it was presented in Federal court so I had nothing to go on that the Japanese said that they had to to have the Governor's consent. Basically that is the only basis that the Japanese had for assuming and abiding by Alaska's traditional stand on primary processing. These fish were flow to Anchorage and frozen and the Japanese purchased them.

Really I think they are building too big a case out of this single incident, Senator. It should be considered in the context of the thousands of fishermen and what we are trying to do generally in Alaska. I really never had any choice.

Senator McGovern. Governor, let me just comment on why I am making as much of an issue as I am of this. It is not so much the dollar amount involved, although it is a very substantial amount in terms of the income of the fishermen and the members of that cooperative. I think you will agree that those people were at the poverty level, had an income of somewhere between $500 and $800 a year, and that this contract would have materially improved their income. But what seems to me to be the issue at stake here is whether or not you used the power of your office in such a way as to damage the interest of the group of producers in that area, and in a manner to benefit special business interests of one kind or another for whatever cause. That is really the issue, is it not?

Governor Hickel. Senator, I appreciate your comments and your analysis of it, but I might say that really is not the issue. The co-op did sell their fish and they sold them to the Japanese after they were processed and they received the money. As I recall, they sold around 800,000 pounds, and they had a good year. We did protect the primary processing.

I think that the issue here is one of a much broader concept. I hope you understand that when I do get this testimony in to you. You will see that the co-op had a very good year, and as far as us keeping the Japanese out, it was the Japanese that finally told the co-op that they would buy processed fish only, because they did not have——

Senator McGovern. That was only after your intervention, in which you made it clear to the Japanese company that they were not welcome there, and as you said yourself, you told them it was in violation of international law, and that it was in opposition to an established policy. That judgment on their part was really based as a result of your intervention, was it not?

Governor Hickel. At that point they did not know I had not given consent. They assumed that I had given the consent but I had never given consent. When I was asked for consent, I did not give it. It is an involved thing, because the Alaska State community action program does sound like it is a State thing, but it is really a private co-op. It has nothing to do with the State. And the Japanese, in their wisdom, assumed it was a State thing, by the very title of it.

I really would like to, Senator, and if I may, Mr. Chairman, to bring the record in. I think we could belabor this point forever, but when you review the record I think you will see that the co-op was not hurt. They sold their fish. The Japanese bought them, but they did not buy them in a primary state.

Senator McGovern. Governor, how could you say that the fishing cooperative and the fishermen were not hurt when the sales were delayed for a considerable period of time, some 9,000 pounds of fish spoiled in the meantime? The price that they were paid by other buyers who moved in during the time the Japanese ship was being detained was considerably below what was offered by the Japanese, was it not?

Governor HICKEL. No, Senator. The record will show that the fishermen got the same price for their fish. It is a very involved situation. The fact was that we even tried to get a freezer plant, if we could have done it legally out there to help them so they could have primary processing. But under the State law this was a private corporation and there was no way we could do it. I explored that.

And so I think that when you read the full testimony, and the full facts in the case, I am sure you will be satisfied. I repeat once more that we were not out to harm anybody, and, yes, there was some fish spoiled. But out of 800,000 pounds, it was a small amount, and I do not want to belittle the small amount, because any fish is worth money. But it goes back to the fact there was not a freezing facility. The Japanese never had facilities except on their ship to do the processing themselves. There were other freezing ships available.

Senator MCGOVERN. Isn't that really all that is involved when you talk about processing at that point is to get the fish to a freezer?

Governor HICKEL. That is right, Senator.

Senator MCGOVERN. The Japanese had that equipment on board?

Governor HICKEL. That is right, Senator, that is right.

The CHAIRMAN. The Chair would like to make an observation here, without referring specifically to the case that is being discussed. I think it is well to put this problem in proper context. Some will remember that dating back to 1937, 1938, 1939, there were very bad feelings between American fishermen and Japanese fishermen. About 30 years ago you will recall that American fishermen armed their ships and proceeded to go after the Japanese fishing in American fishing areas. Cordell Hull, some of you may recall, wrote a very strong note about the intrusion of the Japanese into American fishing areas.

After the war, we entered into a treaty to try to resolve these ancient differences between the Americans and the Japanese, It is much like the fight between the British and the Icelanders over their fishing grounds.

This feeling of animosity to a certain extent has been confined in the postwar years to fisheries. There has been a very fine working relationship between the Japanese and the Americans in the development of Alaskan timber resources, and they are working together in connection with the oil program.

But in all fairness, I want to point out that the fishermen, the processor in Alaska and the Northwest continue to have strong feelings of antagonism in the fisheries field. Now, this feeling runs strong in Alaska, whether it is the fishermen or the processors, and there is the feeling that the Japanese do not respect conservation. I am not arguing the merits of it, but I am merely trying to put this problem in proper context.

This is a continuing problem. We have had meeting after meeting in Tokyo and Seattle and Juneau with the Japanese trying to solve the fisheries problem, the salmon problem in particular. What it really boils down to is the allegation that the Japanese do not allow for the escapement of the fish. They fish on the high seas, and thus catch large numbers of immature salmon which would later return to American streams to spawn. Domestic fishermen are prohibited from fishing these waters.

Now it is in that context that I think one must review this problem. I want to be fair, fair to everyone, as I have tried to be as Presiding Officer in this hearing. I am not going into the merits or demerits of this specific problem, because I am not sufficiently familiar with it. However, I think it should be pointed out to those who are following this that there is this deep-seated feeling of antagonism between the Japanese and the American fishermen, and processors, and it is in that context that I think we should try to evaluate this problem. That is all.

I think I have stated the history of the period quite accurately. I have lived with it very closely, and my colleague Senator Magnuson even closer, and the late Senator Bartlett devoted the greater portion of his life to wrestling with this problem. I think that it is helpful to know this. This is the feeling that runs, when I say Alaskans it is not just the white Alaskan. I am talking about the indigenous Alaskan, the Aleut, the Eskimos, and the Indians as well.

I am not passing judgment on this case, you understand.

Senator McGovern. Mr. Chairman, I just want to say in that connection I know that you are an authority in this field. You have grappled with these problems over many years. I do want to just make the point though that the issue here is really not fishing rights, and that the Japanese ship was not there for the purpose of catching fish, but simply to complete a commercial transaction to buy fish that were caught by American fishermen, and to carry out a contract into which they had entered in perfectly good faith which the State Department and others have advised us it was a perfectly legal arrangement.

I would quite agree that this is an extremely sensitive problem with reference to fishing rights, and the Japanese fishing vessel would have no business in the Kuskokwim River, but I think really the issue here is somewhat different.

The Chairman. I think there is a worry, Senator McGovern, that maybe the Japanese wanted to get in and get out, which might knock out the American processors. They would be in for one season and then if the processors went out of business, then they can come in and bargain at a lower price later on. I am clearly giving you the arguments that are involved in this, and only in the interest of trying to keep the history in clear perspective. Those who have followed fisheries' problems in Alaska know that there are some real strong feelings about the Japanese participating in any form with fisheries matters, and it is only in that context that I wanted to make the observation again.

The Chair is not passing judgment. I do not have the specific facts in this case. But I thought it would be helpful that we look at it in that light.

Senator McGovern. Governor, a further point with reference to this issue before we move on to the native lands matters that I wanted to interrogate you about. In quoting again from the New York Times article by Mr. Kenworthy, I would just like to read two or three comments here and ask for your reaction to this. Quoting now:

"Stan Paddy, an aide to the Governor, said arrangements would be made to have the fishermen sell their fish to other buyers than the cooperative. This," he said, and this is in a quotation mark attributed to Mr. Paddy, your aide, "This is to establish the policy that foreign fishing operations such as this freezer may come into Alaska only on the invitation of the Governor."

Was that in fact the principle you were trying to establish, that commercial transactions of this kind should not take place unless the Governor of the State invites the particular foreign buyer to come in?

Governor HICKEL. That was the part that the Japanese put in their contract. Senator, if I might repeat again, many times, that was the reason they felt they never had a contract, for the simple reason we had not given consent. They put that in. I had no part of that contract.

Senator MCGOVERN. Let me just say, Governor, you told us you have not really seen the contract. The attorney for the Kuskokwim Cooperative has said that there was no such phrase in the contract at all, and that the only reference to this was a telegram, a courtesy telegram sent by the Japanese company to the cooperative, in which they said that the ship would be arriving at such and such a date with the blessing of your Government, to pick up the fish. They inserted that in the telegram to the cooperative, but it was not a portion of the contract, so I think it is important that we get that contract, that we make it a part of the record. Would you agree with that?

Governor HICKEL. Senator, if I may, and this is what I was going to bring up a second time again, the contract is a matter of record in the legal suit, and that is where I found out that the Japanese had asked for the Governor's consent.

Senator MCGOVERN. Governor, had you seen that clause at the time you stopped the ship?

Governor HICKEL. No; I had not seen that clause at the time I stopped the ship. I was aware of the clause, and I am trying to think of the time. I cannot remember the time. And it showed up in the legal suit that the Japanese had asked for the Governor's consent. When my consent was asked I did not give it. But they were already doing this without my consent. I was not aware of any contract.

I think in there lies some weakness too, because the State was not informed or kept informed of what it was doing, and yet part of the contract stated they had to have the Governor's consent.

Senator MCGOVERN. Governor, if we can move on now to the native claims issue that we were discussing yesterday, we were on this point about your testimony in February of last year, February 9, 1968, when in reference to the native claims matter you said that some of the claims of the natives and their interests in the land and the minerals were irretrievably gone, quoting your words now, "* * * because we have seen the establishment of vested and equitable rights, title, and interest of nonnative citizens and State and local governments in ancient native lands."

Now, the question I would like to ask you, when you testified before the Senate Interior Committee concerning these native lands which as you described it were irretrievably gone, did you include in that category the 5 million acres which had been patented to the State? Are the native claims in that 5 million acres irretrievably gone?

Governor HICKEL. It could be, Senator, it could be. Those lands were selected before my time as Governor and patented, and it could be such areas. I remember one up around Takotna, some on a military reservation now that historically in the past belonged to the native people, and I will stand on my testimony because I am sure that some of the State lands that are patented now and have been selected from the time of statehood.

Senator McGovern. Would that same factor apply with regard to the other lands that have been selected, if the patents are issued? I understand this was what, 19 million additional acres that have been selected out on which patents have been requested? If those patents are issued, will the native claims become irretrievably lost on that additional 19 million acres?

Governor Hickel. Senator, I would hope, when I look at the map, that the State would not select any land around any native villages because as I stated yesterday, at any time that there is a large selection a village would be in that unit. I hope you understand that we cannot go out and physically survey this vast area in any short length of time. I think that is why the Congress in its wisdom gave us 25 years. It is almost an insurmountable problem.

If there is an area that the State would select and there would be a village in there we would recommend that the village get fee simple title to that land around their village. I think the bill stated not to exceed 50,000 acres depending on the size of the village.

It is conceivable if you take in a great big block rather than surveying it out mile by mile which will take, at the rate we are going 100 years, and so the intent would be to give that land to that village.

Senator McGovern. Governor, when you say you hope the State would not select land immediately around the villages, does that imply your judgment that that is the only area to which the natives have any serious claim?

Governor Hickel. No.

Senator McGovern. The area immediately around the villages?

Governor Hickel. No, not necessarily at all. I think the bill that we supported showed the number of millions of acres we thought that they were entitled to on some basis, and the land around all their villages not to exceed 50,000 acres, surface rights to other lands that historically they might have been hunting on, and it is quite an involved thing and we want to do the right thing.

But likewise when we select land, as I state once more, even the villages that are out there now and have been there since man, they really do not have title to that ground. They have no piece of paper that says, "This is my ground," and this is where the difficulty is, because there have been no surveys as a general thing.

Senator McGovern. Governor, aside from any position you may have taken in the past on this matter as Governor of Alaska, in times when you are being proposed for an office you will admit you have a unique relationship with the natives, the Eskimos, the Aleuts, the Indians and other natives. Do you think it is fair to that group to permit the transfer of this land to the State before Congress has had a chance to deal with the matter of the native claims?

Governor Hickel. Senator, only if we can protect the natives' rights, as I explained before. I think we should come up with a plan, one that the native people would sit with us on, this committee and the House committee, and we could generally agree that this would be the kind of a program that would protect their rights until such time as Congress in its wisdom settled this issue with legislation, thereby not only protecting the native people of Alaska, but allowing the State to go ahead.

Senator McGovern. But as Secretary of the Interior, you would not hesitate to open up the selection of the land on the assumption that Congress would eventually do the right thing. You would be willing to trust the judgment of the Congress that eventually the native claims would be taken care of, even though you previously said that the process involves an irretrievable loss to the natives?

Governor Hickel. An irretrievable loss, Senator?

Senator McGovern. That is your phrase in describing what has happened to the land that has presently been selected out?

Governor Hickel. But I have also stated, Senator, that the State is willing and will trade them lands, because we have not got the facilities to go out and survey out every village. So we take, we just select blocks of land. I repeat again this was done long before my time. We have not been able to select any land since I have been Governor on account of the land freeze that was put in effect right before I became Governor, so I have not selected any land, but there have been lands selected and rightfully so from the time of statehood. There just had to be.

And so wherever there is an overlapping, I know the State, regardless of political party, would take these lands where there might be a village in that area, and trade for other lands.

Senator McGovern. Let me just ask you what I think is a key question on this, Governor. If you are confirmed as Secretary of the Interior, is it your present inclination to lift the land freeze? You have described that as unnecessary, arbitrary and costly. Do you still hold to that view, and if so is it your plan to lift the freeze?

Governor Hickel. Senator, I have stated and I will state again that it won't be lifted unless we collectively with the native people can agree on a plan by which they are protected, and I think we can by sitting around in a room and discussing how we might do it. I think the freeze would not be lifted until we could collectively agree that we had a workable plan to protect the native people, and at that point then if we collectively agree to do it we would move ahead.

Senator McGovern. Aren't you going to have, if you take this action, Governor, before Congress has made a determination about the native claims, which I understand is based on the definition of occupancy, the extent of what the natives are claiming will depend on how we interpret the area they are actually occupying or possessing, isn't there clear conflict in determining that guideline between what the Bureau of Land Management regards as occupancy as over against what the Bureau of Indian Affairs has said constitutes occupancy? And you in essence, if the freeze is lifted before Congress has acted, aren't you in effect putting yourself between two very conflicting pressures within your own agency, within your own Department?

Governor Hickel. I think we would have to obviously talk to both these agencies at that time and try to work out a solution, but the one point I think will possibly be upheld in court is the fact that the Statehood Act which Congress gave Alaska is a specific act, and I do not see how legally we can get around that Statehood Act. It spells out how these things happened. It spelled out the number of acres and the time we have to get it, and all we would be doing, if we could agree on how to life the freeze, would be to have an orderly development, be-

cause we only have 15 years left. It sounds like a long time, but the first 10 years I saw how difficult it was and the people of Alaska see how difficult it is to really intelligently select these lands, it is such a vast area. And so I think some sort of orderly process should start for the benefit not of the State of Alaska but the Federal Government.

The CHAIRMAN. Governor Hickel, I think Senator McGovern raises a very good point on this whole question of Alaska native claims and the matter of the freeze. I would just hope that as Secretary you would keep this freeze on until we resolve the legislative adjudication of the Alaska native problem. I can assure you there is no reason, with two Senators from Alaska that are on the committee now, why we cannot act on that legislation at this session of Congress. I think this would be the feeling of the committee.

We held hearing last year. I would hope that the Senate, and I can only speak for this side, would act on it this year, approve it, send it over to the House, and I hope the House would act this year, or by the latest next year. In the meantime I hope we can keep the status quo, because I do not know what the resolution is going to be to this matter. I have a feeling that it is going to involve, some land, but probably a cash settlement.

I do not think that we can resolve this problem in Alaska differently than we have in the lower 48 States. To turn over vast land areas in Alaska as a settlement would, I do not think, be in keeping with the integrated development we want to see in this country any more than one would revert to giving back large areas of land to the Indians that was improperly taken.

Instead we have followed the route through the Indian Claims Commission of cash settlements. So I think there is a lot of concern here on the part of the natives, and properly so, but I think we could resolve a lot of that difference if we could have some general understanding. How do you feel about my comments?

Senator STEVENS. Mr. Chairman.

The CHAIRMAN. Senator, we are trying to be fair. I am talking to the Governor now. Can't he respond and then I will be glad——

Senator STEVENS. Very well.

Governor HICKEL. Mr. Chairman, I think you put it in a good light, and I really appreciate the sincerity by which you stated the case. I think you understand that. I know that from personal experience you have been into our country and held hearings.

I would give your suggestions to me the deepest and most thoughtful consideration, and I am sure if we saw some action, and I know we will and I will help and I will do what I can, to resolve this situation this next session. I will give strong considerations, knowing the feelings of the people of Alaska, and knowing the intention of this committee to keep the freeze until we see some action going, and I will promise you to give you probably the benefit of what you say, because I value your opinion so much, and I will do that.

The CHAIRMAN. You can give us the assurance that at least for this next Congress, that is this year and next year, it is a Congress for 2 years, that we maintain the status quo so that we can legislate without any unnecessary feeling of compulsion or acting in undue haste. I do not think we should delay a day longer than this new

session of the Congress, which includes this year and next year as the final period to resolve this problem. It has been going for years and years, and I think if you could give that assurance, Governor, I do not think it would be difficult for you to do it, we could legislate I think in a very fine climate.

Otherwise the Congress is guilty of negligence in delaying this problem as long as it has delayed it, and I think I speak for most of my colleagues here on the Senate Interior Committee that we will act at this session.

Senator STEVENS. Mr. Chairman.

The CHAIRMAN. Let me get this assurance, Senator. We have been very liberal with you. You are just a new man on the committee, and I am trying to be as fair as I can, but I do want to get the questions from the witness and then I will yield.

Governor HICKEL. Senator, I would hope you would not make it an unequivocal yes or no, for the simple reason that problems arise. Secretary Udall realized this. One example is the Barrow Airport. He had to raise part of that to give the land to the State so we could build the airport. Right now you would stop even those simple constructions if I said, "Yes, the freeze will stay on" unequivocally. There are areas where you really cannot stop the progress of the State. It has been going on since 1966, not just this year.

And so I will take into consideration the full intent of what you are saying, if I have the ability to do and the freedom to do at least what Secretary Udall did when there were problems that were impossible to solve, so that you can take this piece of ground and you can build an airport, and it is this kind of a problem.

The CHAIRMAN. I would agree to that kind of an exemption, any proper public use that must be met, but I am talking about private development, the State taking over lands which would be open for development on a private basis. Obviously you should first protect all the citizens of Alaska, and any public use required, whether it is for an airport, to meet a city use, or a State use that is in the public interest, certainly that should be exempt. That is for the benefit of the Indians, the natives as well as all citizens of Alaska.

Senator STEVENS. Senator, may I comment once more?

The CHAIRMAN. Yes.

Senator STEVENS. You know we have an unusual situation in Alaska, that we do not have private land, and all the resources up there really belong to all the people. For example, there aren't any really private oil holdings as such. If by land selections the State goes into a certain area, the lands and minerals belong to all the people for the general benefit of the native and nonnative alike.

The CHAIRMAN. Well, the leases are a private property right of some value.

Governor HICKEL. They are a private property right but oil for example belongs to all the people. We get the royalty. I think you understand that. I only make the point that there could be some areas, and I would be most happy to discuss any area with you if it came up where it would be of general benefit to all the public, if certain things happened. Otherwise I would abide by your wishes and I will do so.

The CHAIRMAN. Governor, I appreciate that because I think that if we are going to bring about the kind of legislative solution, because

we are not going the route of the Indian Claims Commission or turning it over to a judicial body for resolution, it must be a legislative adjudication. I think that the climate will be much better working with an understanding that these lands are open. Therefore the committee is free, and the Congress is free to work its will. If they want to turn over all the lands they can do that. If they do not want to turn it all over they do not have to do that. But I think it does complicate our problem if the subject matter of the dispute has already been removed, so to speak, from our consideration. This is my point.

I want to be able to act as one Senator and as chairman with that feeling of freedom, and I think other members of the committee do also. It will provide a much better climate for solution. This is my point. And there is no reason in the world why this should not be resolved in the Senate this year, and I give my pledge to get it up to a vote for a decision, because we started those hearings last year. I went up to Alaska. We had good hearings. We even started at 6 in the morning in order to hear everybody. We had an advantage. There was a 5-hour difference in time, and of course we were all waking up at 3 in the morning with nothing to do so we held hearings.

Senator STEVENS. Mr. Chairman, I want to apologize. I think I have learned my lessons well. I hope the chairman realizes there are two land freezes, one placed on in 1962 and the other placed on December 11, 1968, which totally withdraws the whole State, and this is going to interrupt my State's development with only 3 percent of the land in private or State ownership today. We will be at a complete stop if something is not done, and I was trying to hope that the chairman would if he asked the Governor, and I hope he will be the Secretary of the Interior, not to lift the freeze, that it is with the understanding that we can work out arrangements with the native people in the area where there are no claims, and that this withdrawal and the land freeze that is placed on top will not impede the development of my State.

We do not have an opportunity even to build roads in some instances without going through some of these claim areas, and certainly if this withdrawal is to exist, and we are going to have the whole State of Alaska withdrawn under the Picket Act, we are not going to have any development at all.

The CHAIRMAN. I think the Governor responded to that, and no one disputes that where the public use and necessity is involved in the interim, those requirements should be met. That is in the best interests of the natives and in the best interests of the citizens of Alaska.

All I am saying is that I think it makes for a better climate if we maintain the status quo; that the subject matter of dispute is there for adjudication by the Congress.

On the other hand, if it has been removed they say well, it has already been resolved by peremptory executive action, and I think that if we remove that cloud and that feeling of uncertainty, which stirs up the natives, and with understanding, then we will provide a better climate for a solution. I want to see a fair and honorable resolution of this matter, as I think all members of the committee do.

Senator STEVENS. I appreciate the chairman's statement, and I attended your hearings and I know you are sincere. My problem still is

the Picket Act withdrawal is going to prevent the granting of patents to homesteaders in areas where there are no native lands. It is going to prevent trade and manufacturing sites where there are no native claims, and I do not see any reason why we should pit Alaskan against Alaskan under this superwithdrawal. I just cannot see the committee chairman or the committee itself asking the Secretary to commit himself not to modify that Picket Act withdrawal as opposed to the land freeze and that is my point.

The CHAIRMAN. I think we can, in light of the broad general understanding here, work out during the course of the legislative hearings on the native claims bill the specific exemptions that should apply. I do not see any real problem on that. I do not know of anyone on the committee who would take an unreasonable position during this brief interim that we are talking about that relates to any matter affecting the public interest and the public as a whole. I do not see why that cannot be resolved.

Senator Allott?

Senator ALLOTT. Mr. Chairman, I think your contribution has been very good here, but I think one other thing needs to be said here, to put this whole thing in perspective. There were several States upon being admitted to the Union who were allotted four sections per township. Unfortunately my State only got two, 16 and 36. Well, now, we have 375 million acres. I would like to have you correct me if I misstate these, Governor, in Alaska. By the Alaska Statehood Act they got 103 million, and the reason this was done as I recall it, and I was on the committee at that time, was I think that there is only about 1 percent of the total lands in Alaska surveyed at this time. At least it would be a very, very low percentage, is that correct?

Governor HICKEL. That is right, Senator; very, very low.

Senator ALLOTT. So that instead of allotting to Alaska the specific sections as most of us here at the table would seek, we gave them the 103 million acres and gave them I believe 25 years in which to make the selection, so that you have to think of this problem, and I am not taking issue with the chairman at all, but we have to think of this problem in a completely different context than we do with respect to the other States mentioned here.

Now, I want to say this as the ranking minority member. I would be most happy to do everything I can to bring this matter of the Indian claims to a quick solution, but on the other hand we do not have control of the Interior Committee in the other House, and all we can do on this for our part is do our part of the job here, and I assure you, Governor, that we will do anything we can to facilitate and accelerate action on this matter.

Governor HICKEL. Thank you, Senator.

The CHAIRMAN. Senator Allott is absolutely right on the special provisions made for Alaska in the Statehood Act. Senator Anderson and I sponsored the amendment. I was chairman of the committee that handled the Alaska statehood bill. Senator Anderson was a special leader, in providing for the additional acreage for Alaska. At the time Alaska came in, they were in difficult financial straits, and as I recall 99 percent of the land was in Federal ownership. We felt very strongly that if Alaska was to be a viable State, that we had to provide

for a revenue base, and oil had just been discovered as I recall. I think the first discovery was about 1957. Statehood was passed in 1958, and we didn't know what it was going to be. And so we also modified the royalty provision, and Alaska gets 90 percent of the Federal royalty. The other 10 percent actually just covers the administrative costs, so they get 100 percent for all practical purposes.

So we did anticipate the special problems of this tremendous area, the problem being that the Federal Government administered this vast area. The State would have to undertake the new burdens that had been carried on by the Federal Government. The costs would be substantial. I mention this by way of historical background of why we did make this substantial in-lieu selection, which is not less than one-third of the total acreage of all of Alaska.

Senator McGovern?

Senator McGovern. I would like to just cite two or three sentences from the Alaskan Statehood Act, since the chairman has referred to that and also Senator Allott. I think it is important to remember that that act not only provided for the selecting out of something over 103 million acres by the State of Alaska, but also very specifically protected the native claims until such time as the Congress could act, and I think it is important that we read that into the record. And I may ask you one question about it, Governor.

Quoting from section 4 of the Alaskan Statehood Act it provides:

"As a compact with the United States said State and its people do agree and declare that they foreover disclaim all right and title to any lands or other property not granted or confirmed to the State or its political subdivisions by or under the authority of this Act."

And then this interesting phrase:

"The right or title to which may be held by any Indians, Eskimos, or Aleuts hereinafter called natives, or as held by the United States in trust for said natives. That all such lands or other property belonging to the United States or which may belong to said natives shall be and remain under the absolute jurisdiction and property of the United States until disposed of under its authority except to such extent as the Congress has prescribed or may hereafter prescribe."

Does it not seem, Governor, that the clear congressional intent in the Alaskan Statehood Act that the State of Alaska shall disclaim any title or any claim on these lands that are presently claimed by the natives until such time as the law says "Congress has prescribed or may hereafter prescribe"? Wouldn't you in effect be violating the congressional intent, in other words, if you move ahead on the lifting of the land freeze and opening up the selection process before some settlement has been made by the Congress?

Governor Hickel. Senator, I am not an attorney, and I do not know just all the legal ramifications of that. But then I would say in passing that the 3 million acres that were selected in final statehood in 1966 would be illegal and I do not think they are illegal. But I am not going to argue that point. They have already received patent on 5 million acres and apparently they got it legally.

I cannot answer that much better than to someone——

Senator McGovern. Did I understand you to say you have no intention of a precipitate withdrawal until you have time to sit down with

the Members of the Congress and a collective judgment can be worked out?

Governor HICKEL. That is exactly what I said and that is my intention.

Senator MCGOVERN. Governor, one other part of the Statehood Act I was not aware of until the other day that I would like to draw your attention to, section 6(b) of the Statehood Act, which gives Alaska the right to select nearly 103 million acres from the public lands of the United States, also provides, and I am going to quote now, "No selection hereunder shall be made in the area north and west of the line described in section 10 without approval of the President or his designated representative."

Section 10, as you know, describes the line parallel to and 5 miles above the Porcupine and Yukon Rivers. It would have the effect I guess of excluding above the northern half of Alaska, would it not?

Governor HIKEL. Not quite the northern half but a great portion, and again the previous administration has selected some lands in that area, and I am sure it must have had the President's approval. I am not aware of that but I do know there has been some selection. For example, right on the Arctic coast at Prudhoe Bay.

Senator MCGOVERN. Can you just comment briefly, Governor, on the so-called Atlantic-Richfield oil discovery in that area described as the Arctic slope. That is the estimated extent and value of those oil deposits?

Governor HICKEL. The official reserve of that area has been estimated. It is in Prudhoe Bay but on the Arctic Ocean. It is a structure roughly 15 miles wide and maybe 30 miles long. It is unknown at this time. I think there are only two wells completed, and the estimated reserves are between 5 and 10 billion barrels in that structure.

Senator MCGOVERN. What does that mean roughly in dollars?

Governor HICKEL. Well, whatever the price of crude might be. If you had $2 a barrel and say you took an average of 7½ billion between the 5 and 10, you would have $15 billion. I might explain to the Senator that, if they pumped 1 million barrels a day out of Prudhoe Bay, and that is a lot of oil, it would take about 30 years to pump it, and that is only one structure. I think this is the knowledge I have, of the area as I know it. I think without a doubt there will be other structures just like that, two or three more. And so the potential for America from the standpoint of oil reserve is quite great.

Senator MCGOVERN. Is it correct, Governor, that in that area that includes this oil discovery, that the State of Alaska after you were designated as Secretary of Interior just last December selected some 3 million acres that would embrace the lands including that new oil discovery?

Governor HICKEL. No. As I recall, Senator—I might state this as a matter of fact, the Mineral Leasing Act in the statehood bill gave us 5 years to select those lands under mineral lease. Congress extended that 5 years, and that ran out January the 3d this year, as I recall. Yes, it was January the 3d. What we had to do to come under the Statehood Act provisions is to select those lands that had not been selected and that were under mineral leasing.

I was hoping, and there was a bill, I know. I called Chairman Jackson on this when I was Governor saying that it was vitally important that we get an extension to the Mineral Leasing Act so we would not have to go in and select so quickly.

I might add that, last July, the Bureau of the Budget and the Department of the Interior recommended another 5-year extension. After the field was proven to be quite big, in September they withdrew their support. Consequently, we had to select under the Statehood Act by January the 3d those acres that were under mineral lease and it was those acres that we selected.

Senator McGovern. Governor, if it is true as you say that some 3 million acres was selected in this area, north of the Yukon-Porcupine line, that under the Alaskan Statehood Act that would require the approval of the President or his designate, presumably you if you are the Secretary of the Interior, how would you propose to act on that application?

Governor Hickel. Senator, that is another legal question and I am not familiar with it, but they were State lands not patented. They had been withdrawn and so we just filed under the act.

Senator McGovern. It would be an application for patents on that?

Governor Hickel. On those lands, according to the Statehood Act, they would be forthcoming automatically.

Senator McGovern. You would have to act under——

Governor Hickel. As Secretary of the Interior you are asking me now if I would have to or not, I really do not know. I do not think so. I think it is just a matter of following the Statehood Act. I really cannot answer that specifically. But as Governor I knew that I had the obligation to select before January 3d those that were under mineral leasing.

Senator McGovern. I want to make sure I understand this now. On the 3 million acres, approximately 3 million acres that as I understand it is immediately south of this so-called Atlantic-Richfield oilfield, approximately 3 million, will you not have to act on that application by the State of Alaska for title to that acreage?

Governor Hickel. I do not think so and I do not know whether it is 3 million. I thought it was closer to 5 million acres. But it would go to the State of Alaska.

Senator McGovern. There were two different packages, one of nearly 3 million and one of almost 2 million.

Governor Hickel. That is right, about 5 million.

Senator McGovern. The one was located in the Cooper River Basin?

Governor Hickel. Yes.

Senator McGovern. The small one I am referring to is immediately south of the oil basin that we have referred to here. But if the Statehood Act requires that any land is selected by the State of Alaska in that area north of the Yukon and Porcupine Rivers has to be approved by the President or his designate, won't you in fact be the one who will have to pass judgment on that application?

Governor Hickel. It could be. I am not sure. I never was aware of that, and at this moment I am not sure. But there might be another part of the Statehood Act under mineral leasing that spells out how you acquire mineral lands that are under mineral leasing. That is a spe-

cific thing which is entirely different from the lands that we select as the 103 million acres, although the total is the same. There is a different method of selecting.

Senator, I am not that conversant with the legalities of it. Even as Governor we just know what has to be done in those kinds of areas, and I will try to find out. I really do not know. I never thought of anything except that I knew I had to file——

Senator McGovern. Governor, just one additional question. This is on a little different matter. It may be a sensitive question. I do not want to in any way impugn a bad motive to you, but it does appear in your press conference of December 18, and I would just like to ask you to clarify it if you would. In that conference you said in reply to a question about opening the Arctic Game Refuge for oil exploration that you favored such oil development because in your words, "there are only five white people per year at one time on that ground."

What was the implication of singling out white people as being the ones that you were concerned about?

Governor Hickel. Well, actually it says not over five nonnatives That is what the act states.

Senator McGovern. Your quote, though, referred to five white people at the press conference.

Governor Hickel. In essence you cannot have over five non-natives. You could not have over five Anglo-Saxons, for example. You cannot have over five nonnatives. That is the way it is spelled in the withdrawal for opening it up. I will repeat again we were trying to find out only for information and to catalog the resources that might be there, and I think this is very important, because it has not been done in Alaska, and if you are just going in and geophysically trying to find out what is under that ground. I think it is for the benefit of not only the State of Alaska, but it is of more benefit to the Nation as a whole to know what is there, and that is the reason and that is what we are trying to do.

Senator McGovern. This is a technical matter involving numbers of people then, rather than the types of people?

Governor Hickel. Yes. It specifically says no more than five nonnatives.

Senator McGovern. Thank you very much, Governor.

Senator Metcalf. Could I ask one question?

Senator Anderson. Senator Metcalf.

Senator Metcalf. I am somewhat concerned, Governor, about this business of going into this area, and as I say, cataloging the resources. I agree that it is well for all of us to know what resources are available in our States in case of national emergency and so on. But what troubles me is that you have leased it to private oil companies and private mining people to catalog those resources, and they may not be made available to the State and the Government agencies involved, and the people are concerned with utilization of those resources, is that correct?

Governor Hickel. Senator, I would like to answer that. It is not quite correct, if I might say that in all deference to what you said. If the State of Alaska puts out a lease any place we are entitled to all the information that that company gets. We can get it by law. We

are entitled to this information, so we get the information. And I think there was a very good recommendation by Secretary Udall about a year ago, where he pointed out the necessity of spending perhaps $50 million in round figures at some level, State or Federal to catalog these—to get these things going.

But to answer you specifically we would have that information and it would not be at any cost to the State or Federal Government at that time and in no way could anyone go in there until the Federal Government, so to speak, OK'd that.

Senator METCALF. Now in this cataloging of these resources does it also mean that you are going to open that area to development and exploration in the multiple-use concept that you suggest?

Governor HICKEL. I have no intention whatsoever, if you are thinking about an oil derrick setting up there, no; but it ties in with the structure that comes out, goes out into the Arctic Ocean and it hits the northern third of that withdrawal, and we would like to find out, catalog just where the structure is, and it is a matter of information. It does not have to be done. I assure you it does not have to be done, but I thought it would be in the best interests of both the State and Federal Governments.

Senator METCALF. This is only a cataloging of information?

Governor HICKEL. That is absolutely right.

Senator METCALF. And information is going to be available to the various agencies, both State and Federal, that are involved in the development of that area?

Governor HICKEL. That is absolutely right. The State gets all the information it requests from any one of these geophysical teams.

Senator METCALF. Thank you.

Senator Moss. Could I pursue that just a little more. Could the State get that without being the employer or contractor with the oil company?

Governor HICKEL. Senator, yes. It is part of our allowing them to go in there. They cannot go in unless they abide by our rules and regulations. We get this information.

Senator Moss. Is this part of your State law or how do you do that? I have had some experience with oil drillers out West. They drill what they call a tight hole. When they are going in to explore they want to keep that information to themselves so that they know where they might get additional leases, and usually this is not made public, and therefore, I am quite interested in this situation.

Governor HICKEL. It is on State and Federal lands, not on private lands. We have no private lands, but on State and Federal lands. It is available to the commissioner of natural resources, and to all departments of our Government.

Senator Moss. This is required by the lease?

Governor HICKEL. That is right.

Senator Moss. To make the information available?

Governor HICKEL. And that gives us the knowledge of where to go and how to guide.

Senator Moss. Thank you.

Senator ANDERSON. Senator Stevens.

Senator STEVENS. Thank you, Mr. Chairman.

Governor, on the Kuskokwim matter, I have a telegram here that

was sent by Ray Christiansen, Senator of District K, it states as follows:

"On June 9, a meeting of fishermen was held at Napakiak, Alaska, with a delegation from all villages of the lower Kuskokwim represented. The selling of fish to the Japanese freezer ship was discussed. The delegation unanimously voted against selling to the Japanese freezer ship. I ask you to support them in their decision?

Did you receive that telegram before you acted in the manner you have already described?

Governor HICKEL. Senator, as I recall, I received that telegram sometime in the middle of the controversy. The State senator you described there is a person who has lived in that area for a number of years, probably born and raised there.

Senator STEVENS. Senator Christiansen represented that all of the villagers of the area were represented at the meeting and protested against allowing the freezer ship in?

Governor HICKEL. I received that telegram. I do not remember exactly when.

Senator STEVENS. I have also another copy of a telegram dated June 3, which states as follows:

In general meeting of Kuskokwim Fishermen Association June 2, 1968, 108 members in attendance at Napakiak, Alaska it was the expression of the group that under no circumstances should the Japanese freezer ship be allowed to come into the Kuskokwim River to purchase and process salmon.

Signed by Andy Edge, the business agent and the secretary of that fishermen's association. Had you also received that telegram before, that the Japanese freezer ship should not come in?

Governor HICKEL. I received both of those telegrams, as I recall, during the controversy supporting my decision of the primary processing of fish before they are sold.

Senator STEVENS. And I have a third communication addressed to you as Governor which reads as follows:

In order to clarify the false reports that all the fishermen on the Kuskokwim River are in favor of the Japanese processing ship coming to Bethel, we the following fishermen would like to state that we are not in favor of this and take this opportunity to thank you for taking the stand you have on this controversial issue.

It is signed by well over 100, as I recall, fishermen. This was received after you took the stand no doubt?

Governor HICKEL. That is right, Senator.

Senator STEVENS. Mr. Chairman, I ask that these communications to the Governor be included in the record.

Senator ANDERSON. Without objection it will be done.

(The documents referred to by Senator Stevens for inclusion in the record at this point follow:)

BETHEL, ALASKA.

Governor HICKEL:

On June 9th a meeting of fishermen was held at Napakiak, Alaska, with a delegation from all villages of the Lower Kuskokwin represented. The selling of fish to the Japanese freezer ship was discussed. The delegation unanimously voted against selling to the Japanese freezer ship. I ask you to support them in their decision.

RAY CHRISTIANSON,
Senator of District K.

BETHEL, ALASKA.

GOV. WALTER J. HICKEL:

In general meeting of Kuskokwim Fishermans Association June 2, 1968 108 members in attendance at Napakiak, Alaska, it was the expression of the group that under no circumstances should the Japanese freezer ship be allowed to some into the Kuskokwim River to purchase and process salmon.

ANDY EDGE,
Business Agent.
ALBERT KERNAK, *Secretary.*

BETHEL, ALASKA, *June 3, 1968.*

HON. WALTER HICKEL,
Juneau, Alaska.

DEAR GOVERNOR: In order to clarity the false reports that all the fishermen on the Kuskokwim River are in favor of the Japanese processing ship coming to Bethel, we the following fishermen would like to state that we are not in favor of this and take this opportunity to thank you for taking the stand you have on this controversial issue.

(Signed by 100 fishermen.)

Senator STEVENS. With regard to this primary manufacturing in terms of the questions that have been asked you, what is the primary purpose of our primary manufacturing objective in Alaska, would you tell that to the committee?

Governor HICKEL. Senator, basically it is to create jobs on shore, on land, on more than just a very limited seasonal basis. In the fishing industry it has to do with canneries. In the timber industry it has to do with log mills and pulp mills and I want to say this. If we did not have a primary processing act in Alaska, there would not be a pulp mill there, there would not be the millions of dollars invested in sawmills both by the Japanese and Americans.

And so it has been one of trying to give these people year-round employment, which the pulp mills and the sawmills are doing. The canneries somewhat on a limited basis, but now even in the Kodiak area we have canneries running the year around, and so it is a purpose to create jobs and not just allow the country to be exploited. This is the reason that both my predecessor and myself and I would hope the man that follows me would always adhere to the policy that if we keep primary processing going, it will be the ultimate way of having year-round employment for the great majority of Alaskans.

Senator STEVENS. Thank you.

Governor, when the Senator from Maine was questioning you about the problems up there, I believe you commented on the price of gasoline and oil in that area. Do you have any comment about the price of gasoline and oil in our country, 59 cents a gallon in Fairbanks and 30 cents a gallon for fuel oil as compared to the price in other parts of this Nation?

Governor HICKEL. Senator, obviously it is higher there. It does seem ironical that we have all that oil on Kenai within flowing distance of Anchorage and yet the price of gasoline and oil is very high. That is one of the reasons why we are trying to get refineries and get those things in there that will bring prices down. Our prices are really high, and we have the resources right there, but it is one of an economic factor and it has not come about yet.

Senator STEVENS. In terms of the royalty oil that the State of Alaska can demand from the producers of oil from our State lands, it is my understanding you have announced the policy that any purchaser

must refine that oil onshore and consistent with the primary manufacturing objectives, is that correct?

Governor HICKEL. I issued that policy and statement about the middle of November, that unlike most States, the State of Alaska can take its oil in kind because it owns that oil. I have stated that all the oil that Alaska takes in kind must be refined within the boundaries of Alaska.

Senator STEVENS. You were questioned I believe concerning the statement you made in Seattle. As I recall you said it was quite early in the morning, regarding the withdrawal that Secretary Udall made on December 11, this new withdrawal of all unreserved lands in the State. Have you ever seen that withdrawal order?

Governor HICKEL. No, I have not, Senator. I heard about it. And Secretary Udall did call me one evening and say that he was going to do it. But I have not seen it.

Senator STEVENS. Mr. Chairman, so that there will be no misunderstanding as to the order I refer to, I ask that it be printed in the record. It is an order of the Department of the Interior dated December 11, 1968, and it is the new Picket Act withdrawal.

Senator ANDERSON. You say you have never seen these?

Governor HICKEL. I have not seen the withdrawal order; no, Senator.

Senator ANDERSON. You were not curious?

Governor HICKEL. Pardon?

Senator ANDERSON. You were not curious?

Governor HICKEL. The office has received them, I was just advised, but I have not. From December 11 on it seems like I have been kind of busy. I have not been in my office since then. Well, I will get to it.

(The withdrawal order referred to dated December 11, 1968 for inclusion in the record at this point follows:)

DEPARTMENT OF THE INTERIOR, BUREAU OF INDIAN AFFAIRS

ALASKA

Notice of Application for Withdrawal of Unreserved Lands

Pursuant to the regulations in 43 CFR Subpart 2311, I hereby make application for withdrawal of all unreserved public lands in Alaska.

The information required by 43 CFR 2311.1–1 is as follows:

1. Applicant—Bureau of Indian Affairs, Washington, D.C. 20240.

2. Legal description—All unreserved public lands in Alaska. (See paragraph 8 regarding lands embraced in leases, licenses, permits or contracts issued pursuant to the Mineral Leasing Act or the Alaska Coal Leasing Act.)

3. Sections 1–3, Act of February 28, 1958 (72 Stat. 27), are not applicable.

4. Acreage—The gross acreage approximates 350,000,000 acres and the net public acreage approximates 262,000,000 acres.

5. Purpose—Protection of native Aleut, Eskimo, and Indian rights and interests in public lands of Alaska.

6. Contamination—No contamination will result from the withdrawal.

7. Period of withdrawal—The withdrawal, if approved, would expire at 12:00 p.m., A.S.T., December 31, 1970, unless sooner terminated by the Secretary of the Interior or act of the Congress.

8. Operation of the Public Land Laws and Regulations—The withdrawal, pursuant to the provisions of the Act of June 25, 1910 (36 Stat. 847, as amended, 43 U.S.C. 141–142), and subject to valid existing rights, would withdraw all unreserved public lands from selection, settlement, location, sale and entry under the public land laws, including the Alaska Statehood Act (72 Stat. 339),

except that lands which on the date of publication of this application in the FEDERAL REGISTER are embrace in leases, licenses, permits or contracts issued pursuant to the Mineral Leasing Act of 1920 (41 Stat. 437, as amended, 30 U.S.C. 181 et seq.) or the Alaska Coal Leasing Act of 1914 (38 Stat. 741, as amended, 48 U.S.C. 432) would not become subject to this withdrawal so far as the State's selection rights are concerned until January 4, 1969. From January 1, 1971, the State of Alaska would have a 120-day preferred right of selection as provided by section 6(g) of the Alaska Statehood Act.

9. Water—The applicant does not intend to acquire rights to the use of water.

10. Justification—Permitting public lands in Alaska to remain open to appropriation or selection under the general land laws will complicate the already complex problem of the rights of Alaska natives and the resolution of native claims. There is a basic conflict between State selections and native claims. Other forms of appropriation may likewise interfere with native and State's rights. Preservation of the status quo for 2 years should allow sufficient time for Congressional action or other resolution of these problems.

11. Authority for withdrawal—Authority of the President under Act of June 25, 1910 (36 Stat. 847, as amended, 43 U.S.C. 141–142), delegated to the Secretary of the Interior by Executive Order No. 10355 of May 23, 1952.

Unreserved public lands in Alaska are shown on the plats (maps) of the land offices. It is not practicable to show the lands in detail on smaller scale maps. Pursuant to 43 CFR 2311.1–2 and 43 CFR 2311.1–3, the noting of this application on the records of the land office and the publication thereof in the FEDERAL REGISTER will operate to segregate the lands from appropriation as set forth in paragraph numbered 8.

ROBERT L. BENNETT,
Commissioner of Indian Affairs.

Approved: December 11, 1968.

STEWART L. UDALL,
Secretary of the Interior.

[F.R. Doc. 68–14988; Filed, Dec. 13, 1968; 8:49 a.m.]

Senator ANDERSON. Senator Nelson?

Senator STEVENS. Mr. Chairman, I sent to each Member of the Senate a letter that I received from Dr. Clayton Polly who is a 52-year resident of Alaska, that sets forth a series of actions that were taken by Governor Hickel as our Alaskan Governor in the field of conservation, and rather than go into them, I request that you permit me to put it in the record at this point, and not go into each item by detail unless there is some question about it.

Senator ANDERSON. That may be done.

(The letter referred to by Senator Stevens for inclusion in the record at this point follows:)

Hon. TED STEVENS,
U.S. Senate, Senate Office Building, Washington, D.C.

DEAR SENATOR STEVENS: I am a 52-year Alaskan resident, an ardent sportsman and a keen observer of the conservation and wildlife scene and I wholeheartedly endorse the appointment of Governor Walter J. Hickle as Secretary of the Interior. I believe the following items from his record in conservation speak for themselves.

1. In the face of heavy opposition from hunting interests, Governor Hickel vetoed a bill which would have legalized the hunting of musk oxen. His stand won approval from conservationists across the nation and in England and Scandinavia.

2. Governor Hickel launched a study effort aimed at preserving totem poles in their historic locations throughout Southeast Alaska, telling Alaska's Art Council, "It is time for Alaskans to buckle down and preserve what remains in their own state of the magnificent culture of our Southeastern Coastal Indians."

3. Governor Hickel directed the state to file a $200,000 damage suit against the owners of the 735 foot oil tanker Rebecca following the arrest of the vessel

on a charge of illegally discharging oil laden ballast into the waters of Cook Inlet.

4. On April 21, 1967, Governor Hickel approved the state's first bill prohibiting pollution of the state's waters. (Ch. 109, SLA 1968). He had pushed hard for passage of such a bill following the arrest of the Rebecca.

5. Governor Hickel signed into law a bill outlawing use of poison in the control of predators unless specific prior consent has been given by the Alaska Board of Fish and Game.

6. Governor Hickel initiated a move for and approved the appropriation of $56,250 from the general fund for purchase of 3,000 acres near Fairbanks for conservation purposes. The property, known as Creamer's Dairy, has been since time immemorial the nesting grounds of a great variety of wildfowl.

7. Governor Hickel backed the transfer of 70,000 silver salmon eggs to the Michigan Department of Conservation resulting in the enormously successful stocking of Lake Michigan with that fighting game fish species.

8. Governor Hickel approved a joint plan involving the Departments of Natural Resources and Health and Welfare for use of inmate crews from the Youth and Adult Authority in restoration and maintenance of state campgrounds, wayside parks and recreational areas.

9. Governor Hickel approved for federal funding the Sandy Beach recreation project on Douglas Island involving grading, drainage, installation of backstop fences, and dugouts, paving of tennis and basketball courts, and picnic and sanitation facilities and acquisition of land.

10. Governor Hickel increased the budget of the Division of Game from $1,060,000 in 1966–67 to $1,797,000 in 1968–69. He increased the budget of the Division of Protection from $990,000 in 1966–67 to $1,329,000 in 1968–69. And he raised the budget of the Sport Fish Division from $578,000 in 1966–67 to $807,000 in 1968–69.

11. At the request of Governor Hickel, General Charles A. Lindbergh addressed the fifth state legislature in a special joint session on the subject of conservation. It was the first public speech Lindberg had made in 10 years.

12. The Alaska Fish and Game Board had been traditionally a 10-man group composed of commercial fishing interests. Governor Hickel changed the composition of the board to five commercial related members and five conservationists-sports related members.

13. Governor Hickel approved plans submitted by the Alaska Department of Fish and Game for replacing sea otter throughout their former range in southeast Alaska. That program was successfully completed this summer.

14. Under Governor Hickel's influence, the Alaska Department of Fish and Game has maintained exemplary relations with federal wildlife management agencies in regards to National Wildlife Refuges and National Wildlife Ranges in Alaska. In addition the Department of Fish and Game has recorded excellent cooperation between State and Federal governments regarding Alaska's programs with the U.S. Fish and Wildlife in the area of the Fisheries Restoration Act.

15. Under Governor Hickel's leadership, the Alaska Depatrment of Fish and Game undertook a joint study with the Bureau of Sport Fisheries and Wildlife on future management and conservation of our game animals on the Kenai National Moose Range. At Governor Hickel's direction, the Department of Fish and Game assisted the Bureau of Land Management in the classification of certain lands in the public domain for multiple use in an effort to establish programs and procedures for wise planning and use of public lands.

16. At Governor Hickel's direction, the Department of Fish and Game and the Department of Natural Resources agreed that all land disposal actions of the State must contain a wildlife stipulation designed to provide for multiple use of state controlled lands.

17. At Governor Hickel's direction, the Department of Fish and Game extended full cooperation to the Bureau of Sport Fisheries and Wildlife to facilitate the rapid completion of the Fire Lake Hatchery expansion project.

18. The Division of Game of the Department of Fish and Game was directed by Governor Hickel to offer the Bureau of Land Management, the Forest Service, the U.S. Bureau of Sports Fisheries and Wildlife, and the State Departments of Natural Resources and Health and Welfare full cooperation in modifying existing agreements for land classification.

19. Governor Hickel directed the Department of Fish and Game to work jointly with the Bueau of Commercial Fisheries in the evaluation of salmon stocks in Cook Inlet.

20. During Governor Hickel's term, the state has hired an assistant recreation planner to gather additional field data and to work with outdoor recreation consultants on various elements of recreation planning. The Parks and Recreation sections of the Division of Lands has been directed to completely update its inventory of all outdoor facilities, areas and programs including existing and potential historic sites and landmarks.

21. At Governor Hickel's direction, the Division of Waters and Harbors of the Department of Natural Resources has initiated a recreation capital improvement program aimed at meeting the demand for small boat facilities. The division has been directed to cooperate fully with the federal agency administering the Federal Land and Water Conservation Fund. Under this program, 14 projects were completed or placed under construction in 1967–68.

22. In the past year, at Governor Hickel's direction, the Department of Highways has contracted for six roadside rest areas and programed preliminary engineering for 13 others.

23. The Division of Game of the Department of Fish and Game, under Governor Hickel's guidance, has conducted distribution and abundance studies of key game species in the Iliamna Unit. It has begun an effort to catalog all existing trails off the present highway system. It has advised the Alaska State Housing Authority in developing land use plans for the Kenai Borough and the Matanuska-Susitna Borough. It has begun preliminary work toward justifying classification of the Alaska Peninsula by the Bureau of Land Management. And it has met with Forest Service Rangers from throughout Alaska to discuss land use planning and recreation in the 49th State.

24. The Alaska Division of Lands, Parks and Recreation Service was directed by Governor Hickel to work with the consulting firm of Cresap, McCormick and Paget to complete a comprehensive outdoor recreation survey by July 1969.

25. Governor Hickel has approved the authority of the Parks and Recreation Division of the Department of Natural Resources to designate and preserve sites with historical significance.

26. Under Governor Hickel's direction, the Parks and Recreation Division is involved in 15 acquisition and development projects funded by grants-in-aid programs.

27. Governor Hickel supported legislation and signed the bill for setting aside the McNeil River as a brown bear sanctuary in perpetuity.

28. Governor Hickel directed the Board of Fish and Game to explore various potential locations for development of a wildlife sanctuary so those visiting Alaska could view wildlife in its natural habitat.

29. At Governor Hickel's direction and under his leadership the first attempts were made to limit the amount of commercial fishing gear that could be used in Alaskan waters.

30. The Natural Resources section of the Republican Platform Committee was headed by Governor Hickel. That section contributed the following pledge to the platform adopted at Miami Beach: "An expanding population and increasing material wealth require new public concern for the quality of our environment. Our nation must pursue its activities in harmony with the environment. As we develop our natural resources we must be mindful of our priceless heritage of natural beauty."

Elsewhere in the Natural Resources section, the platform documents says: "Additionally, we will work in cooperation with cities and states in acquiring and developing green space—convenient outdoor recreation and conservation areas. We support the creation of additional national parks, wilderness areas, monuments, and outdoor recreation areas at appropriate sites, as well as their continuing improvement, to make them of maximum utility and enjoyment to the public."

31. The Alaska Fish and Game Board, appointed by Governor Hickel, recently eliminated bounty on wolverines and coyotes throughout Alaska and on wolves in many areas of Alaska.

32. Through legislative action under Governor Hickel's direction, the 14,000 acre Chena River Recreation Area was established near Fairbanks.

33. The Department of Natural Resources Capital Improvement budget increased from $933,000 for 1966–67 to $1,235,000 in 1968–69. This included the first appropriation for Historic Preservation activities.

34. The Alaska Outdoor Recreation Council was reorganized to provide for more participation from the private sector and the public.

Sincerely yours,

Dr. CLAYTON L. POLLEY.

Senator STEVENS. Also, Governor, yesterday you were asked a question about the reduction as I recall in the appropriations for the parks in the first fiscal year that you became Governor. I telephoned my good friend who is the successor to, and, I hope, the next Secretary of State, our present commissioner of administration and have received a telegram here and sets forth the details of it. I do not like to load down this record, Mr. Chairman.

Senator ANDERSON. That is all right.

Senator STEVENS. Thank you very much. I would like to put this in the record. Governor, let me recall for you the fact that we did change the formation of the conservation fund so that the separate functions of parks and forestry were treated in different sections in the budget, and as this telegram explains, the reduction which was apparent to someone, pertained only to one item, parks and forestry. The other item which is under the conservation fund reflects the $900,000 increase in terms of the total funding approved by the legislature at the government's request, and I ask that this be included in the record.

Senator ANDERSON. Without objection it will be done.

(The document referred to by Senator Stevens for inclusion in the record at this point follows:)

JUNEAU, ALASKA, *January 16, 1969.*

Senator TED STEVENS,
Old Senate Building,
Washington, D.C.:

The State of Alaska's first apportionment from the Land and Water Conservation Fund Act of 1965 (Lawcon) occurred in the 1964–65 fiscal year.

Prior to this time the funding for park and recreational capital improvements was funded from the general fund at about $40,000 to $50,000 per year. This program was administered by the forestry, parks, and recreation section in the division of lands of the department of natural resources.

In 1966 the legislature authorized a bond issue in the amount of $900,000 to fund the States' portion of the Lawcon program. With this development, it became desirable to separate the parks and recreation function into a separate section.

The first year this change in organization was reflected in the budget was in fiscal year 1967–68. The appropriation for the operation of this section for that year was $44,600. The current year appropriation is $281,000. In regard to the capital aspects of Lawcon, the Federal apportionments are as follows:

Fiscal year:	
1965	$92,744
1966	753,307
1967	515,906
1968	541,217
1969	417,000

The enabling act for the State bond funds which the voters approved in 1966, appropriated $255,000 of the authorization. This shows up in our subsequent budget documents as a $255,000 appropriation of bond funds for fiscal 1967. Due to local government match and other State resources, the only appropriation necessary to commit all the Federal apportionment through fiscal 1968 was $35,000, which shows up as the appropriation for fiscal 1968. Fiscal 1969's budget document reflects the fact that the entire balance of bond funds available, $610,000,

was appropriated. This, with aforementioned resources, will provide the States matching for the anticipated Federal apportionments through fiscal 1970. Obviously no appropriation of State matching funds will be necessary in the 1970 budget.

The Governor's program reflects the fact that the parks and recreation function has been given the status of a separate section and has also been given continued and increasing fiscal support, plus the fact that every cent of Federal dollars available for capital improvements under Lawcon has been matched and that money is already appropriated to match anticipated receipts through 1970.

ROBERT W. WARD,
Commissioner of Administration,
State of Alaska.

Senator STEVENS. Governor, I do not think that anyone has asked you concerning the activities of your office as Governor with regard to Alaska Native Task Force. Would you tell the committee about that task force and why you formed it and what it has produced for the State and for the native people of our State?

Governor HICKEL. Senator, are you talking about the rural development task force or the task force that we had develop the native land claims bill as one item?

Senator STEVENS. Yes, the latter one which was chaired by Mr. Hensley.

Governor HICKEL. Yes.

Senator STEVENS. The Representative from Kotzebue.

Governor HICKEL. I think it was one of the finest task forces, if I might editorialize on it that I had ever put together. We use task forces in our administration quite extensively for specific purposes. I think it brought together the native people of Alaska and brought forth problems that they have. They came up with what I thought were equitable solutions to some of those problems, not only in native land claims but in problems relating to schools, problems relating to transportation, problems relating to sanitation. I think the whole approach to the problems and how do we solve them was very much advanced by bringing in this quite extensive group of native people into an official task force of our State government.

Senator STEVENS. Governor, what was the amount of money that you asked the legislature to appropriate, some $50 million for the settlement of Alaska's portion of this native land claim problem, was it not?

Governor HICKEL. That is right, Senator. It was a bill tied to the lifting of the freeze in October, and although as I mentioned whether we had a legal obligation to settle it or not, we wanted to show our good intentions we felt that it was worth that much money to get the native land claims settled.

Senator STEVENS. With regard to these claims, it is my memory that one of them alone is in excess of 57 million acres. Are you familiar with the total amount claimed under these various native claims that have been filed?

Governor HICKEL. Senator, I am not totally. I think it blankets Alaska basically and as I recall they overlap somewhat. And I think it is nearly 350 million acres. Don't hold me down on that. I just know that it blankets most of Alaska.

Senator STEVENS. Governor, I am concerned with a classification order that is apparently pending now in the Department of the Interior that I am informed pertains to 28.5 million acres classified under the

multiple usage management act and classification act of 1964, all of the 28.5 million acres are barred from agriculture or from public sale, apparently without regard to the rights of the people who live within the withdrawal. Are you going to examine these withdrawals from the point of view of what our native people are going to do to live and subsist, if these large withdrawals are to be made with that type of exclusion from agriculture, for instance?

Governor HICKEL. Senator, that is one of the difficult problems—large areas without really studying the reason for the withdrawal at that point in time.

As I mentioned yesterday, someone asked about two large withdrawals and I asked if one of them was within the Bristol Bay area. There could be in excess of 1,000 people living within that withdrawal, and I do not know at this time what they are going to do about those people. I think obviously we have to study what is the problem and how do we solve it. You just cannot ignore the human beings that live there.

Senator STEVENS. I have also sent a letter to the chairman asking him to look into the recent reclassification of the Clarence Rhodes wildlife range from a range to a refuge status based on complaints that I have received from residents of the area, some 4,000 residents of that area who would be affected by that change in status.

Are you familiar with that proposed order that is also pending down there?

Governor HICKEL. I am familiar with it from what I read in the paper. I am generally familiar with the Clarence Rhodes withdrawal but I am not certain where the million acres were added. They were added in the last month or so as I recall, but I think no one is against clearing these areas with the right thought in mind but I do know the problem you bring out and that is what do you do with the people within the area. I think once we solve this, we will have accomplished the intent of why we want to have the withdrawal.

Senator STEVENS. Mr. Chairman, I have another telegram here. It pertains to the Tikchik Lake problem received from our Department of Economic Development in Alaska, which sets forth the text of an article that appeared in the Anchorage Daily News on February 21, 1967, concerning that claim, and because of the chairman's question concerning payment, I would like to read this portion of it. It says:

"On request to Pentagon the Air Force then instructed the Air National Guard to fly the commercial mission. The commercial operators are to be billed for the use of the Air National Guard plane. Brown said he did not know who should pay for the cost of salvaging the aircraft." And I do not know. We have sent again for the information as to whether the bill was ever paid, Mr. Chairman, but at least according to the releases at the time it was clear that the operation was intended to be a fully reimbursible operation using military aircraft. I ask that this be included in the record to clarify the matter of using this airplane on this mission in Alaska.

Senator ANDERSON. Without objection that will be done.

(The document referred to by Senator Stevens for inclusion in the record at this point follows:)

JUNEAU, ALASKA, *January 16, 1969.*

Senator TED STEVENS,
Old Senate Office Building,
Washington, D.C.:

Text of Anchorage Daily News article February 21, 1967, the Alaska Air National Guard cargo plane now frozen in the ice of Nuyakuk Lake was assigned to its ill-fated mission by the Air Force.

The Alaska Air Command is engaged in efforts to salvage the aircraft which sank through lake ice on landing. The plane was engaged in carrying building materials and supplies for a commercial fisheries operation on Tikchik Lake. A spokesman for Senator Ernest Gruening, Democrat, of Alaska, yesterday explained how a military aircraft was assigned to a commercial project. Bob Brown, research director for Gruening, said the Senator had received a request for aid from James Irany, then director of industrial development for the State. Brown said Gruening was told that there was no other aircraft in Alaska large enough and with the proper equipment to handle the cargo destined for the fishery operation. Part of the cargo was a five-ton bulldozer. Gruening, according to Brown, passed Iransy request on to the Pentagon. The Air Force then instructed the Air National Guard to fly the commercial mission. The commercial operators are to be billed for the use of the Air National Guard plane. Brown said he did not know who should pay the cost of salvaging the aircraft.

LARRY DINNEEN,
Department of Economic Development.

Senator ANDERSON. Do you have additional comments?

Senator STEVENS. I have only one additional comment if I may, Mr. Chairman, and that pertains to the Collier Chemical Co.

Governor, there has been questioning here and there has been an article as you all know concerning the Collier Chemical Plant in Kenai, which has not started production yet. Would you provide or ask your staff to provide for us a copy of the permit, that is that has been issued to Collier Chemical giving them the conditional approval to use the waters of Alaska with the restrictions that are applied? I am informed that your Department has required that the effluent not exceed five one-thousandths of one part per million part of effluent as far as ammonia is concerned, in other words, it is one one-thousandths of the allowable minimum for fish in our Cook Inlet. I would like to have that in the record if I may?

Governor HICKEL. I will see to it that you have a copy for the record.

(The document referred to follows:)

COLLIER CARBON & CHEMICAL CORP.,
Los Angeles, Calif., January 30, 1967.

STATE OF ALASKA,
DEPARTMENT OF HEALTH AND WELFARE,
Juneau, Alaska.

GENTLEMEN: We met with you on November 10, 1966 and presented you with our preliminary report and plans for disposing of our waste waters into the Cook Inlet.

You wrote to us on November 28, 1966 and asked for additional information concerning our method of waste disposal and background information concerning our plant and process.

We have sent to you three copies of a letter with attachments answering all your questions.

This letter will serve to ask for a permit to discharge into the waters of the Cook Inlet our waste waters as described in our January 26, 1967 letter.

When our drawings showing all of the details for our system are complete, we will forward these to you together with an Application for Approval of Plans.

Sincerely yours,

AL SACKER,
Project Manager.

ALASKA DEPARTMENT OF HEALTH AND WELFARE
Juneau
Division of Public Health

CERTIFICATE AND PERMIT

No. 65-1 57-1 Date Feb 1, 1965 June 16, 1967

This certificate and temporary permit is granted to

COLLIER CARBON AND CHEMICAL CORPORATION

doing business as COLLIER CARBON AND CHEMICAL CORPORATION

for operation of an ~~sewage~~ treatment plant and discharge of wastes

in accordance with the attached Conditions

located at Nikiski, Alaska near Kenai, Alaska

This certificate and permit is for Temporary Waste Discharge, and (annual) (provisional)

Feb 1, 1969
June 16, 1966, and may be revoked at any time is not to exceed one year.

Issued under provisions of Alaska Statute, Title 46, Chapter 03, Water Pollution Control, and the State's Administrative Code.

Issued under provisions of Alaska Statutes, Title 17, Food & Drugs, Title 18, Health & Safety, Alaska Administrative Code, Title 7, Health and Welfare, as amended or revised, and other applicable State laws and Regulations.

THE SEAL OF THE STATE OF ALASKA

R. E. Robinson
Division of Public Health

[signature]
Commissioner of Health & Welfare

This certificate and permit is not transferable and is the property of the Alaska Department of Health and Welfare

DHW-EH-3
3-64 - 2500

ALASKA DEPARTMENT OF HEALTH AND WELFARE
Juneau
Division of Public Health

CERTIFICATE AND PERMIT

No. 68-1 Date February 1, 1968

temporary

This certificate and permit is granted to

COLLIER CARBON AND CHEMICAL CORPORATION

doing business as COLLIER CARBON AND CHEMICAL CORPORATION

for operation of an ammonia-urea plant and discharge of wastes in accordance with the attached Conditions

located at Nikiski, Alaska near Kenai, Alaska

This certificate and permit is for Temporary Waste Discharge, and (annual) (provisional) expires February 1, 1969, and ~~may be revoked at any time~~ is not to exceed one year.

Issued under provisions of Alaska Statute, Title 46, Chapter 05, Water Pollution Control, and the State's Administrative Code.

~~Issued under provisions of Alaska Statutes, Title 17, Food & Drugs; Title 18, Health & Safety; Alaska Administrative Code, Title 7, Health and Welfare, as amended or revised, and other applicable State laws and Regulations.~~

Ralph B. Williams
Division of Public Health

[signature]
Commissioner of Health & Welfare

This certificate and permit is not transferable and is the property of the Alaska Department of Health and Welfare

FEBRUARY 6, 1968.

DR. CARLETON B. SCOTT,
Research Coordinator,
Collier Carbon & Chemical Corp.,
Los Angeles, Calif.

DEAR DR. SCOTT: Attached you will find a Temporary Certificate and Permit for the operation of an ammonia-urea plant and discharge of wastes. Attached to the Certificate you will find the conditions of operation.

I am also enclosing in accordance with No. 9 of those conditions a Performance Bond that when executed will be acceptable to the Department of Health and Welfare. Would you return an executed copy as soon as it is completed. You will note that the date of the Permit is from February 1, 1968 to February 1, 1969, assuming that all conditions are complied with including our receipt of an acceptable Performance Bond.

Very truly yours,

RICHARD B. LAUBER,
Deputy Commissioner.

CONDITIONS OF TEMPORARY WASTE DISCHARGE PERMIT ISSUED TO COLLIER CARBON & CHEMICAL CORP.

You are permitted to discharge up to 1,000,000 gallons per day consisting of, and not to exceed, the following materials:

Material:	*Maximum pounds per day*
NH_3–NH_4+	7,412
CO_2	10,960
SO_4 (anion)	2,334
Na (cation)	541
S_2O_3	167
Ca (cation)	89
Cl (anion)	49
Mg (cation)	35

You are required to:

1. Settle and remove solids before discharging to Cook Inlet.
2. Skim and remove oil and any floating debris from the effluent before discharging to Cook Inlet.
3. Adjust the pH of the discharge to match the pH of the Inlet.
4. Hold the effluent in settling basins for at least 48 hours to allow for temperature adjustment.
5. Discharge ammonia-bearing effluent only during incoming tide. The discharge may begin ½ hour after the start of the incoming tide but must be discontinued at least one hour before the time of high slack water.
6. Discharge through a high velocity diffusor of at least 180 feet in length. To be installed at least 15 feet below M.L.L.W. and to provide a concentration of un-ionized ammonia of not more than 0.08 ppm within 30 feet of the diffusor.
7. Submit to the Department of Health and Welfare monthly operator reports indicating the time of beginning and completion of discharge.
8. Submit acceptable proposals for continued studies on an annual basis and results of studies on a semi-annual basis.
9. Maintain an acceptable Performance Bond for the duration of this Permit.

This Permit is valid for a period of 1 year. Subsequent Temporary or Permanent Discharge Permits will be issued following evaluation of the material furnished during the time period of this Permit. Future Temporary or permanent Permits are not bound by the conditions of this Temporary Permit.

COLLIER CARBON & CHEMICAL CORP.,
Los Angeles, Calif., November 18, 1968.

Hon. J. SCOTT MCDONALD,
Commissioner, Department of Health and Welfare,
State of Alaska, Juneau, Alaska.

NOTICE OF BEGINNING OF WASTE DISCHARGE

DEAR MR. MCDONALD: The purpose of this letter is to inform you of the beginning of waste water discharge from Collier's Kenai Plant, as required by the Department of Health and Welfare Certificate and Permit No. 68–1, dated February 1, 1968.

Small quantities of non-ammonia-bearing effluent have been discharged intermittently starting November 8, 1968. Ammonia-bearing effluent is scheduled to start being discharged during December 1968. The exact date of first discharge of ammonia-bearing effluent cannot be predicted accurately, so we are placing the Waste Discharge Permit Performance Bond in force effective December 1, 1968. Expiration date of this said Bond will be November 30, 1969.

Very truly yours,

CARLTON B. SCOTT,
Technical Manager.

COLLIER CARBON & CHEMICAL CORP.,
Los Angeles, Calif., January 10, 1969.

Hon. J. SCOTT MCDONALD,
Commissioner, Department of Health and Welfare, State of Alaska, Juneau, Alaska.

RENEWAL OF WASTE DISCHARGE PERMIT

DEAR MR. MCDONALD: The purpose of this letter is to request February 1, 1969 renewal of Department of Health and Welfare Certificate and Permit No. 68–1, effective February 1, 1968, and expiring February 1, 1969.

Conditions attached to this permit are being complied with as requested.

Initial discharge of ammonia should begin late in January, 1969. The required performance bond, sent to the Department March 4, 1968, (R&D–65) was placed in force December 1, 1968 (R&D–253, 11–18–68) for a period of one year.

The first semi-annual report on the Cook Inlet monitoring program was sent to the Department September 9, 1968 (R&D–190). The first annual report will be sent during the second half of January, 1969. A summary of this first annual report is attached.

The required annual report for continuing studies was sent to the Department February 29, 1968 (R&D–43). Since this proposal covered a two-year program, no further proposal will be issued at this time.

The required monthly operator reports indicating the time of beginning and completion of discharge will start being sent to the Department as soon as discharge of ammonia-bearing effluent begins.

Please do not hesitate to contact me if there are questions.

Very truly yours,

CARLETON B. SCOTT,
Technical Manager.

COLLIER CARBON & CHEMICAL CORP.,
Los Angeles, Calif., October 13, 1967.

DR. W. J. CHAPMAN,
Commissioner, Department of Health and Welfare, State of Alaska, Juneau, Alaska.

DEAR DR. CHAPMAN: The attached reports cover engineering, oceanographic and toxicity studies made to determine the most safe and practical way of discharging ammonia and urea plant effluent into Cook Inlet. These studies were done in conformance with agreements reached in our meetings of May 15, June 2, and June 15, 1967.

Results show:

1. The threshold toxic concentration of effluent is approximately 20 PPM NH_3–NH_4^+ (total ammonia) for salmon, approximately 33 PPM NH_3–NH_4^+ for zooplankton, and approximately 1 PPM NH_3–NH_4^+ for phytoplankton.

2. Effluent leaving the diffuser would be diluted to less than 20 PPM NH_3–NH_4^+ at 10 feet downstream, and to less than 1 PPM NH_3–NH_4^+ at 30 feet downstream.

3. Purging of upper Cook Inlet by stream flow is calculated to maintain a steady-state concentration of less than 0.03 PPM NH_3–NH_4^+. This is approximately the same as the current native concentration of NH_3–NH_4^+ in lower Cook Inlet.

4. Warming of Cook Inlet by effluent would amount to less than a 1°F temperature rise in the Inlet water that would actually pass through the diffusion zone. There would be no detectable effect outside of the diffusion zone.

These results confirm the validity of design criteria presented by letter of June 12, 1967 (R&D–185) and in our subsequent meeting of June 15, 1967. On the basis of this confirmation, we request that the Temporary Certificate and Permit No. 67–1, issued by your office June 16, 1967, be reissued as a Final Certificate and Permit having the following Conditions:

1. Permission is granted to discharge to Cook Inlet approximately 1,000,000 gallons per day of effluent water containing up to, but not exceeding, the following amounts of materials:

Material:	*Pounds per day*
Carbon dioxide	10,960
Ammonia	7,412
Sulfate ion	2,334
Sodium ion	541
Silica	167
Calcium ion	89
Chloride ion	49
Magnesium ion	35

COLLIER KENAI PLANT EFFLUENT MONITORING PROGRAM, 1968 ANNUAL REPORT

SUMMARY

1. Ammonia concentrations in the Kenai-Forelands area of Cook Inlet range 0.01–0.05 PPM ammonic-nitrogen; nitrate concentrations range 0.07–0.28 PPM nitrate-nitrogen.

2. Both ammonia and nitrate enter Cook Inlet in large quantities from river flows and from oceanic water inflow. Variations in concentration are attributable in large part to these inflows, plus the biological conversion of ammonic nitrogen to nitrate nitrogen. Ammonia concentration in the open ocean is approximately three times greater than the concentration in Cook Inlet.

3. Chemical and physical data from extensive water sampling reconfirm earlier observations that oceanic water enters Cook Inlet along the east side, and fresh water plus oceanic water leave Cook Inlet along the west side.

4. Populations of zooplankton and inter-tidal benthic organisms in the Kenai-Forelands area are low and seasonal. Sub-tidal benthic organisms appear to be absent. Inter-tidal benthic organisms appear to have no commercial or recreational value.

5. Toxic threshold of ammonia to small salmon in Cook Inlet is 16–20 PPM total ammonia. This value provides a substantial safety factor for salmon traveling in the vicinity of Kenai Plant.

2. The effluent must be treated as follows:

2.1 Settle and remove solids before discharging to Cook Inlet.

2.2 Skim to remove oil and any floating debris before discharging to Cook Inlet.

2.3 Adjust pH to match pH of the Inlet.

2.4 Hold effluent in waste water pond for at least 24 hours to allow for temperature reduction.

2.5 Discharge ammonia-containing effluent only during an incoming tide. The discharge may begin at the start of the incoming tide, but must be discontinued at least one hour before the time of high tide.

2.6 Discharge through a high velocity diffuser at least 180 feet long so as to produce an ammonia concentration below the toxic threshold for salmon at a point 10 feet downstream from the diffuser.

You will notice that the above proposed Conditions do not correspond exactly with the Conditions of the Temporary Certificate and Permit. Following are the changes and the reasons for the changes:

Volume of effluent has been increased from 820,000 gallons per day to approximately 1,000,000 gallons per day because of an increased amount of back-flush water being required in the water treating facility. You will note that the output of chemicals remains unchanged.

Oil has been omitted from the list of materials being discharged to the Inlet because the skimming ponds will remove the oil.

Holding time of effluent has been reduced to a minimum of 1 day because thermal effects of effluent on Cook Inlet are insignificant (1°F temperature rise in only that water which actually passes directly through the diffusion zone).

Concentration of ammonia near the diffuser has been changed to 0.55 PPM unionzied NH_3 (20 PPM NH_3—NH_4^+) at 10 feet from the diffuser because the prior 0.08 PPM unionized NH_3 at 5 feet from the diffuser was unnecessarily restrictive (reference Collier letter R&D–256, 8–21–67). Effluent will be diluted to below the threshold toxic concentration for salmon within 1–4 seconds after leaving the diffuser. Since the threshold toxic concentration is based on 48- to 96-hour exposures, the possibility of adverse effects on salmon is remote.

Complete details are provided in the attached reports. We look forward to a thorough discussion of the reports with you and your associates in Juneau on Monday afternoon, October 30, 1967.

Very truly yours,

CARLETON B. SCOTT,
Technical Manager.

Senator STEVENS. Thank you very much.

Thank you, Mr. Chairman.

Senator NELSON. Mr. Chairman, I have rather extensive interrogation to make, a considerable period of time. Do you wish me to proceed with it or wait for adjournment? I understand Senator Gravel has some brief questions to ask. I would be perfectly happy to step aside for him and resume my questioning.

The CHAIRMAN. Excuse me?

Senator NELSON. Mr. Chairman, I said that I have rather extensive interrogation to make that would take a considerable amount of time.

The CHAIRMAN. Can we defer that until 2 o'clock?

Senator NELSON. Yes. And Senator Gravel had a couple of brief questions.

The CHAIRMAN. Then why don't we hear Senator Gravel and then upon completion of his questions, we will adjourn until 2 p.m.

Is there objection to that procedure?

Senator Gravel.

Senator GRAVEL. Thank you, Mr. Chairman. I have three telegrams which I think are quite significant which endorse the Governor and certainly give testimony.

The CHAIRMAN. You have three wires. Do you wish to read them into the record?

Senator GRAVEL. I have three telegrams, Mr. Chairman. Every single mayor in the State of Alaska has endorsed the Governor for this position and I think that is not to be taken lightly, since he has had adequate dealings with them and they are at close hand to judge his competency and judgment. The next is a very favorable endorsement from the Fairbanks Native Association which is located in the interior of Alaska, and has been a spokesman for the native groups in the central area, and a very responsible spokesman I might add.

The third is from the Anchorage Chamber of Commerce which is laudatory and goes into great details. I think the members should read these telegrams themselves.

(The material referred to by Senator Gravel for inclusion in the record follows:)

ANCHORAGE, ALASKA, *January 11, 1969.*

Senator MIKE GRAVEL,
New Senate Office Building, Washington, D.C.:

The Greater Anchorage Chamber of Commerce respectfully requests this statement be read into the record at the senatorial hearing concerning confirmation of the Presidential appointment of Alaska's Governor as Secretary of the Department of the Interior. Quote as a resident of Alaska's largest city, Governor Hickel's record proves him an unusually dedicated and successful executive. His church, family business, and political records substantiate his powerful concern for public affairs, particularly in regard to beautification and conservation. With respect to conservation, Governor's Hickel's record has been twisted and seriously misrepresented in the current press by spokesmen unfamiliar with the facts.

Some statements recently published about his official conduct are untrue to fact. This chamber will provide a record of substantial Hickel conservation action in Alaska, on request. Governor Hickel's conservation policies have been both far reaching and aggressive. His stewardship of Alaska's 530,000 square miles of almost virgin land has thus far protected the State from the destruction of public lands suffered in other Western States at the hands of uncontrolled private interests. He has done so in regard to water pollution of our coastal waters against considerable pressure. His protectorship over Alaska's big game has been vigorous and extremely thorough. This chamber feels that a failure to confirm the Hickel appointment would constitute a grievous blow to the administration of public lands. Throughout the United States. Governor Hickel is proven as far seeing, public spirited, practical, and effective in public office, respectively.

GREATER ANCHORAGE CHAMBER OF COMMERCE.

FAIRBANKS, ALASKA, *January 12, 1969.*

Hon. MIKE GRAVEL,
Senate Office Building,
Washington, D.C.:

The Fairbanks Native Association unequivocally endorses Gov. Walter J. Hickel for the post of Secretary of Interior in the Cabinet of President Richard Nixon. We feel this would be in the best interest of Alaska and the Nation. Governor Hickel is an Alaskan. As Alaskans we feel that he has made great strides toward understanding and attempting to solve problems facing the people of Alaska, particularly in the fields of education and native land rights. We feel that as Secretary of Interior, Governor Hickel will continue to work toward solving these problems.

GERALD IVEY,
President, Fairbanks Native Association.

JUNEAU, ALASKA, *January 13, 1969.*

Senator MIKE GRAVEL,
U.S. Senate Interior Committee,
Senate Office Building,
Washington, D.C.:

The Alaska Conference of Mayors strongly urges your support of Walter J. Hickel as Secretary of the Interior. He is vitally interested in conservation, not only in Alaska, but throughout the United States. In support of this, a 39-point letter is being forwarded to you.

GUY A. RUSSO,
Chairman, Alaska Conference of Mayors.

Senator GRAVEL. I have two very brief questions. The State of Alaska has been aggressive in its handling of native education. I think we can compliment ourselves on these steps that have been taken. We have a program in the State wherein the State is absorbing BIA schools.

Governor, could you give us your views as to what we can expect in regard to this program as far as the BIA turning over schools to the State or States?

Governor HICKEL. Yes, Senator. I know your interest in the regional high schools. It goes back many years. The program that we followed through on and supported and pushed, I would hope that we could convince those departments within the Department of the Interior that we could go ahead and expedite the intent of the State of Alaska to absorb its BIA schools and get the program going as outlined basically, that the regional high schools be built in the regions where the people live and that the dormitories be built by the BIA to assume their part of the responsibility of this education.

I would hope, Senator, you and I both know the problem, whether it is in Alaska or somewhere else, that this problem of educating these people as close as possible to where they live is very important. I would expedite such a program, if it were with the consent of this committee and the people that would be involved in that program such as the BIA.

Senator GRAVEL. The other area of BIA activities is the welfare programs which they administer. There is a method now which is used by the Federal Government where the welfare funds are administered by the States in question. Would you favor a proposal wherein the similar welfare programs which are handled with reference to the natives through the BIA be turned over to the States if the States were the desirable recipient?

Governor HICKEL. Senator, that has been talked about at the Governors' conference and talked about in our State government. I think that in a situation as broad and as unusual as in the State of Alaska, it has somewhat unusual circumstances. I believe if you had the right guidelines within the State government and the right desire, it could be expedited from the standpoint of lower dollar cost to the Federal Government, and yet possibly would have a more direct result in helping the native people. It has some merit.

Senator GRAVEL. I was making reference to the other States, if States would absorb the BIA welfare programs, naturally funded by the Federal Government. Would you be willing to turn that activity over to State government?

Governor HICKEL. I missed your point, Senator. I am sorry. I thought you were talking about your State. I think that does require some study, because the Federal Government would be putting up the money, and I think it has some responsibility in seeing how it was distributed. It ties in somewhat with the thought of the block grant to the State, and I think that if the State is willing to asume it I think the closer we can get this Government to the State and still maintain some degree of responsibilities in the Federal Government, I think it would be probably a step in the right direction.

Senator GRAVEL. Very good. Thank you.

Thank you, Mr. Chairman.

Senator ANDERSON. Senator Stevens?

Senator STEVENS. Yes; thank you, Mr. Chairman. I just wanted to call to your atention and to the attention of the members of the committee that there are a substantial number of Alaskans who flew down here at their own expense just to be present, and I ask the chairman if he will permit me to just ask them to stand so you can see this group of people that flew down here. They are just here to offer moral support to our Governor, and I would like to put their names in the record if I may, so that everyone will know that they came down here to support our Governor.

Would you all please stand.

(The Alaskan group referred to complied with Senator Stevens' request.)

Senator STEVENS. Thank you very much.

Senator ALLOTT. Do you want to read their names?

Senator STEVENS. I have got their names for the record. I would be pleased to read them if you would like.

(The list of names referred to by Senator Stevens for inclusion in the record follows:)

ALASKANS WHO ATTENDED THE HEARING WHO SUPPORT THE CONFIRMATION OF GOV. WALTER J. HICKEL

Mrs. Walter J. Hickel.
Mr. Jack Hickel.
Senator Ernest Gruening.
Willard L. Bowman, Executive Director, Alaska State Commission for Human Rights, Anchorage, Alaska.
D. Peter Shoup, Alaska Manager, Association of Pacific Fisheries, Juneau, Alaska.
R. L. Rettig, President, Alaska Mutual Savings Bank, Anchorage, Alaska.
Ken Brady, Ken Brady Construction Co., Inc., Anchorage, Alaska.
Ken Sheppard, Consulting Engineer, Anchorage, Alaska.
Herb Lehfeldt, City Manager, Juneau, Alaska.
John T. Rowlett, Petroleum Engineer, Fairbanks, Alaska.
Mrs. Margee Fitzpatrick.
Mr. Robert Davenny.
Robert J. Halcro, Anchorage, Transportation.
William L. Warren, House Furnishings, Anchorage, Alaska.
David W. Redeker, Insurance.
Mrs. Brideen Crawford Milner, Chairman of the Board, Alaska State Bank, Anchorage, Alaska.
Andy Milner, Contractor, Anchorage, Alaska.
Flore Lekanof, President of the Aleut League, Anchorage, Alaska.
William H. Scott, Peat, Marwick, Mitchell & Co., Anchorage, Alaska.
Cliff R. Taro, President, Southeast Stevedoring Corp., Ketchikan, Alaska.
Senator Raymond C. Christiansen, Air Transportation, Bethel, Alaska.
Lew Dischner, Legislative Representative of the Teamsters, Anchorage, Alaska.
Charles F. Lunsford, Building Materials, Anchorage, Alaska.
William I. Waugaman, General Manager, Usibelli Coal Mines, Inc., Fairbanks, Alaska.
Carl Brady and Mrs. Carl Brady, Air Transportation, Anchorage, Alaska.
Alvin O. Bramstedt, Radio and T.V., Anchorage, Alaska.
Mrs. Alvin O. Bramstedt, Anchorage, Alaska.
Cliff Groh, Attorney, Anchorage, Alaska.
Eben Hobson, Construction, Barrow, Alaska.
Mrs. Al Owens, Kodiak, Alaska.
Mr. Walter J. Hickel, Jr.
William Hensley, Member, Alaska State Legislature and Vice Chairman of A. F. N., Kotzebue, Alaska.

Roger Lang, Sitka Alaska Native Brotherhood, Education Comm., 1st Vice President Tungit and Haida.
Richard Frank, Member, Board of Directors, Fairbanks Native Association.
Mr. and Mrs. Charles Cole, Fairbanks, Attorney.
Mr. and Mrs. Ken Davis, Anchorage, Alaska.

Senator ANDERSON. The hearing is now recessed, and we will resume at 2 p.m. this afternoon.

(Whereupon, at 12:30 p.m. the committee was recessed, to reconvene at 2 p.m. on the same day.)

AFTERNOON SESSION

2 p.m.

Senator ANDERSON. The committee will be in order.

Senator Nelson.

STATEMENT OF GOV. WALTER J. HICKEL—Resumed

Senator NELSON. Mr. Chairman, I have a few miscellaneous preliminary questions that I would like to raise with the Governor before I get to the main line of questioning that I am directly interested in.

Yesterday, Governor, Senator Muskie explored a bit with you your viewpoint on the standards of the Water Quality Act. I would like to just follow up on that a little bit and recite to you the interpretation of the law and the standards established by Secretary Udall under the law and ask you what your view is about it.

The nondegradation policy, based upon Secretary Udall's interpretation of the law is that all States are required to have something in the water quality standards similar to what I shall read to you:

> Waters whose existing quality is better than the established standards as of the date on which such standards become effective will be maintained at their existing high quality. These and other waters of a State will not be lowered in quality unless and until it has been affirmatively demonstrated to the State Water Pollution Control Agency and the Department of Interior that such change is justifiable as a result of necessary economic or social developments and will not interfere with or become injurious to any assigned use made of or presently possible in such waters. This will require that any industrial, public or private project or development which would constitute a new source of pollution, or an increased source of pollution to high quality water, will be required as part of the initial project design to provide the highest and best degree of waste treatment available under existing technology, and since these are also Federal standards, these waste treatment requirements will be developed cooperatively.

What this says basically is that the waters of high quality should not be degraded. We have had opposition from industrialists, chambers of commerce, their argument being that the nondegradation policy would hinder industrial development. Udall's answer was that the policy would not in any way hinder growth but that it would require industry to—

(1) demonstrate to the satisfaction of the State and the Federal Government that there were compelling social and economic reasons for the establishment of a water using industry on a high-quality river.

(2) to install the very latest and most modern pollution control equipment and thereby to minimize any temporary degradation.

(3) to show that any temporary degradation that might result would not in any way violate existing water quality standards.

This policy of Secretary Udall was based on the declaration of policy of the Federal Water Pollution Control Act which states:

> The purpose of this Act is to enhance the quality and value of our water resources and to establish a national policy for the prevention, control and abatement of water pollution.

Would you comment on what I have read?

Governor HICKEL. Senator, as a basic thing I find no real disagreement with that part of the Water Quality Act. I do not know of anything specifically that you might have in mind, but as a general thing I think it is a good standard in the right direction.

Senator NELSON. Our main concern is whether as Secretary of the Interior you would adhere to this standard as established by Secretary Udall requiring—if there is to be any degradation of the water, there has to be a compelling social and economic reason. It has to be approved by the appropriate State agency and by the Interior Department and that they be required in any event to install the equipment that meets the highest status of the art. Do you agree with that policy?

Governor HICKEL. I agree wholeheartedly. I think it is a good policy.

Senator NELSON. Reading from the Anchorage Daily Times on January 2, 1968, it quotes you as saying:

"If the Federal Water Pollution Control Act affects our industry too much, we may have to tell the Federal Government to go fly a kite."

Another quote from the Anchorage Daily Times, the next, 2 days later, March 5, 1968:

"I would like to tell the Federal Government that we cannot live within its laws."

What did you mean by those two statements?

Governor HICKEL. First I am sure there will be a lot of things as Secretary of Interior if I become confirmed and when I do, that I might have to reverse my opinions. But basically we have a little unique problem, Senator, that I would like to mention to you.

One is we have the mountain power water and then we have glacier water. No life exists in glacial waters. It is very silted. As the glaciers melt they form deltas, and with water like that, there is no real way that you can upgrade it. I do not think there would be any possibility of that or any thought.

It possibly had to do with some placer mine, that might be areas, close to a glacier stream, where that kind of input into a glacier stream would not affect it. What I am trying to say is that a glacier stream is unlike a normal mountain stream. But I cannot remember saying—I might have said it, it sounds like something I might have said, that the Federal Government can go fly a kite. I do not mean to be facetious.

Senator NELSON. I am curious to know what you may have meant by the sentence, "I would like to tell the Federal Government that we cannot live within its laws" referring to its water quality standards.

Governor HICKEL. I think we have ours approved now. I think all problems are gone as far as I can see. The revised standards were officially submitted by the State on December 8, 1967, and were recommended for approval by Commissioner Quigley on January 5, 1968,

and were approved by you on February 20, 1968. I do not think there is any real problem now. We had some to start with.

Senator NELSON. Are you saying that it did not represent a viewpoint of yours that the act and the standards established by the Secretary were not justifiable standards?

Governor HICKEL. When it first came out we had some problems. I think many States did. I had to look at the Water Quality Act as it applied to my State at that time. We are now in agreement. The act is enforced, and I might say that we have a quite strict Water Quality Act program in Alaska. We know what pollution means, Senator.

Senator NELSON. A couple of other miscellaneous questions. In the press conference which you had in Washington, December 18, 1968, you are quoted as saying, and I quote:

> I think we have had a policy of conservation just for conservation purposes.

This, as you are aware, upset many, many people in conservation organizations and outside of the conservation organizations, because it is a very common phrase that has part of the conservation dialog, for a half century if not more. It is a well understood phrase. It has been used regularly by the opponents of almost every significant conservation project in the history of this country.

I suppose I have heard that phrase in almost exactly the same words dozens of times in the past half dozen years. It is used regularly by those who are in here opposing the redwoods or seashores or wilderness or almost any other conservation project.

That is the reason your use of the phrase upset everybody. They are words of art that everyone in the conservation field is familiar with. What did you mean by them?

Governor HICKEL. Senator, at this point I am fully aware that it was not a good statement to make. When I had made that statement, I was really thinking more about the country where I was from, that was Alaska, because we have, as I mentioned, large, vast areas that are not used. I have mentioned where there are millions upon millions upon millions of board feet of timber that are deteriorating and rotting because they have not been harvested.

I do not think that is a wise conservation of a natural resource. I think that conservation is a living thing. I think in many areas man can improve somewhat on nature and help conserve maybe not only the resource but to beautify them.

So what I had in mind was an entirely different thing, in my opinion, than what was interpreted. I am not against conservation. I will stand on my record.

Senator NELSON. The thing that puzzles me, though, is that your statement is addressed to the conservation policies under Secretary Udall. The statement says:

> I think we have had a policy of conservation just for conservation purposes.

You were referring to the conservation policy that this country has had now, I assume, if you were referring to anything.

Governor HICKEL. Senator, if I may, I really had in mind from the time I first was aware of the problem in early 1940's under various Secretaries of Interior. It is not anything personal, nothing specific,

but just a broad general thing. It was not Secretary Udall at all. In fact, I really had some of the policies back many years further in mind.

Senator NELSON. So you were not referring to the policies of Secretary Udall in that statement for the past 8 years?

Governor HICKEL. Not any specific policies but as a general thing.

Senator NELSON. Pursuing that line a moment, as I understand it, you have indicated, you expressed in previous statements that you failed to see any reason to set aside land or water areas without a utilitarian purpose. What do you mean by that?

Governor HICKEL. Senator, Did I say land and water?

Senator NELSON. This is not a quote.

Governor HICKEL. No, I did not. I think we should set aside lands for the greatest utilization, for the greatest number of Americans, and I think that is my philosophy and the way I have expressed it not only here but before.

Senator NELSON. What is that last thing you said, set aside——

Governor HICKEL. The greatest utilization of the greatest number of Americans. If we have a park, I would hope that it would be within the reach of those people that want to use the park. That is why I made the statement at the same press conference that in the metropolitan areas, the Federal Government might have to buy up private lands to convert them to parks. It was with that in mind.

Senator NELSON. If I may ask, what is your definition of a wilderness area?

Governor HICKEL. A wilderness area would be an area untouched by human development. It could be a river flowing through a valley of a mountain. It would be an area where the American eagle nests and it is difficult to get to but it is picturesque and should be preserved, that general kind of thing. There is quite a bit of it in the West. You might even find a wilderness area in various parts of the East. It could be a seashore, could be a little different definition.

Senator NELSON. What is your view of the value of a wilderness area?

Governor HICKEL. I think wilderness areas should be set aside for a group of people, that might possibly want to get away from the human environment. They might want to take a canoe trip. They might want to go and just be outdoors away from all modes of transportation, and really their congested environment.

It would be a remote area. It may be remote in geographical location, but it would be remote from the standpoint of man-made object.

Senator NELSON. What kind of a management policy would you have for a wilderness area?

Governor HICKEL. Again I think this is a matter that has been defined by the legislation on the books stating there shall be no roads on that and I understand that and I think it is a good policy. I think that basically you have some sort of access through paths. The wilderness areas should be available to the greatest number that wanted to use them. I think this is the important thing.

Senator NELSON. What do you mean by available to the greatest number of people who want to use them?

Governor HICKEL. Well, I think they should be in areas close enough to population that those people that want to use them can use them without too great an expense.

Senator NELSON. But of course there are rare pieces of genuine wilderness in population areas.

Governor HICKEL. That is why I mentioned that it might be, that we should take a look and see whether we should not even purchase land. It would have to be private obviously in some of the early States that did not have public lands. We should take a look to see what that is.

Senator NELSON. But I am talking about genuine wilderness and what your view about it is, and its value. That is what I am really concerned about.

Governor HICKEL. Well, as a general thing, I know somewhat what the legislation refers to and what the intent is. I think that intent is right. I think it limits us to just about that area that I discussed. I think it has great value. You can find, as I mentioned, I mentioned the Tetons as just a general thing. You can find it throughout the West and find it somewhat in the Southwest in my mind as I see it. You can find an awful lot in my country, areas that would be most difficult to get to but that would be superb to look at. Maybe you look at it from the standpoint of a water park, like glacier national monuments. You can see just miles upon miles, hundreds of miles of wilderness that it would be most difficult to ever have access. I think these are some of the real things that we should look for and preserve.

I know you probably do not know Glacier National Monument, but if you saw the hundreds of miles of just the wilderness, the inability really to do anything with it but look.

Senator NELSON. What is your view of the scientific value of a wilderness?

Governor HICKEL. I think it is great. As I mentioned before, Senator, that I do not think that just money and new buildings will solve the problem. I think that would solve the physical comfort and what-have-you but I do not think it would take care of the environment that is so necessary in all walks of life. I think the value of a wilderness area or open spaces is for people to walk and see a broad scope of just what it is all about.

I think we need more of that, especially, I know it is difficult, in the populated areas, but we need more of that for people to be able to visit and view.

Senator NELSON. Do you recognize wildernesses as totally untouched unaltered natural areas?

Governor HICKEL. I think that is the law. A wilderness area, as I see it, should remain undeveloped. There are some that you have access to, whether it is through walking or whatever mode that you would use, maybe a canoe. There are other areas that, as I mentioned, something like Glacier National Monument that you could just view, and you really would have a quite difficult time to do anything else.

Senator NELSON. The time is fast approaching, if it is not already here, that all genuine wilderness areas may very well become overpressured by human intrusion. What would be your course of action if it appeared to you that too many people were using the wilderness area?

Governor HICKEL. You mean from the standpoint of legislation as it is now, no roads, is that what you mean, Senator?

Senator NELSON. You have a wilderness area, it is by definition unique. The population grows. You have not put any roads into it

but it has become too accessible and too many people are going into the wilderness area. What would you do about it?

Governor HICKEL. Well, as a practical matter, Senator, I do not know how you would limit the number of people that would go in there, unless it were by legislaiton. I do not know whether you could do that.

I think you set the guidelines of what it is intended to be used for, and if people follow those guidelines, I would assume that they would be entitled to use it.

Senator NELSON. But I am raising the question.

Governor HICKEL. Yes.

Senator NELSON. What do you do when you see the pressure. For example, there are a handful of islands in Wisconsin, Michigan, Maine, three of them off our State, very tiny islands. They happen to be rookeries and nesting grounds. We provided in the legislation which passed the Senate that you may not set foot on those islands without the consent of the Interior Department, because of the fact that visitations by even a small number of people might destroy the nesting grounds. So I am asking the question if you have a wilderness area that is being overpressured, what would you do about it?

You have stated several times that you thought you would like to see these assets available to the greatest number of people. But that is fatal to a wilderness area, so I am asking you what would you do?

Governor HICKEL. Senator, whatever the intention and the intent of Congress was that I would adhere to that. I would not arbitrarily make a decision that overrode the intent of Congress. When I say make it available to the greatest number of people, I am generally talking in the area of the national park, the open spaces, and areas like that. Obviously if there is a reason why it should be limited to two or three as you mentioned, you would have to limit access.

Senator NELSON. You may very well be faced with a clear-cut case. For example, a road goes across land under the control of the Department of the Interior, ending at a wilderness area, and the only way you are going to stop too many people from going in would be to close the road, would you do it?

Governor HICKEL. I do not think arbitrarily. If Congress approved the money and appropriated the money to build the road, I think we would have to build the road. I really do not want to evade the question. I do not think that I could arbitrarily close the road unless I had the power to close that road.

Senator NELSON. If the road is within your jurisdiction, the Interior Department's jurisdiction, I think they can close roads within their jurisdiction, as in the Forestry Service.

My point is the policy is established that you preserve a wilderness area. We have a majority of the people in this country who talk in terms of mass recreation. There is not any such thing as mass recreation in the wilderness area. My question is if your experts advised you that public pressure was destroying the flora in the area, would you move with whatever power you had in your hands to see to it that you did not overpressure the area?

Governor HICKEL. I would move to protect the area, obviously.

Senator NELSON. You see what is happening in so many of our parks, dropping the wilderness area for the moment, it is happening in the

parks, the pressure from the public saying we need more campsites ends up with the Forestry Department and the Interior Department folding up to public pressure, and allowing more people in there in campsites than the terrain can stand, so you end up destroying the asset that we are trying to protect, and to be tough about the idea of using, of only putting the amount of pressure upon a resource that is compatible with the survival and maintenance of that resource in its natural state is a tough question.

What I am wondering is as this problem grows, will you follow the policy of not acceding to public pressure in these circumstances but sticking with your advisers in the fields of ecology and forestry and so forth and simply say this area can stand 200 campsites, not 400, and we won't put them in no matter what the Governor asks or the U.S. Senators or anything else, unless they pass some legislation. These are the hard kinds of question that face the Governors in their State parks and that face the Interior Department. So I am wondering will you protect that resource from overpressure?

Governor HICKEL. I am sure that if that was brought to me and it was just a decision without the consent of Congress, that we would do what would have to be done to protect the parks. But likewise I would like to say that I know there are vast areas in countries not only in the West but other areas, and especially in the country of Alaska, that could have more capital improvements and could take care of more people.

I think it will be many, many years, if we want to extend ourselves that far, before we could really overpopulate those kinds of parks.

Now, I know Yosemite. I have been there several times. That is one case where it is just about overdone. There are just about too many people there, but I do not know at this point what to do about it. I am not that conversant with it, but I know of that one situation.

Senator NELSON. Do you believe that the preservation of the values of a wilderness area takes preeminence over the demand of people to go into it?

Governor HICKEL. I would answer it this way, Senator. It goes to what I think collectively the Congress and the Executive should provide for the wise use and conservation of all its natural resources. I think we have to project ourselves beyond 1 year. I would like to look ahead to where we are going to have this real pressure from people, not only in the parks but the total national resources of America. Then we can set some kind of a guideline that we might be able to prevent something from happening that would be a disaster 20 years from now.

I would like to think that we would have the ability within the Department of the Interior to look ahead and try to figure out what are we going to do when you have these pressures.

Senator, I am sure you are aware that when a mass of people finally move there is no Secretary of Interior and in reality no President who can really withstand the pressure of all those people. The best thing we can do at this point is to establish guidelines.

Senator NELSON. Well, again limiting the entrances in parks. What is your view of the scientific value of the wilderness area?

Governor HICKEL. I think it has an environmental value in my opinion probably more than a scientific. I do not quite understand the

word "scientific." It could be scientific if it were a bird refuge, for example, for some reason. It could be scientific if it were a mountain peak for some reason. But to me it is an environmental thing.

Senator NELSON. You say environmental?

Governor HICKEL. For people that live, so they can have the idea that maybe 15 years from now I am going to retire and I will go and see that area.

Senator NELSON. Do you favor exploration and oil drilling on units of the national wildlife system, refuge system?

Governor HICKEL. I am sorry, Senator, I was just reading a note. Would you repeat the question?

Senator NELSON. Do you favor exploration and oil drilling on units of the national wildlife refuge system?

Governor HICKEL. I have never favored drilling and I have never proposed that. I did propose that we try to find out what reserves we have. We need to know the general geologic formation that might be valuable to us for defense or other purposes in years to come. My objective was to catalog what we have is a vast area, and I think we all know the potential of that reserve could be valuable knowledge to all of us, without disturbing what is there.

Senator NELSON. When you use the words "multiple use" with respect to national parks, what do you mean by multiple use?

Governor HICKEL. I think the uses for national parks are pretty well spelled out. I think there are areas, national monuments, for an example, where it is possible to have hunting on that area. It might be fishing, it could be some mineral resource, but we need to set the guidelines, we collectively as a government, State, Federal, and local. I think that it is possible to move forward many, many years when we have the press of population. And set the guidelines so that they really do not run away with it.

Senator NELSON. If I understand your position you put emphasis on capital improvements in parks. What do you mean by that?

Governor HICKEL. For an example, I hope you will pardon me for being specific, but I always think of Mount McKinley National Park as a vast park, a tremendous area, I do not know how many millions of acres at this time.

It had a hotel built in the thirties, a wood frame building, and there is no way you could see the mountain from there without driving another 90 miles or something like that.

My point is that I think it is somewhat the obligation of the Federal Government, what I call the obligation of ownership, that we should develop these parks, even if the return may not be what we think should be, so that more people could utilize the park, and this vast, vast area. I think it is underdeveloped.

Now, there are other parks like that, but that is what I am thinking. I think that we should go in and make it possible for more than a small number of people.

Senator NELSON. Of course if you put in more facilities and more roads and more lodges you would presumably get more people. My question is what standard of measurement would you use for deciding how many people should in fact visit a park, a wilderness area. Parks are of various sizes of course. How would you make decisions about that? How would you evaluate that?

Governor HICKEL. First, I would like to comment that when I visited with President Johnson about a week ago this very thing came up, and he showed me the charts of how the pressures have been on the parks. You have to take the size of the area, where the park is located, and I think by proper studies you could come up with a fairly good guideline of how many people that park might accommodate at one time. I think that could be done.

I do not think you should say it is only so many in a park, because it depends on the size of the park, the location of the park, how you handle people when they come there, what do they do after they get there, and obviously that is an important consideration, what they can do after they get there. And so you could not be specific, but you could set guidelines.

Senator NELSON. Then do I understand that you would be prepared to be sure that before you would expand roads or put in any facilities or do anything that attracted additional visitors, that you would first get some evaluation of what kind of pressure that particular park or particular area could stand without degrading it?

Governor HICKEL. That is the general idea. Senator, I am sure we both realize that with the pressure of population, that we will not only have to set these guidelines but there will be pressures to change them.

Senator NELSON. I am sure you are aware there are a number of very, very tough confrontations that are going to occur, that are coming upon us now between or involving industry and other parts of the private sector pitted against government and conservationists and scientists and thoughtful citizens who are concerned about the degradation of the environment. These confrontations cut across a whole broad spectrum of economic and industrial activity.

There is in my judgment no way to compromise; that is, you either fight the battle and lose it or you win it, but there is not really a halfway house. The Interior Department is going to be deeply involved, directly or indirectly, in most if not all of these confrontations which are visible on the horizon. The Interior Department will be an important influence if not a crucial one in the decisionmaking, either directly as to those matters within the Interior Department jurisdiction or as an influential member of the Cabinet.

I start here by raising just one confrontation which is going to occur. It is going to be massive when it does. It refers to one aspect of air pollution which, of course, is specifically within the jurisdiction of H.E.W. But the Secretary of the Interior has a responsibility toward the total environment.

As I know you are aware, Secretary Udall has been a powerful, creative spokesman and voice on all aspects of the environment. This specific one involves air pollution caused by the emissions from the exhaust of the gas-fed internal combustion engine in the automobile.

The Interior Department is not only involved philosophically, and because it has a responsibility toward all aspects of our environment, but is directly involved in a different way. That is that the largest—this is the worst polluter in America. In terms of hydrocarbons alone from exhaust emission it is estimated that 500,000 tons go into the oceans of the world each year, and of course a comparable amount percentagewise would go onto the surface of the freshwater, which is within your jurisdiction.

Nobody knows what kind of imbalance it may cause in the whole ecological system of the oceans. We, of course, will foolishly wait to find out. We did not want to pay any attention to Rachel Carson. She was not competent to speak because she was not an entomologist and she was not a biologist and she was not an ecologist and she did not have the proper professional credentials. The sad part is that she in fact dramatically understated the case. We do not know what is going to happen as a consequence of this. As I say, it may be dramatic and catastrophic. I know of no studies of what the effect of these hydrocarbons will be.

Now we passed an Air Pollution Act which is fair. I do not mean that it is fair against unfair. It is just a modest step in the right direction.

Now this confrontation is going to occur when somebody introduces an economical, adequately powered fuel cell or electric engine or a steam engine, unless the industry comes up with an adequate control device which their best engineers think they might be able to do in 20 years, which will be too late, far too late.

I raise this because I want to read part of a statement or a letter from a very distinguished American inventor, industrialist, a highly successful man, who states that he has the engine, steam, that will not pollute the atmosphere or rather that its emissions are insignificant when compared with the gas-fed internal combustion engine.

Now the Secretary of HEW has the authority to set emission standards for the internal combustion engine, and he can set them in accordance with the highest state of the art. He has the authority to set emission standards.

He may have authority, if another different kind of engine comes in, simply to say, that every engine in every automobile has got to meet the standard of this new one. I don't know whether he has that or not. It hasn't been legally tested. If he doesn't, Congress is going to pass legislation.

My question will be if and when that comes, would you as part of your responsibilities over environment fight for legislation which would in effect result in forcing General Motors and Chrysler and Ford and American Motors to stop using the internal combustion engine, and adopt the steam engine, if it is economically feasible.

Now let me read this is a letter written by Mr. William P. Lear, who is a distinguished inventor, who designed the Lear Jet as an independent businessman, something the rest of the industry thought couldn't be done.

Mr. Lear has commented in some detail, and I would guess from past performance that one ought to pay attention to what he says, because he has performed in the past. Starting from close to the middle of the letter, which is not addressed to me:

"There were many things wrong with steam locomotion which is probably the contributing reason why steam was unattractive to the auto industry. We believe we have found the answer to every one of the faults, namely how to make the system simple, light-weight, reliable, easy to install and operate, rapid-starting, extremely high acceleration, higher efficiency than a diesel engine, extremely quiet, practically service-free what with the elimination of the clutch, the gearshift, and the automatic transmission."

I just skip further down the letter: "Historically, steam vehicles have always been inefficient. We have found the means of improving the efficiency beyond that of the diesel engine. For your information, we have an engine that will fit inside of an 18-inch circle with an overall length of 12 inches which includes the limited-slip differential. It will drive a 4,000 to 5,000 pound car at better than 130 miles an hour and accelerate to 90 miles per hour in one-quarter mile."

Let me skip down further: "Our engine, despite its small size, has a power rate of between 150 to 1,000 horsepower. For aircraft use it will be rated at 600 horsepower. For use in the two cars which we are planning to put in the Indianapolis track next Decoration Day, providing they don't rule us off because of our being able to out-run all their internal combustion cars, we will use the same engine but operate it at 800 horsepower peak but requiring only 475 horsepower average for the whole race. We will use approximately one-half the fuel of our competitors, fuel available at 10 cents a gallon instead of the special sophisticated fuels they find necessary, costing many times more."

Skipping further down to one more excerpt:

"In late January"—that is January of this year—"we hope to be able to deliver to police departments"—I understand they have a contract with one of the state police departments—"the equivalent of an Oldsmobile 88 powered by steam. We expect to deliver from 25 to 50 metropolitan transit buses which will be quiet, efficient and odorless."

And then he goes on in some more detail. Well, as I said, based on past performance of this very creative and successful ingenius businessman, I would be inclined to pay attention to what he says.

Now, the crunch will come when the Federal Government is arraigned against the biggest enterprise in America, General Motors, and the rest of the auto industry who have great stakes in the internal combustion engines, against the oil industry which has a great stake in selling gas, not 10-cent kerosene, whether or not the Congress, the executive branch, the Secretary of the Interior are going to stand up and make the fight that says—again, I am putting the caveat—it is economically feasible, to stand up and make the fight that will say to the industry "you are going to convert or you are going to meet the standard of exhaust emission, or you aren't going onto America's highways." Are you prepared to make that kind of fight?

Governor Hickel. It would probably take me 15 rounds if I was in good shape. First I would like to comment that Bill Lear is a personal friend of mine. He served with me at my request on a very blue ribbon commission with four other distinguished Americans, on a commission called the North Commission, so I know him well. I know his family, and just as a sidelight, I talked to Bill Lear about this in New York about a month ago.

He is very convinced within himself, he is that kind of a person. He is totally convinced that this thing is going to work, and he told me about the buses. He told me about the cars, and especially the transit buses. He is very, very sure that this will come first.

He says he thinks it will come in a relatively short period of time. I think you answered, if I might say, the question yourself better than I can answer it. You have many factors involved here. You

have a total social, economic, political, and practical problem. I think that at that point we collectively, and I mention myself because you put me in that group, we collectively in Government would have to take the look of how soon we could phase out and phase in without upsetting the balance somewhat of America.

I would be in there pushing, because we all want to ultimately do the best good in the long-range view. That is the difficult thing.

If he walked in here today, and I know him and he could, and he would be hard to handle, he would say, "We have got that engine," and he would probably take it to the President. He would say, "Now, look, I want this engine in every car right now," and he would forget Congress, because he operates that way. And I say this in all due respect to the man, because he is a great guy.

I think that Congress, in its collective thoughts, and I think the executive branch of Government of all departments, it wouldn't just be the Secretary of the Interior or the Secretary of Health, Education, and Welfare, I think then you would have to talk to even many people outside of Government, because if you decided to change that engine, say, in 1 year, I think you would have total chaos.

But I think that you could set those guidelines again, Senator. I think it is so important to say look, by this time somewhere, whether it is 5 years from now or whatever it might be, this should happen. We wouldn't want to say you have to use this engine. We would just set the pollution standards, and however they met that, then that would be their decision.

I think that at that point there would be pioneers, so to speak, within even the industries that are so well established, like you mentioned, General Motors, that would see the wisdom of what they are doing.

If I might digress a moment, I asked Bill Lear this one question. I said when you heat the water to make it steam, you are still going to have to pollute the air somewhat. He said, "Yes, but it is a very little amount compared to what is happening now."

So I would say that you still need, you are still going to have to have energy for power to heat the water to drive the turbine, and so there are many factors involved here that haven't been answered.

When that time comes, whenever it might be upon us, I would be in there trying to secure all the knowledge I could, to work with all the best people available to try to arrive at the ultimate, and that would be pure air. But to sit here in front of you and even indicate that I could come up with that answer, I would say this: I would fight collectively for the general welfare of the American people.

Senator NELSON. I might say, Governor, all through my political life I have really been not too interested in collective fights. I am always interested in what the individual fight is going to be.

I wouldn't care whether this was Mr. Lear or anybody else. This is going to be a tough confrontation.

The important thing in all of this it seems to me, Governor, is leadership. What I am wondering, what I am interested in is not a great consensus occurring before you act. Consensus occurs after somebody sticks his neck out.

As I say, this is going to come, whether it is Mr. Lear or somebody else, and there is going to be a massive political fight, because the

economic stake in the status quo is vast, in terms of suppliers, parts makers, gasoline, all companies, everything you could imagine.

My question is if an engine is developed that is pollution free and economically feasible, would you exercise all the influence of your position to battle the companies to force them to meet this standard or convert to the new engines. That is the real hard quesion.

Governor HICKEL. Senator, I think, if I might answer this in a roundabout way, if I may, one of the reasons I am being questioned so thoroughly is because that is the way I do act, you know, quite decisively and with a great deal of belief and all the strength I have.

If I were convinced that everything that you say, if I were convinced of all those thing you say, and they were true and they could happen, once I would be convinced I would fight with everything within my body to do it.

But taking into full consideration the total impact and the time involved, I don't think that we could do it just by doing it overnight, and I am not trying to evade. I am trying to be as practical as I can, and yet get the job done. I would do that.

I would go for the ultimate, but how, in there is a great gray area, because it won't be black and white, and I don't think any one man would make that decision.

I think it would be a difficult thing for one Congress to do it. But, yes, if something has to be done, because it is the worst polluter of the air, there isn't any doubt about that, and so if that engine were here and I think we could all agree that we could fight to phaseout and phasein.

Senator NELSON. I wasn't suggesting when we would have to make the decision, but one man does make a difference when he speaks.

Governor HICKEL. I understand.

Senator NELSON. And that was my concern.

Let me turn to one specific, directly and almost totally within your jurisdiction.

In September, or 3 or 4 months ago, a great tragedy occurred at Mannington, W. Va., in which 78 men died in a mine disaster. This is another confrontation that is going to occur in this session of the Congress, I hope, and I hope that the viewpoint of those who want to set some health standards in mines for the first time will prevail.

President Johnson sent a message to the Congress in September of 1968, September 20, I believe, of 1968, making recommendations on changing the Mine Safety Act, which of course, is within your Department.

Immediately, the president of the Bituminous Coal Operators Association, Mr. George Judy, said:

> I am horrified at the disaster, but let's not go off half-cocked. Are you taking airplanes out of the sky because they crack up and kill 78 people? A submarine went down here recently with people aboard. So far as I know they haven't shut down all the submarines.

I guess that is the most compelling argument Mr. Judy could think of against the proposal of the President.

The President made a recommendation with a number of specifics, and the Bureau of Mines has done a revision, of which I have an advance copy, which has strengthened the proposal over what the

President made in 1968. It involves two aspects. One of them is the terrible health hazard, pneumoconiosis, black lung disease, affecting perhaps 125,000 people in this country. So it involves health hazard in setting standards for dust in the air, and it sets safety standards.

The coal operators are going to fight it as they have fought it for years, and if the union leadership does as they have done in the past, they will not be very vigorous in fighting against the position of the coal owners themselves.

Now, what I want to ask is—I don't know whether you have seen the proposal the President made in September or not.

Governor HICKEL. No; I haven't.

Senator NELSON. I have just been advised by a note that the new bill was sent up to the Congress yesterday. This bill does a number of things.

One, there is a paragraph that directs the Secretary on pneumoconiosis which simply says that "He shall develop and promulgate mandatory health and safety standards for the protection of life and the prevention of injuries and occupational diseases."

The bill also applies safety standards for the first time to surface mines. Now this part is within the discretion of the Secretary. The HEW will propose guidelines and the enunciation of the standards on the health hazard aspects, the amount of dust that can be in the air per centimeter will be set by the Secretary. So they can be weak or they can be strong.

The industry is going to fight and always have, as I stated previously, and successfully so far as the Congress is concerned.

One, will you support some strong standards for the particle count of coal dust in the air, to protect the health of the miner in the provision that has been sent to the Congress?

Governor HICKEL. Thank you, Senator. I think any person in my position would. I think safety standards especially in the mines are something that we are probably behind on, and I think above all we will take advantage of all new technology that is available.

I think it probably won't be as costly as industry itself might think it would be. I think that in those guidelines that you read to me there, I think they are just minimal guidelines. I think they are most necessary, as I can understand them from here without reading them, and without a doubt no one would want to allow any operator to have, if I might use the words, sloppy safety standards.

I know that, as Governor of Alaska, we increased our safety program so we could go out and check on various jobs, to be sure that they were living up to the safety standards that we had. Once you set the standards, the most important thing is to enforce those standards.

Senator NELSON. As you may know, in 1949 they set standards in Great Britain. The number of new cases of pneumoconiosis diagnosed each year has fallen from a peak of 5,807 cases in 1949 to 1,213 in 1964, a decrease of 79 percent in a 15-year period, and all through this percent, which is no responsibility of yours, the Congress and the country have failed to establish standards. I think it is important, if this bill passes, one, it has the support of the Secretary; two, that it passes, that the standards be sufficiently strong to protect the miner and not weak ones which just satisfy the coal operators.

Now, the other provision of this bill, or provisions, require the use of water sprays which are automatically turned on by a rise in temperature at the main and secondary belt conveyor drives, which would reduce the time from 4 to 3 hours that immediately precede each shift examination of every active underground working place, expand programs of education and so forth, give the Secretary of HEW or have the Secretary of HEW develop the health criteria which would be used by the Secretary of Interior to formulate health standards, require that examinations for methane gas shall be made in all underground work, where electrical equipment is being used at intervals of not more than 20 minutes, require up-to-date accurate maps which show active workings, all worked out in abandoned areas, adjacent mine workings, water pools, oil and gas in such mine, eliminate the loophole on blasting powder.

The 1952 bill prohibits the use of black blasting powder unless the State in which the mine is located permits such blasting powder. That now all black blasting powder is prohibited.

Next, prohibit the transportation of explosives or detonators or mechanical loading machines, locomotives, cutting machines, et cetera. Require at least two separate and distinct travelable passageways to be designed as escape ways and be maintained in safe condition.

Require that each coal miner be given an annual chest X-ray, and cover the open face, the working face of the mine, which is where most of the accidents occur, and which isn't covered at all now; as a general proposition do you support this kind of legislation?

Governor HICKEL. Yes. Without knowing specifically or saying I am for that program, without studying the background and advice, as a general thing, yes.

Senator NELSON. To move to another area, Governor, this is the field of water pollution. Today incidentally the Secretary of Interior on his own, acting unilaterally, for which he is to be congratulated, put Lake Superior into a Federal-State conference. I think that a matter that would concern me about any Secretary, no matter who it was, is to have some understanding of how vigorously he is going to exercise the authority, the discretion that he has in interstate waters.

Under the present law any Governor, as you know, having been Governor, any Governor may under the law request a conference on interstate waters, and forthwith the Secretary will call it, even though it may be a body of water bordered by two or three other States in which the other Governors did not request a conference.

If the Governors do not request a conference, the Secretary still has the authority, if there is provable interstate pollution, to convene a conference involving the polluters, the State and the Federal Government on his own motion then.

Now this is my judgment very critical from the standpoint of water in this country, because I think it is fair to say that most Governors are reluctant, to put it as mildly as I can, are reluctant to initiate a conference because they don't like to get into a fight with all of the industries and all of the municipalities who are going to be required to stop the degradation of the water.

Now I asked for a conference a year or two ago, on Lake Superior. I have written to the Governors of my State, Minnesota and Michigan,

to get a conference, because this is one of the greatest bodies of fresh water on the face of the globe. The Governors didn't act, and I don't think they ever would have.

Now the Secretary exercised his discretion, his authority because there is provable interstate pollution, and he threw it in conference. Now that takes care of Lake Superior as far as the conference is concerned, Lake Michigan, the same, and Lake Erie.

But just to take a look now at one body of water, one of the greatest rivers in the world, the Mississippi. On the Mississippi River there is a conference underway starting at the Minnesota River at Minneapolis, running down to the confluence of the St. Croix River and the Mississippi. That is in conference because Governor Rolvaag and Governor Reynolds asked for it. There are a couple of other relatively small conferences on that river, and one substantial one at the bottom of the river involving pesticides.

My specific question, I think it is critically important in terms of that body of water, is what will you do about putting the rest of that river into conference? Under the history of this law, there have been 45 Federal-State conferences, and the Secretary of the Interior initiated, on his own motion, on his own authority without the request of any Governor 29 of them, and the States initiated 16, and most of those, as I looked at them on the map, weren't really big and substantial waters.

So the Secretary has been the driving force behind putting interstate water into Federal-State conferences, even though the Governors of the abutting States wouldn't ask for them.

Now, the tough question comes when you take a look at the Mississippi. I would like to ask you these questions about it. It is a polluted river. That fact you could prove in court. That is why the upper Mississippi was able to—that is why the Governors requested it. Governor Reynolds and Governor Rolvaag, who both went out of office shortly thereafter. That is why maybe other Governors don't call them.

It is polluted all the way to the Gulf of Mexico. It is a border river all the way to the Gulf of Mexico. It is interstate waters. It is in the jurisdiction of the Interior Department, the Secretary has the authority to put them into conference.

My question is will you, following an orderly procedure within a reasonable time, if the Governor of my State and the Governor of Minnesota do not ask for a conference on the Mississippi within a reasonable time, and I think it ought to be within a year, for that portion running from Prescott all the way down to the Wisconsin border, over 150 miles perhaps, if they don't request a conference, will the Secretary, if you were Secretary? Would you put that portion of the river into a Federal-State conference?

Governor HICKEL. Thank you, Senator. If I really understood what you stated to me was that some of the States bordering the Mississippi have called a conference. Was that right or wrong?

Senator NELSON. Yes.

Governor HICKEL. Some of the States have?

Senator NELSON. There is a little strip in Wisconsin from Minneapolis to Prescott which might be 60 miles. There is a strip in Illinois which is about 29 miles. There is another strip on the border of Missouri and Illinois where the Missouri comes in, which is a few miles.

Then there is a fairly long portion starting in Arkansas down to the gulf, but it really only involves—it was initiated by the Secretary of the Department of Health, Education, and Welfare at the time they had a dramatic pollution of that river with dieldrin or some herbicide which killed millions of fish. They put it in for that purpose, but not for the purpose of dealing with municipal and industrial pollution, so most of that river isn't yet in a Federal conference, and most of these Governors aren't asking for any.

My question is, they are sitting there not asking for a conference. It is interstate waters. It is polluted. You have the power.

Will you exercise it and put in conference the Mississippi in my State and Minnesota, Iowa, and Wisconsin, that portion in Iowa and Illinois, the Missouri and Illinois, Arkansas, Kentucky, Tennessee, Mississippi, and Louisiana?

Now, of course, you wouldn't do that in the lower part until we settled the question of the Missouri, which is above. If these Governors don't ask for a conference within a reasonable time, and I think an unreasonable time has gone by now, will you as Secretary move on your own motion to put them into a Federal-State conference?

Governor HICKEL. Senator, without answering your question yes or no, it seems to be—and not evading the question—it seems to be quite involved, and I would like to get a better feel of it and get a better look at it and see why they haven't called it. Obviously they haven't called it, if I read you right, because of political reasons. Would that be a fair statement?

Senator NELSON. You have described it as well as I could.

Governor HICKEL. OK. And the river is polluted so it is a public problem. I think that is the only time really the Federal Government should intervene. If they have the problem and won't solve it, or if they can't solve it, and obviously they can't solve it by themselves. Then the Federal Government has a responsibility to act.

Senator NELSON. They could solve this problem by any one of those Governors saying to you "I want a conference." I don't think they are going to do it for the political reason you mention, that is, they don't want to get into a fight with their industrialists and with their municipalities. Therefore that is why our Secretary, Secretary Udall, has moved time after time, because Governors wouldn't move. That is why I want to know will you pursue a vigorous policy.

Governor HICKEL. If I might ask the question, Did Secretary Udall have some specific reason for not designating this under Federal control? Is it something that I don't know about?

Senator NELSON. In looking at the total number, you have one problem. You can only have so many conferences at a time, since the Interior Department has a limited number of people, and when they put a team of 18 or 20 people into the upper Mississippi for that 60-mile stretch, for whatever it takes, a month or two to inventory all sources of pollution, of course that team can't be on Lake Michigan, Lake Superior or some place else. So there is always the limitation of how many personnel you have.

In viewing what he has done closely over the years, that team has been busy all the time. In fact, when I tried to get him to call one on Lake Michigan because I couldn't get either Romney or Kerner nor

my Governor to call one, my recollection is that he didn't have a team, for one thing.

My question is, if the personnel is available, if the Governors don't call for a conference and that the interstate waters are polluted would you call it?

Governor HICKEL. I think with the ifs that you have put in there, with the lack of political continuity or touching base all around, I think I would. I would have a tendency to say look, let's solve this problem.

Now, how do we do it? Now, if they didn't do it and you had a polluted river, I would favor calling a conference to find out what we could do about it. I wouldn't have any hesitancy in calling a conference.

Senator NELSON. Thank you.

What is your view about the problem that is presented by the use of pesticides and herbicides?

The Interior Department uses pesticides extensively. So does Agriculture and Forestry. So do farmers and State governments and conservation departments and so forth.

What is your view about the use of these slow degrading pesticides and herbicides, and what implications do you think their use has in terms of environmental quality and its effect, ecological effects?

Governor HICKEL. I only have a very personal and very limited knowledge of the problem. I know that its extensive use, as you mentioned is by farmers, the forest service, and the Government, probably one of the big users.

I am not aware nor do I have enough background or knowledge to know how that affects the environment at this time, but I do know, for example, mesquite control can cause environmental problems. If you have great areas of natural beauty, flowers and things like that around a lake it has some detrimental value. Some of the other ones possibly have a detrimental value from a health standpoint.

I think somewhere along the line, again if there aren't some guidelines, and I hate to keep using the word "guidelines" but some way, if it keeps multiplying in the amount used, year after year after year, you are bound to have some kind of a problem, and how to rectify that problem at this time I couldn't say.

I just don't know, but I think it is one that is worthy of research, and research I know really doesn't accomplish anything except give you the facts. But once you have the facts, then you can make a reasonable decision of whether or not control is needed. Beyond that I just don't have an opinion.

Senator NELSON. I raise the question because I think that it isn't a question of that it could be a problem. I think it is a disaster right now. It isn't as though the indiscriminate use of herbicides and pesticides might do environmental damage.

The facts are that damage is being done on a colossal basis, and we have got to have some dramatic leadership to eliminate from the marketplace the slow-degrading herbicides and pesticides.

There are 10,000 manufacturers producing more than a billion pounds of pesticides annually, and 100 million pounds of it is DDT. In fact, in a 10-year period we sprayed 1,450 million pounds of DDT into the atmosphere in this country.

The best reports I get is that about 1 acre in every 10 in America is treated with an average of 4 pounds of pesticides per year. Now, the disaster is already here.

DDT is found in the fatty tissue of the penguin in the Antarctic, and there has never been anybody using it there. Of 400 marine creatures examined and studied about 4 years ago in the ocean, 396 of them had DDT in them, 396 out of 400. The fatty tissue of the muskrat in my State has DDT in it. The bald eagle and the pelican falcon and the carrion eaters are being destroyed in America. The bald eagle is being sterilized apparently because it inhibits the capacity of the female eagle to lay down an adequate supply of calcium to hold the chick until it hatches. It is in the fatty tissue of the deer.

I would suggest that there isn't a single wild creature in your State of Alaska that doesn't have DDT in its fatty tissue. It is accumulating in the liver of human beings. It is a disaster situation right now.

Somebody has got to make a dramatic fight to knock out the use of such pesticides as DDT. This involves the total environment in every creature that is within your jurisdiction which is affected by it. That is why I raised the question of what your view is about this.

I know what the fight is. That is the next crunch. You will fight the Farm Bureau and the Farm Union and the Grange. You will fight all the manufacturers in this country, and the entomologists who are on retainers who will tell you you are scientifically wrong, but I want to know will you make a fight on this.

Secretary Udall has expressed himself time after time about this disastrous situation developing, and it is a fight that has to be made. I want to know where you stand on it.

Governor HICKEL. Senator, I would like to have a little humor at this point, if I might. It looks like you are going to have me fighting everybody in the country, so you had better confirm me because I know how to fight.

Senator NELSON. That is the kind of job you have got if you do the job right, fighting everybody in the country.

Governor HICKEL. I don't have the basic knowledge of what you tell me. However, as soon as I get those facts within my jurisdiction and study them, I have no fear of making a fight.

I don't know in what direction we would have to go. Obviously it would take legislation. I don't think it could be done without legislation.

Senator NELSON. I have the legislation that is going in again, three bills, and I would be very happy to have you come over and support those three bills.

Governor HICKEL. We might have the fight in Congress. We might have to fight together.

Senator NELSON. Well, all right, let's move to one of the significant polluters, which is another big group on which there has got to be a confrontation, and that is the soap and detergent industry, and since a lot of loyal money is in soap and detergents, the fight is with them.

The detergents that are on the market place, the cheap pollutant factor in them is phosphate. It is a fertilizer. It is contributing dramatically to the putrefaction of all of the lakes wherever it goes.

What is your view about supporting programs to get the phosphates out of the detergents or get them off the marketplace? This is a pollutant that is of great significance in the country.

Governor HICKEL. Senator, I have to take the same kind of approach. I don't know at this time what to do. I am willing to do what I could to try to study the situation and find out what has to be done.

Again I think that we would all have to sit down and try to figure out what we are going to do about the problem. I have no fear of leading if I know just exactly what to do.

Beyond that I would be repetitious. I am not afraid. I would want to fight with all the knowledge that I could get around me and all the men like yourself to help fight. But I think it is a problem and I think we are going to have face it. I have no fear of facing it.

Senator NELSON. I don't want to sound repetitious, Governor, but I have another one I want to ask you.

Governor HICKEL. Who do we fight this time?

Senator NELSON. The problem that is coming to us now, just now, is the problem of the power industry moving into atomic power. There are proposals I am told, as best I understand it, proposals right now for six atomic generating powerplants on Lake Michigan.

The problem that atomic power generation on our waters is going to create, the most difficult one as far as I know, apart from perhaps some disaster that contaminates the lake with atomic energy, is thermal pollution. I would like your view on what your feeling is about the question of the thermal pollution of our waters.

Governor HICKEL. Obviously no one wants to pollute the waters. Basically is there scientific knowledge available that the output from the thermal plant can be kept at a certain standard? Obviously they couldn't put it in to pollute, because if they did, they would be breaking down all the things we are trying to resolve at this time.

It may be, if that can't be solved in some manner acceptable to all those concerned, maybe we should take another look at thermal power, and I don't say that as a basic thing. I am just trying to figure out how we can solve the problem. I really don't know.

Senator NELSON. I doubt very much whether it is a good thing to add heat to any natural water course, but these big plants add a tremendous amount of heat, using hundreds of millions of gallons of water. I would not like to see them go on to these lakes in any event.

But if they do go on, the fight, the confrontation then, if they win that battle, the Atomic Energy Commission doesn't seem to care anything about thermal pollution, that is not their jurisdiction, if they go on and fight, the confrontation then is do you require them to build cooling towers in order to at lesat reduce the temperature of the water, so that you don't upset the balance within the lake as it goes in. I just raise this question to inquire whether you are familiar with this problem.

Governor HICKEL. Yes.

Senator NELSON. And what it might mean to important bodies of water.

Governor HICKEL. Well, I think we can set the guidelines on situations like that, and the cooling towers should become part of the capital investment and the total cost of the power generation.

It may be when you set those guidelines that they have to have this cooling tower tied in with the capital cost, we will have to look again to see whether they are in a competitive situation. But the cooling tower makes a lot of sense. Or there may be a vast cooling pond separated from the lake.

Senator NELSON. Another problem that affects the ports of all of our cities, and you are a port State as you are aware of, and particularly dangerous to the Great Lakes, is the dumping of oil ballast into the lakes on which there is not presently a law that gives the Secretary jurisdiction to do anything about it.

And the other one is the dumping of raw sewage from ships into the Great Lakes as well as into ports elsewhere.

Will you support legislation that would require the installation of sewage treatment plants on ships, and if they did not comply with that requirement, that holding tanks be installed so that they can discharge in a port rather than in the lakes?

Governor HICKEL. First, let's take the oil pollution. I think that the tanker situation can be handled. We had such an act in Alaska, and as you know, we have seized a ship for polluting our waters, a tanker polluting our waters.

I don't know what is involved at this time in a holding tank on a ship. I don't know how practical it is. I know something has to be done with the raw sewage that is dumped out, and even some on small boats on the various lakes leads to pollution to a great extent.

Somewhere someone is going to come up with maybe not a simple solution but a solution that will solve the problem that we can adequately enforce. I think we have to look into the situation and try to set some kind of a minimum standard to start with, to alleviate this problem that small boats and all boats have. I think the tanker situation can be handled.

Senator NELSON. The Secretary has jurisdiction over water. According to the best estimates of the hydrologists, we are going to be using the total American water supply by the year 1980, that is as of today we are using 300 to 400 billion gallons of water per day.

Where is a total available supply of 600 billion gallons a day that can be recaptured from the atmosphere, the rivers and the underground sources without depleting, so by 1980 we will be using the total available American supply.

By the year 2000 we will be using 1,200 billion gallons of water per day, which is twice the national supply. That makes it obvious that clean water—this makes it obvious that you are going to use all water twice on the average, but that won't be the case in metropolitan areas. You are going to launder it and use it 30 times. It will be 30 very expensive launderings.

Just one aspect of this that concerns me, and I would like your viewpoint about. Included in this total national supply of water is the water that is in the underground aquifers. The problem is this: In the Central Valley, Calif., for example, the big railroads, I think this one is the Southern Pacific, owns 55,000 acres. There are other big holders, and they irrigate, and they pull out more water than nature is capable of returning.

Out there what happened was that they dropped the water level by heavy irrigation, by 50 to 75 to 80 feet down to 300 feet. Then they hit what is called the Corcoran clay, which is 300 feet deep. They punched through it. They drew the water level down to 1,200 feet. They hit brackish water. They came to Congress and got a $500 million reclamation project for the purpose of irrigation, but part of the purpose to restore the underground aquifer.

Out in that vast aquifer in the five states, Colorado, the Ogalala Basin, that one if depleted will never be restored, because of the geological development. It can't be restored in a million years.

It has got 80 million acre-feet of water in it. If that basin is permitted to be depleted by irrigators, which they will do, depleted by irrigators, than you have depleted that for practically all time to come, that vast Ogalala Basin of 80 million acre-feet of water.

Do you have any views about what we ought to do, at least in the interstate basins such as this one, about prohibiting irrigators, farmers, and this is another fight with the big ones, and out there you may be in a fight with some of those as big as Gates Rubber.

What is your view about supporting legislation in the interstate basins that will simply say that you can only withdraw from an aquifer water for irrigation equivalent to the amount that nature can normally restore on an annual basis?

Governor HICKEL. Senator, first I would like to say that maybe it would be better if the desalinization program was accelerated, and I don't know whether a certain amount of money more would expedite that program or not. I don't know. But if it would, we should do that.

I think the solution to the problem as you have mentioned it, by the year 2000, is going to be the use of the ocean waters.

To answer your question specifically about whether we should have legislation prohibiting irrigation beyond that which would be I think what you mentioned, an annual rainfall, or resupply the basin, obviously the rainfall isn't sufficient to grow anything at this time, so consequently if you limit it to that, irrigation would be probably not sufficient to grow the crops we are growing now.

So I think the real positive thing to do is try to figure out how it can be, and how quick can we and how economically can we desalt the ocean waters and use them for the purposes that we need to use them.

I think this is an area where Government should spend more money on research. I am not criticizing the programs that have been before us, but I think more of this research and planning has to come about very, very soon. In fact we are going to have to sort of telescope time, because the press of population is going to be upon us, and in those lines I would lead the fight.

I would be one of the guys that would really lead the fight to do those things that I think could be done in a positive way. We are worried about money at this time, and I know that is important, but I think it would be money well spent, and the sooner the better.

Senator NELSON. The Ogalala aquifer is in the Plain States, and you can't use irrigation water, desalinated water from the oceans for that. The question is, Do we stop the big landowners from withdrawing more water, whether it be in Central Valley, Calif., or wherever it may be in this country that nature can restore?

In other words, do you let them mine the asset and destroy it, or do we make a fight to have them use the amount of water that nature can continually place into the cycle?

Governor HICKEL. If I could comment a bit more on that, Senator, I think that if we could use the ocean water, especially in those populated coastal States, then we might be able to—this is a bad word—divert some of the water that is going in there now back to these areas that are farther away from the coast.

Senator NELSON. I, of course, hope that you are right that desalinzation would be an important factor in our water supply. You make the observation that the one problem on desalinization that they haven't figured out yet is what do you do with the salt to get rid of it. If you put it on the land, you pollute all the land.

You are going to have millions and millions of tons of salt when you extract the salt from the water. If you put it on the land, you pollute every watercourse through which that salt runs.

If you are going to haul it back out in the ocean, you had better be careful if you put it in an estuary, put it in a bay, you will destroy the whole balance of nature and the breeding grounds there. If you are going to put it far enough out in the ocean for it to dilute, the price of the water is going up, and none of them are talking about that cost factor.

I would like to ask a question, and this will be my last one——

Senator ALLOTT. Will the Senator yield for just one remark about the Ogalala Basin, since you mentioned my State?

Senator NELSON. Yes.

Senator ALLOTT. I wonder if he is aware that Colorado passed, in 1966, a very stringent ground water law, and I think I would like to inform the Senator that even prior to the time that that was passed, the farmers in the area over the Ogalala Basin, Colorado had already taken voluntary steps to greatly limit the withdrawal from that basin. Is the Senator aware of that?

Cenator NELSON. Yes. The President of the Farmers Union of Colorado testified at hearings I conducted in Ohio. He advised me of that—or rather conducted in Nebraska last fall. I commend the farmers out there.

Senator ALLOTT. I just don't want the record to leave the implication here that nobody was attempting to deal with it, because the question of underground water is one that has been studied, I think, by the best minds that I know of in the West for many years. It is a very difficult one. And if some of these other questions are complicated, then this is triply complicated.

But we have and are taking great steps forward. We passed a very strict underground water law in Colorado, and as far as the Ogalala structure is concerned, I think actually the replenishment is greater than the Senator seems to think it is. Any water supply is depletable if you want to deplete it.

Senator NELSON. The best estimate I have been able to get is that it is restorable at 450,000 acre-feet per year. I think the Colorado farmers' problem with the Ogalala Basin is that if the rest of the States don't do the same thing they could still deplete Colorado's water supply by overdrawing in another State.

Senator ALLOTT. That is possible.

Senator NELSON. The final question I would like to ask you to comment on is this: The leading scientists in the field of ecology and biology particularly and in almost every other discipline, have been warning us now for several years that due to a vast number of intrusions of man on nature, whether it is pollution aspects and so forth, that this country is directly, specifically, this country and the world, specifically and quite rapidly heading toward what many of them describe as simply an environmental disaster.

I think any study of what we are doing will tell us that, whether it is a study of what we have done to the water or to the air or what we have done to animals and what we have done to insects and creatures with pesticides and herbicides in the soil.

So just to understand some of your philosophy as Secretary of Interior, I would like to have you direct yourself to that. Over the past 8 years I think one of the critically important things that Secretary Udall did was to provide an imaginative leadership as a spokesman, addressing himself to the whole total environmental question.

We are on our way, I think, to destroying all the oceans of the world. You don't have to destroy them where they are 10 miles deep or 20 miles deep. All you have to do is destroy all the estuaries in the bay, we are doing that off every city, and you destroy a major portion, the productivity of that vast body of water.

Every knowledgeable scientist is alarmed. He is not mildly alarmed. He is alarmed.

I just wonder if you would sort of give us your concepts, your philosophy, your ideas about the breadth and depth of this environmental problem, what you think about it, what is involved in it, what kind of leadership you would give as a spokesman for the most important position in this country respecting this problem, so that I would understand better your feelings and philosophy.

Governor HICKEL. Thank you, Senator. I am not at all deeply versed in the subject you are talking about. I know the problems. I know the problems, for example, like the State of Florida. I know somewhat the problems of the areas in California. Obviously I know the problems that we have in the thousands of miles of coastline in Alaska.

I think it is a real problem, especially in the great bays where the estuaries are located. I think beyond that I would say that one of the things we should push for the most is for advanced research and knowledge of the potential not only of our oceans but more specifically our continental shelves.

I think in there lies the real salvation of feeding the underdeveloped nations of the world and the hunger of the world, and I think we are doing a great job along those lines, but I don't think we are moving fast enough.

The reason we aren't moving is for a very basic, simple reason, because we didn't have to, and that is generally the thing that motivates a system such as ours.

But I think that we are going to have to, as leaders in government, press the idea that it is important, and that the time has come when we are going to solve the problems of underdeveloped and hungry people of the world, we are going to have to explore the idea where are we going to get this food and how is it going to be replenished.

I think a great deal of that solution will come out of not only the vast oceans, but more specifically the continental shelves around the earth.

Senator NELSON. Is that the total you have to say about the whole environmental problem?

Governor HICKEL. I guess I could keep on talking. I have the general philosophy of the problem, and I have a feel for and want to do something about it.

Senator NELSON. I neglected to ask one question some time back, and then I will quit. You have commented on this I have noticed in the paper.

One of the problems in the water pollution area, as you are well aware, is that enforcement actions against industry and municipalities cost money. There isn't any question about that. I don't think there is any question but what the return is greater than the expenditure, in the total picture by far, it costs money.

What we have done for years is to give Federal aid to municipalities, which amounted to 30 percent of the cost of the sewage treatment plant, for example, with a maximum limit that didn't do much good for our big cities.

Then Senator Muskie, who is the authority in the Senate on this whole question, led an excellent fight on the water act in 1965 and raised the matching funds as high as he could get by with.

This issue is going to be back before us, because now we are getting wider and wider enforcement, more and more interstate conferences, more and more municipalities which are saying we are at our bonding limit. What do we do?

I have proposed a number of times that we ought to use the same formula in supporting the municipalities as we used in supporting the States, when we told them we were going to build a Federal interstate limited access commercial-defense highway, for which we appropriated 90 percent of the money, the States 10 percent, and then we proceeded.

One, will you support a higher Federal matching fund in order to make it feasible (1) for the municipilities to do it, (2) in order for the Federal Government to, in good conscience, proceed very expeditiously, because if they are only going to pick up 10 percent or share that 10 percent with the State, then the municipalities and the State have no excuse for not doing it.

Governor HICKEL. Senator, I think you have touched on a good point. I think that decision would have to be made first possibly at the President's level, because it would be a considerable budgetary item. I don't know what priority you would set, and I think that this would have a high priority. But I think it would be one of setting priorities of what could we attain first that was the most important.

I think that possibly you wouldn't have to go to 90 percent. I don't know that. I haven't studied it. Maybe you would go 50–50.

Maybe you find out through some kind of research, and I don't want to belabor that, or a study of just about what could municipalities afford to carry on their own. Maybe you would have a combination of municipality, State, and Federal participation. Maybe the Federal Government would put up 50 percent.

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I think it would be one in trying to realistically do the job. If you made it 90 percent, and I am not saying you couldn't, but if you made it 90 percent, I am sure it would be quite an impact upon the budget, and then would you slow down the projects or would you get more projects by just raising it 50 or 60 percent and try to work out another formula.

I would be willing to push for anything in the direction that would solve the problem, and I don't know exactly what solution would be. But after looking at the problem, and making myself acquainted with it, and trying to seriously solve it, I think we could come up with some recommendation. But you would definitely find me in the corner of trying to get the problem alleviated.

Senator NELSON. Thank you, Governor. Those are all the questions I have.

Senator ALLOTT. Mr. Chairman, I am going to suggest that we adjourn this session very shortly. I believe the Governor was on the stand some 5 hours yesterday. He was again on some 4 or four and a half hours today, and that I think is about all we should ask of any one person. But I have one matter I would like to clear up in the record before we adjourn, if that is what the chairman decides to do.

There has been a lot said in the newspapers irresponsibly by various people attempting to connect by insinuation and implication the Governor of Alaska with what I suppose are supposed to be odious personalities. I read from the Washington Merry-Go-Round in the Washington Post, the first paragraph on Monday, December 23, 1968, by Drew Pearson and Jack Anderson. I want to read the caption at the head of this column. It is a honey:

"Oil Tycoon Paid Nixon a Secret Visit," by Drew Pearson and Jack Anderson.

"One of the most interesting callers on President-elect Nixon, while he was deciding on his Cabinet, was Robert Orville Anderson, chairman of the gigantic Atlantic Richfield oil complex. For some reason not explained but suspicious on its face, Anderson rode up to see Nixon on the Hotel Pierre's service elevator."

I wanted to bring this up while the distinguished Senator from New Mexico was here, but he told me that he had to leave, and he was as interested in having me bring this matter up as I was. I personally have known Mr. Anderson for several years, but quite casually. He is a man, I think one of the finest men I know in the country.

After Mr. Walter Papke died, Mr. Anderson took over the leadership in Aspen Institute. It is unique in the quality of its studies and its meetings, and we regard him, in a second-hand sort of way I suppose, as a Coloradan, although his home I believe, his legal home or residence is in New Mexico.

After talking with Senator Anderson yesterday afternoon, on leaving this meeting I called Mr. Anderson in New York. I want to read—and informed him of this article. I also had a letter from one of his assistants previous to this, saying there was no substance to it. But I want to read into the record this telegram which I received from him, in which I asked for this morning. It is dated January 15, 1969, which is yesterday, sent at 7:52, I guess, from New York:

HON. GORDON ALLOTT,
New Senate Office Building,
Washington, D.C.:

Confirming our conversation of this afternoon regarding certain allegations in Drew Pearson's column of December 23, 1968 and subsequently, I wish to confirm my statement that these allegations are completely without fact.

I have not seen or talked to President-Elect Nixon since the November election, and am completely mystified about how such a statement could have been made. Mrs. Anderson and I have an apartment in New York at the Hotel Pierre, and I can only assume that there has been some confusion regarding identity. Furthermore, I am not given to riding freight elevators.

Best wishes.

ROBERT O. ANDERSON,
Chairman, Atlantic Richfield Co.

I think that is all I want to cover at this time, Mr. Chairman. I might say, Mr. Chairman, I had a letter from Mr. Crompton prior to this. It was addressed to Mr. Helmig of his company here, but in this Mr. Crompton said:

The Associated Press in Washington which inquired earlier today about which Mr. Anderson is Drew Pearson talking about, later advised me that they had ascertained that Mr. Robert B. Anderson, former Secretary of the Treasury, did indeed have an appointment to see the President-Elect on December 9 at the Hotel Pierre.

I think it is necessary to clear the record on this, not because there is anything wrong in any person discussing with the President-elect the nature and composition of his staff or his Cabinet, but particularly because this statement that I have read here is absolutely without basis in fact, and so also are many of the other newspaper articles that have been printed as a result of the campaigns that have been put on, on this matter.

The CHAIRMAN. Thank you, Senator Allott.

Senator Bellmon, I first of all want to extend to you a very warm welcome to this committee. The House committee has had someone from Oklahoma for quite a while. We are delighted that you have agreed to join the Senate Interior Committee, and I want to wish you well.

I want to ask you this. It is now 4 o'clock. Senator Allott has pointed out the Governor has been on the stand here a long time. We do have a reception at 5. My suggestion would be that we resume at 10, but if you have some matter and you would be the first one on tomorrow, would that be agreeable?

Senator BELLMON. Mr. Chairman, that is very agreeable.

The CHAIRMAN. All right. Without objection, then, the committee will resume its sitting tomorow at 10 o'clock.

Thank you.

(Whereupon, at 4 p.m., the committee was in recess, to reconvene at 10 a.m., Friday, January 17, 1969.)

NOMINATION OF GOV. WALTER J. HICKEL, OF ALASKA, TO BE SECRETARY OF THE INTERIOR

FRIDAY, JANUARY 17, 1969

U.S. SENATE,
COMMITTEE ON INTERIOR AND INSULAR AFFAIRS,
Washington, D.C.

The committee met, pursuant to recess, at 10:20 a.m., in room 1202, New Senate Office Building, Senator Henry M. Jackson (chairman) presiding.

Present: Senators Jackson, Anderson, Bible, Church, Moss, Burdick, McGovern, Nelson, Metcalf, Gravel, Allott, Jordan of Idaho, Fannin, Hansen, Hatfield, and Stevens.

Also present: Jerry Verkler, staff director; Stewart French, chief counsel; William Van Ness, special assistant; James Gamble, professional staff member; Roy Whitacre, professional staff member; Porter Ward, professional staff member; Dan Dreyfus, professional staff member; and Charles Cook, minority counsel.

The CHAIRMAN. The committee will come to order.

At the last hour the Chair announced that Senator Bellmon, the Senator from Oklahoma, would be recognized first this morning to ask questions. Senator Bellmon has been called out of the city and will not be able to ask those questions this morning. However, Senator Allott has been given a copy of the questions and he will ask the questions for Senator Bellmon.

Senator Allott.

STATEMENT OF GOV. WALTER J. HICKEL, GOVERNOR OF THE STATE OF ALASKA, NOMINEE TO BE SECRETARY OF THE DEPARTMENT OF THE INTERIOR—Resumed

Senator ALLOTT. Thank you, Mr. Chairman.

These questions, Governor, are submitted to you on behalf of Senator Bellmon, who had to leave town this morning.

Governor Hickel, during the early stages of your testimony before the committee, you indicated an interest in reorganizing, consolidating, and revitalizing the Department of the Interior with the goal of eliminating possible overlapping of responsibility with other agencies. I believe you specifically mentioned the Department of Agriculture. It is my impression that you felt that the Department of the Interior might possibly assume some of the presently held responsibilities by other agencies.

Having served as Governor, I recognize the difficulties inherent when any reorganizational program is undertaken in obtaining the cooperation of administrators who are asked to surrender a section of

their department to another agency of the Government. My question to you is, Should the Congress make the decision that a portion of the responsibilities of the Department of Interior might be properly transferred to another agency? Would you personally cooperate in such a move and use the full powers of your office to assist making certain that your subordinates were equally cooperative?

Governor HICKEL. Thank you, Senator.

Yes, I would, Senator.

Senator ALLOTT. And on my own behalf I think it only calls for a yes answer, but I am sure you realize that this particular question that he refers to has been a matter of controversy in this Government for many, many years. It is not new.

The second question in behalf of Senator Bellmon is as follows:

In a message to Congress delivered March 6, 1968, House Document 373, President Johnson cited many statistics showing the deplorable condition of the American Indian. I would like to quote some of these figures for the record. I understand that the welfare of our Indian citizens has been the primary responsibility of the Department of Interior for well over 100 years, and yet here is the result according to President Johnson's message:

Nonemployment rate: Indian 40 percent, national average 3.5 percent.

Average age of death: Indian 44 years, national average 65 years.

Fifty percent of Indians in school drop out before finishing high school, double the national average.

Infant mortality rate is 12 percent above national average.

Tuberculosis rate is five times national average.

Fifty percent of Indian families have an income below $2,000 a year.

Seventy-five percent have an annual income below $3,000 a year.

As Governor of Alaska, I am sure you have personal knowledge of these conditions, and that you have dealt with the problem on a first-hand basis.

My question is, Do you feel that, as Secretary of the Department of Interior, you could work effectively to improve the lot of our American Indian citizens and improve their opportunities for entering into the mainstream of American life?

Governor HICKEL. Thank you, Senator.

I think that without a doubt that is one of the great problems facing the Department of Interior, and I know that Secretary Udall recognized this. He spoke to me about it personally and he said it publicly.

I believe that something can be done and I will assure you that as Secretary of Interior I will do my utmost to alleviate the conditions that I know exist throughout America, with the Indian people.

Senator ALLOTT. Thank you.

The third question is as follows:

In listening to your testimony it is clear that a vast difference in land ownership conditions exists between the various States. In checking the record, I find that in Alaska 98 percent of the land area is publicly owned. Similar conditions exist in several of the Western States where more than 80 percent of the land is in the public domain. By contrast in the State of Kansas, 99 percent of the land is privately

owned. In Vermont 93 percent of the land is under private control, and in New York State 89 percent of the land is private. In fact, generally the more populous States have the smallest area of public lands.

In my opinion, your testimony has indicated that you have had a great deal of experience in dealing with the problems of fish and game management on the public lands. However, in the area where no sizable amount of public lands remain, the pressure from our urban citizens for outdoor recreational areas is intense. So far as I can discover, no general satisfactory method has been developed to encourage the production of fish and wildlife on private property, and to establish a means whereby all citizens from the urban areas will feel welcome to enter private lands for recreational purposes. In fact, there is a continuing and apparently growing feeling of ill-will between farm and ranch owners and outdoor men who, in many cases, are looked upon as trespassers and who, in some cases, are guilty of acts of carelessness and vandalism.

My question to you is, Would you, as Secretary of Interior, assume a leadership role and work actively with the State Wildlife Departments and private landowners to develop a workable system of multiple use of private lands so that in addition to normal timber, livestock, and crop production, the outdoor recreational potential of these areas could be more successfully developed and utilized?

I might say, Mr. Chairman, I would like to insert one comment on this. I did not have an opportunity to read these. I think really there is a constitutional question involved in the question of the Senator, but I will leave it to you to answer.

Governor HICKEL. Thank you, Senator.

I think we should encourage full utilization and expansion of our wildlife, our fish and wildlife throughout America, but as far as my authority would be concerned, I would do anything and everything possible to bring about such an act.

Senator ALLOTT. And the last question is this:

While I realize you have not had the opportunity to thoroughly study and familiarize yourself with the full scope of the Department of Interior, I would like to call your attention to the Southwest Power Administration, which is a branch of the Department. In an order extending confirmation and approval of rates for sale of electric power and energy for an interim period, docket E7172, issued August 15—Mr. Chairman, this says 1969. I am sure it is a mistype. It is probably 1968—the Federal Power Commission has pointed out that:

> SWPA is in its 26th year of operation and to date has not met its scheduled payment of obligations. As shown in the 1967 study, at the end of Fiscal Year 1966 the accumulated power investment in hydroelectric projects and associated transmission facilities was $410,328,728. Accumulated revenues have been sufficient to pay all operating costs, but have fallen $41,474,048 short of paying interest charges on the investments in generation and transmission facilities. As a result the investment to be repaid at the end of Fiscal Year 1966 totalled $451,802,776. The initial investment costs of power generation and transmission facilities are estimated to increase to about $729 million when the eight hydroelectric projects under construction are completed in 1975. There are many factors—

I am continuing quoting from the Federal Power Commission—

There are many factors which could alter SWPA's estimates of future revenues and costs. Our review indicates, however, that with eight new projects being added to the system, and if prudent market practices are followed, marked improvement in SWPA's financial condition can be obtained.

My question is, as Secretary of Interior will you cause a careful examination to be made into the operation of Southwestern Power Administration and prepare recommendations for improving the economic management of this agency?

Governor HICKEL. Thank you, Senator.

Yes; as Secretary of Interior, Senator, I will do such a request.

Senator ALLOTT. I have just one further note from Senator Bellmon. He says:

I would appreciate your expressing in my behalf support for the position expressed by Governor Hickel and congratulate him upon his conduct before this committee.

That is all I have, Mr. Chairman.

Governor HICKEL. Thank you, Senator.

The CHAIRMAN. Thank you, Senator Allott.

The Chair has a prepared statement which he would like to make in connection with the land freeze matter. Copies of this will be available to the press a little later as soon as they are run off.

Governor, during yesterday morning's session I asked you a number of questions concerning your intentions or plans for dealing with the land freeze in the State of Alaska. Now as I understand your answers to these questions, we had arrived at a clear understanding that no action would be taken by you as Secretary of the Interior to lift the land freeze or otherwise change the status quo unless, in your judgment and in the judgment of this committee, such action would be necessary in the public interest and would not in any way infringe upon the rights of the natives.

I have been informed that while I was called out of the hearing room yesterday you responded to the questions of Senator McGovern and other Senators on this same subject. The concern has been expressed that in your answers you may have modified somewhat the understanding which I thought we had attained.

I would appreciate it if you would clarify this matter for me once again and make clear whether my recollection of yesterday morning's understanding is correct, and represents your present position on this matter.

Before you respond, however, I want to briefly review the land freeze issue, and some of the problems involved as I understand them.

On December 11, 1968, Secretary Udall announced that, pursuant to authority vested in the President and delegated to the Secretary, he had approved the filing of an application for temporary withdrawal of all unreserved public lands in Alaska. The Secretary's action would continue an informal policy the department has followed for some time.

The purpose of the withdrawal is to, and I now quote from the letter in part:

* * * protect the right of the Alaskan natives and the opportunity of Congress to give the matter deliberative attention by preserving the status quo in aid and

anticipation of legislation in the 91st Congress to resolve their long-standing claims. Progress towards solution of this problem during the 90th Congress was most encouraging. There is strong bipartisan support for prompt and equitable settlement and I am hopeful that legislation will be passed by the next Congress. In view of the impending action, I believe that it is important for this initial step to be taken now to preserve the status quo during the time when the Congress is actively considering the matter. That action will give opportunity to Congress to consider how the legislative commitment that the natives shall not be disturbed in their traditional use and occupancy of lands should be implemented.

Secretary Udall goes on to say that he does—and I quote—"Not believe that this action will adversely affect the State of Alaska."

He further states that, and I quote:

The State contends that it is losing several millions of dollars in rental income because of the Department's refusal to issue oil and gas leases due to native protests. Under present law virtually all of these leases which would cover millions of acres that are believed to possess enormously rich deposits would have to be issued on a noncompetitive basis. It is just not good management for the Federal Government to lease these lands noncompetitively at this time when they would undoubtedly bring bonuses running into hundreds of millions of dollars if leased competitively. Any short-run return the State would obtain from the issuance of leases would be dwarfed by the future revenues it would be foregoing.

Governor, without commenting on or prejudicing the merits of the litigation on this matter between the department and the State of Alaska which is currently being appealed, as I understand it, I have to frankly say that I think Secretary Udall has done the right thing. As statutory trustee for the native people of Alaska he has acted to protect their interests. He has acted vigorously and courageously to preserve the status quo and to give Congress a chance to deal with the problem. At the same time he has encouraged an early and generous legislative settlement which is fair to the native people and fair to the State of Alaska.

Governor, in our discussion yesterday we agreed that problems of public use could arise under the land freeze. We agreed that there must be a way in which to protect the public interest. You noted that Secretary Udall realized this and that he had lifted a part of the land freeze to allow the State to construct the Barrow Airport.

Obviously there may have to be other exceptions in the coming months to provide roads, airports, and other needed public services. As I understand the temporary withdrawal order that is proposed, exceptions for appropriate public purposes can be granted. It simply requires a modification or amendment to the withdrawal order.

I am sure you will find that the members of this committee would be glad to discuss any proposed changes with you and would support any modifications which are for public purposes and which may be needed before a legislative solution of this problem can be reached.

This brings me to a related matter. During the first day of these hearings you suggested that the land freeze was a negative thing. You suggested that as an alternative some amount of land around the native villages be set aside or withdrawn. The remaining public land in Alaska would then, I presume, be open to supply under the public land laws to state selections and to mineral and oil leasing. You propose that the revenues from oil leases, royalties, or other sources would then be paid into a trust until Congress decided the native land claims issue.

Governor, I have given that proposal a great deal of thought. As I recall, you or the members of your administration made a similar proposal when you testified before the committee in Anchorage last February. While I appreciate your efforts as Governor to find a satisfactory compromise, it is my judgment that this proposal will not work. I see the following problems:

First, I am advised by competent professionals within the Department and in Alaska; that is, the Department of Interior, that the process of identifying the villages and drafting the descriptions of the property under your proposal might take 2 or more years to complete. Senator Allott noted yesterday, and very properly so, that only 1 percent of the land in Alaska is presently surveyed.

I believe Congress should go ahead and act on the merits of this matter and resolve the basic issues by legislation rather than to seek an interim solution which does not benefit the natives but merely means more delay. As you know, this matter has already been delayed 100 years.

The second observation: As I understand the law, the establishment of a trust to protect the native people's share in the revenue from oil leases and other sources of revenue would require Federal legislation. It is my view that the time and the effort of the Congress, the Department, and the native people should be directed at a final solution rather than an interim solution.

Acting on interim legislation would mean that this committee and the Congress would be considering many of the same issues and the same testimony twice. This would not be a good use of your time or our time.

The third observation: Finally, Governor, I am afraid that any interim solution would place you, as Secretary of the Interior, in a very difficult position. If it developed that under an interim compromise solution the ntaive interests were not fully protected, you would have violated your duties as trustee to the native people. I do not think you should be placed in this position.

As I understand the law concerning the Secretary's responsibility to the native people, you should not ask the Congress to approve any procedure in which the possibility of damage or conflict of interest is present.

Governor, I greatly appreciate the spirit of cooperation under which your proposal was made. I am sure you acted upon the advice of your lawyers in the State attorney general's office. From the State of Alaska's point of view the proposal may have merit. From the point of view of the Secretary of the Interior, however, I do not believe it would be a sound course of action. From the national point of view, and as chairman of this committee, it is my judgment that we should go ahead and deal with the basic problems involved and arrive at a final and just legislative settlement.

Senator Allott, the committee's ranking minority member and I both stated yesterday that we would do all we can to bring about an early and fair settlement. I regret that my review of this problem took so long, but this issue is one of the most important you will face if confirmed as Secretary of the Interior.

To return to my original question, Governor, can you clarify your

present view on this matter for me? Was I correct yesterday in understanding that no action would be taken by you as Secretary of the Interior to lift the land freeze or otherwise change the status quo until Congress has an opportunity to act on this problem during the 91st—I added that to the paper—during the 91st Congress?

I want to make it clear that following consultation with the committee, modifications could be made for public necessity, and to serve important public purposes.

Governor HICKEL. Thank you, Senator.

I think you did an excellent job in analyzing the situation. There are several points in there that I do not agree with, but they are not in disagreement with the policy.

I have not had a chance obviously to go over this in detail as I just received it this morning, and it would probably take some time to point out all the areas of concern in which I think in my opinion I would disagree with them, but I do not disagree with the policy.

I think that above all, the last part of the paragraph is true when you state, and I agree with it, and what I stated yesterday——

The CHAIRMAN. You do not have to agree with my contentions. Excuse me. I say you do not have to agree with my theory or philosophy. I am mainly concerned with preserving the corpus of the controversy until we have had this opportunity to legislatively adjudicate the problem that has been present all during these many, many years, going back 100 years, for the natives. There is no reason in the world why we cannot resolve that in the 91st Congress. I have given you my commitment here in the Senate.

Governor HICKEL. Fine.

The CHAIRMAN. And we will do it in the Senate. I do not think there is any doubt about it. We just cannot let it drag any longer. It is interfering. It is a cloud in many respects on the development that should take place in Alaska. This is my own personal opinion. But I do want to be in the position, as chairman of this committee, to legislate as one Senator with a free hand, so that we have not disposed of a part of the problem before we act on it.

A lot of this may well be of a nature that is moot, but I think it is important that the subject matter of the controversy be intact. That if, in our judgment, we feel that all of this land should be turned over or none of it, we should be in the position to be able to work our will without dealing with a fictional situation. This is the problem as I see it, and, from a psychological point of view and from the standpoint of the best interests of all concerned this is the wise course to follow. I have a great interest in the development of Alaska, as you know, dating back many, many years.

Senator ALLOTT. Will the Senator yield for just one brief remark? I do not think there is any question about the determination of the chairman of the committee nor certainly the ranking member, and I do not think of any other members of the committee to dispose of this. At a proper time I will make a motion in committee that before the House of Representatives Interior Committee gets their schedules settled, we communicate with them with the idea that we regard this matter, this whole question, of eminent importance and perhaps they could reserve time this year to take up this matter.

I am afraid if this goes on for 2 or 3 months, they will get their schedule set, and perhaps we can get something over there and perhaps Chairman Aspinall, I hope, will reserve some time for the disposition of this question over in the House of Representatives. I will make such a motion at the proper time in our executive committee hearing.

The CHAIRMAN. I think this is an excellent suggestion, and I can say right now we will, with the concurrence of the ranking minority member, arrange for hearings hopefully next month, just as soon as we get organized here, to act expeditiously and fairly. We want to hear everyone. We are not going to rush anything through. And I think that sentiment conveyed to the House will be most helpful in getting concurrent action in the House this year.

I think it is obvious that resolution of this problem goes hand in hand with the resolution of a lot of clouds that may be hanging over development in Alaska. I have no disposition to do anything that would interfere with the determination of the people of Alaska to develop their resources properly and in the public interest.

Governor HICKEL. Thank you, Senator. I really appreciate the sincerity by which you want to help solve probably the most difficult question that not only Alaska would have, but that as Secretary of Interior, I might have.

As I stated earlier, your last paragraph I agree wholeheartedly with. As long as we can sit here, and I would like to quote it again where you state:

> I want it made clear that following consultation with the committee, modifications could—

And it is underlined—

> **Be made for public necessity and to serve important purposes.**

That was my one recommendation yesterday. I agree wholeheartedly that as long as we have the flexibility to meet an emergency, to satisfy the great public good, whatever it might be, it might be a road or it might be an airport, it might even be a native site that wants to move, and that happens all the time when the river cuts its bank and wipes out maybe some village. So as long as we are just talking about being able to sit down, we have an emergency, I have no disagerement. I think it is a wonderful position to take, and I support the chairman.

The CHAIRMAN. Well, that is fine, because it does mean during this interim the postponement of leasing and opening of the Federal domain in those areas that may have great promise for development. But I think this is the reasonable way of proceeding and I want to thank you, Governor, for that understanding that we now have. I believe it will be a great spur to resolve the native claims without delay, and we shall proceed to fulfill our part up here on the Senate side. I want to thank you for your response.

Senator METCALF. Mr. Chairman, I may not have been listening all the time. Did Governor Hickel agree with the first part of the statement, that the freeze would be maintained during the 91st Congress subject to the provision that there be this flexibility that you have provided for?

The CHAIRMAN. As I understand his position, he agrees to the continuation of the freeze during the 91st Congress, or until we settle the native claims.

Senator METCALF. Yes.

The CHAIRMAN. He will continue, the exception to the freeze being that he will come to us with modifications to the freeze as they may relate to matters affecting the public use, the public necessity in Alaska, but it excludes, of course, the opening during this legislative adjudication of development for private purposes, right?

Governor HICKEL. With one clarification, Senator if I might make it. Settlement during the 91st Congress but not beyond. If it is not settled in the 91st Congress I think we would have to take a look at it, if it went on to the 92d.

The CHAIRMAN. No, I understand that. We are talking only about the 91st Congress and it could be resolved before that if we resolve it this year, for example.

Senator MCGOVERN. Mr. Chairman, could I ask one question?

The CHAIRMAN. The Executive order expires, I am advised by the staff, at the end of the 91st Congress in any event.

Senator MCGOVERN. Mr. Chairman, may I ask a question on this matter?

The CHAIRMAN. Yes, on this specifically. We have another matter.

Senator MCGOVERN. Governor, as I understand it, the State of Alaska under your direction has filed suit against the Secretary of the Interior to permit the State to obtain patents to land notwithstanding that the natives hold title to those lands. I am not a lawyer, but what kind of a legal situation does that now create for you? In effect are you going to be sued by your own lawsuit if you become confirmed? Will you then be on the receiving end of a suit filed against Secretary Udall, and if so what kind of a legal problem does that create?

Governor HICKEL. Well, Senator, I think it is a very involved question you ask. I at one time facetiously stated that if the Secretary were held in contempt of court would I have to go to jail. But seriously first one point if I might make it clear. That the native people, as you mentioned, do not hold title. This is a big dispute. Even I said that if they do not have a legal title they have a moral claim.

The land freeze as was put on, and our attorneys general and our other attorneys that we had on a consulting basis agreed that the freeze, in their opinion, circumvented the Statehood Act, so they took that to court and the court upheld that part.

Now in this withdrawal that Secretary Udall imposed on, I think, December 11 is a different thing other than the freeze, and so in my opinion, although the Department is appealing the court decision, I think it is a moot question now because the withdrawal would supersede the freeze.

Senator MCGOVERN. You think that the case is a moot question at this point?

Governor HICKEL. I would think so, because the withdrawal made it legal in our opinion, and it would supersede the freeze. The freeze was just an order prohibiting us from selecting lands. He would not grant title. We took it to court under the provision of the Statehood Act, and I am not an attorney, to declare this invalid. The court so declared it invalid. I hope that will clarify that part of your question, Senator. I will go further if you like.

The CHAIRMAN. Any further questions on this point?

Thank you, Governor, for resolving the matter that has been somewhat contentious even prior to this hearing.

Now, there was one other matter that remained over from the first day, and this related to a question that was asked with reference to Mr. Thomas Kelly, who is commissioner. The question that was asked pertained to the holdings, oil holdings, if any, and other assets that he might have that would bear on the question of his serving as the commissioner, he having been appointed by Governor Hickel.

I asked the staff to obtain the answers to these questions over the phone and subsequently asked that he send a wire giving the information so it could be read to the committee.

He sent the answer to the distinguished senior Senator from Alaska. He has that wire which I think probably should be read into the record now by Senator Stevens.

Senator STEVENS. Thank you, Mr. Chairman.

Could I first thank you very much for clarifying this land freeze issue. And I think Senator McGovern's question also clarified it as far as its present status is concerned. But I know that all Alaskans were very pleased that you as chairman have put the urgency behind this issue that you have, and we are really indebted to you for that.

This is the telegram that I received, and it reads as follows:

Van Ness called this AM representing Council for Senate Committee calling to obtain my personnel portfolio. Thought interrogation by phone improper but his insistence that facts were necessary to clarify questions and show true Hickel record devoid of conflict therefore acquiesced. Advised him I do not now or have ever owned any oil leases. Was previously employee of Halbouty Alaska. Have no financial connection with company or Michel T. Halbouty. Interest relationship is personal, Mrs. Halbouty is my mother.

Mr. Chairman, he is Mr. Halbouty's stepson. I might also tell the chairman he is a personal friend of mine and has been for many years.

"Advised current stock ownership of resource companies in Alaska is as follows: Standard New Jersey, one share of out"—and he has the figures 215 million plus outstanding shares—British Petroleum, 14 shares out of 356 million outstanding; Reserve Oil & Gas, 532 shares out of 74 million outstanding; Anaconda, 400 shares out of 21 million outstanding; Cerro, 111 shares out of 7 million plus outstanding. No involvement in Alaska to my knowledge of those mining companies. Total investment approximately $60,000. Ownership in all companies acquired prior to State employment except BPT. Never considered my job in conflict with investments nor have I discussed ownership with WJH"—which is Walter J. Hickel—as believed inconsequential. Advise anything I own is an open book. My record will speak for itself and I welcome any further inquiries. Thomas E. Kelly."

Mr. Chairman, I interpolate he uses the figure "M" for 1 thousand, so I have interpolated but I would like to file this for the record.

There was one other matter, Mr. Chairman, that came up yesterday if I might have one other moment here, and that is the questioning concerning the item in the agreement between Kuskokwim Co-op and the Japanese and I have obtained a copy of the U.S. District Court of the District of Alaska Memorandum Decision and Order in the case filed on behalf of the Co-op as against the Governor as the head of our

State, and in that memorandum decision is the reference to the letter of understanding which states as follows:

It is understood that with the blessing of the Government Office Japan's side will bring a freezer boat in the area so that an effective operation and freezing can be done.

The Court's Order was summarized in part. It says:

If as it appears the agreement is conditioned upon the defendant granting or withholding his blessing or approval the Court is unaware of any basis whereby it could properly enter an order of any nature directing or controlling the defendant's actions in this regard.

The Court went on to state that it was not advised of any provision of the Constitution or laws of the United States or of the State of Alaska which the Governor had violated in refusing to give his approval when the memorandum agreement was so conditioned. And I would like to file this for the record. I think it has been in issue here, Mr. Chairman. I also have a telegram from the head of our Fish and Game Department clarifying the matter on the Tikchik Lake and what happened there. It was because of a ruling, a statement adopted by the Board of Fish and Game with the approval of Governor Hickel in December of 1967 that imposed an additional control upon experimental fishery and said that it would be done only under department supervision, and that is what terminated the Tikchik fishery experiment, really. It was not directly related to it, but the effect of this Board of Fish and Game decision was what terminated that experimental fishery. I thank the Chairman very much.

The CHAIRMAN. Thank you.

(The data referred to follows:)

[Telegram]

JUNEAU, ALASKA, *January 16, 1969.*

Senator TED STEVENS,
Old Senate Office Building,
Washington, D.C.:

Van Ness called this a.m. representing council for Senate committee calling to obtain my personnel portfolio. Thought interogation by phone improper but his insistence that facts were necessary to clarify questions and show true Hickel record devoid of conflict therefore acquiesced. Advised him I do not now or have ever owned any oil leases. Was previously employee of Halbouty, Alaska. Have no financial connection with company or Michel T. Halbouty interest. Relationship is personal, Mrs. Halbouty is my mother. Advised current stock ownership of resource companies in Alaska is as follows: Standard New Jersey one share, 215,121M outstanding British Petroleum 14 hundred shares 356,760M outstanding, reserve O & G 532 shares 74,111M outstanding, Anaconda 400 shares 21,871M outstanding, Cerro 111 shares 7,357M outstanding no involvement in Alaska to my knowledge of those mining companies. Total investment approximately 60M ownership in all companies acquired prior to State employment except BPT. Never considered by job in conflict with investments nor discussed ownership with W. J. H. as believed inconsequential. Advise anything I own is open book. My record will speak for itself and I welcome any further inquires.

THOMAS E. KELLY.

[Telegram]

JUNEAU, ALASKA, *January 16, 1969.*

Senator THEODORE F. STEVENS,
Washington, D.C.:

This is statement of policy of fresh water fishing adopted by board of fish and game appointed by Governor Hickel during December 1967 board meeting. The

department of fish and game has as one of its primary objectives the development of new fisheries on previously unharvested stock of fish in both salt and fresh water. The department will continue to aid in the utilization of our untapped fishery resources within the bounds of sound conservation. Whenever commercial operations jeopardize important trout, grayling, and sheefish stock having an important current of potential utilization for sport fishing the department will assist in developing and promoting technique, methods, and timing which will harvest the other species without harm to the recreationally important stocks. Whenever tehcnical methods or timnig do not protect the above sport fish values permits will not be issued and any further experimental fishery will be conducted only under departmental supervision.

AUGIE REETZ.

(The memorandum decision is printed as part of a later insert.)

JANUARY 21, 1969

To: Interior and Insular Affairs Committee.
From: Senator Ted Stevens.
Re Tikchik Lakes.

This memorandum reflects my conversation with the Fish and Game Department of Alaska in relation to the Tikchik Lakes fishery. Commercial fishing began at Tikchik Lakes in 1966. Two fishermen fished there from March 15 to April 16, 1966. They caught 7,700 pounds of fish.

Between September 22 and October 14, 1966 12,700 pounds of fish were caught in this area.

After Governor Hickel was inaugurated an elaborate permit system was initiated by the State of Alaska. Between March 13 and April 9, 1967 a commercial fishing venture undertaken by four fishermen netted 2,400 pounds of fish. This venture ended in the spring of 1967. There was no sale of salmon, rainbow, or grayling.

The CHAIRMAN. Senator Moss?

Senator Moss. Governor Hickel, it was on the first day that I asked you about Mr. Kelly, whom you appointed as commissioner of natural resources, and asked you whether he owned any oil stock. And your reply, and I am reading from the galley proof in answer to my question. I said:

Do you not think you should have made inquiry on this before you appointed him as commissioner of natural resources?

when you said you did not know about his owning any oil stock.

First of all, in order to lay the basis for that, can I clarify it. Does the commissioner of natural resources have charge of State oil leases and lands that would be leased for oil drilling purposes?

Governor HICKEL. That is one of his duties. But he has to clear that with the Governor's office. Our department of natural resources covers agriculture and covers all aspects and not just oil and gas.

Senator Moss. So he has all lands under his supervision?

Governor HICKEL. He has all lands and distibution of lands.

Senator Moss. The thing I am concerned about again is not so much specificially what Mr. Kelly had but as to your attitude in appointing the man that would be in charge of all lands, including oil leases, without making any inquiry as to his holdings. I guess you knew his relationship at that point; is that right?

Governor HICKEL. Senator, I would like to make it clear. He is not a big oil operator in Alaska. He is an independent operator. I knew Mr. Kelly as a professional man, and as I stated, and I cannot say I have the statement here, but I searched for about a year to find the kind of a person that could not only accept the job but who would be

competent in doing and performing the job. Mr. Kelly was not the first man I talked to. I talked to three or four other men who were competent in the field, most of them outside the State of Alaska for the fact that we did not have the kind of men that I could get to take the job that had the experience that was needed.

I would never apologize for Mr. Kelly. I knew him to be a man of great integrity, and I would just like to refer for a moment to something that happened a couple of days ago or at this hearing when someone mentioned another Mr. Kelly who was hired on a national basis where there are different criteria for employment. As I heard someone say he did a magnificent job, a commendable job and it is that record that I would like to have someone check out on our Mr. Kelly in Alaska.

I was most happy, and if I had to do it again I might ask him if he had any oil stocks. I think the telegram itself related that there aren't any conflicts, and I think that it behooves government to try to protect itself from conflicts. I think that is a noble thing. But it also behooves them to get competent men to do a job that has to be done. Mr. Kelly, Thomas E. Kelly, of our commission of natural resources, is that type of a person.

Senator Moss. Haven't you had a number of complaints from Alaskans of Mr. Kelly being oriented very much toward the oil industry?

Governor HICKEL. Not many complaints, Senator. Really I think if you would go talk to the Alaskans, they are very, very happy and proud that we have that kind of a person doing the magnificent job he is doing.

Senator Moss. Now, this ties in somewhat with it, but I asked you, if you will remember, on the first day about the water quality standards of Alaska, and you thought that they had been approved?

Governor HICKEL. Yes.

Senator Moss. Have you been able to verify that?

Governor HICKEL. Yes.

Senator Moss. As to whether they have been approved or not?

Governor HICKEL. Yes, they are approved.

Senator Moss. My information was that they had not.

Governor HICKEL. Yes.

Senator Moss. So we may have to have the specifics for the record on that. I am advised by the staff that they may have been approved with an exception. Is that the word you have?

Governor HICKEL. They were approved on February 30, 1968, by Commissioner Quigley.

Senator Moss. With the exception for placer mining; is that correct?

Governor HICKEL. Yes. It goes back—yes, that is the date.

Senator Moss. My question has to do really with the appointment of Mr. McDonald to be commissioner of health, education, and welfare, which includes pollution matters in Alaska; is that correct?

Governor HICKEL. That is correct.

Senator Moss. What was the background of Mr. McDonald so far as his employment before he accepted this government position?

Governor HICKEL. First I hired Mr. McDonald—he was the chief clerk—and I think that was the title—for Pan American Oil Co. He

was a competent business manager, and he was hired as deputy commissioner of the department of administration. The department of administration basically governs the State of Alaska from the standpoint of administration.

We had a difficult time, and I think you have this at a State and National level in the department of health and welfare from getting all the components to work together. We had a medical man in charge of that, one that I had put there, and he was having problems in organizing and maintaining continuity in the department. So I moved Mr. McDonald over there because of his administrative ability, and I think that on both sides of the aisle our legislators in Alaska commented on the fact that within a matter of a couple of months the problems of that department were not there any more. The big problems were just administration and the carrying out of the duties of the total department of health and welfare. The Water Quality Act is one, just one of the parts and problems of that department.

Senator Moss. And you did not experience any problems by reason of his coming from the oil industry when you dealt with this matter of the pollution problem?

Governor HICKEL. His first job, Senator, if I might repeat, was in the department of administration. He was there about a year, as I recall, and there were absolutely no problems. There was no conflict in the department of administration. It was an executive thing.

I think, and I again state, that I will stand on his record, and I would like for anyone to check it. I know he is a competent man, and I can see no conflict whatsoever, nor have I been aware of any.

Senator Moss. Have you made any inquiry about his ownership of stock or holdings?

Governor HICKEL. No, I have not; but I would assume as chief clerk he was like any other employee. I did not make any deep—I did not delve into any of the commissioners activities that we appointed, people that have been there for some time or come well recommended or we know them. It is a widely scattered company. He has been commissioner of public works. He has lived there a long time. I do not know what his holdings really are. In our State government, regardless of my administration or the one before, I have never known it to be a problem.

Senator Moss. Thank you.

That is all I have on this point, Mr. Chairman. I do have another question or two on other points.

The CHAIRMAN. Governor, I am somewhat concerned about Mr. Kelly's wire in one respect. I know nothing about Mr. Kelly. I have no preconceived ideas about him. But he indicated in his wire that he had bought the stock in the British Petroleum Co. after he took over the office, and that represents—I just asked the staff to check it—almost, not quite half of his stockholdings. Now, the other holdings he had prior to going into office. I can see that is a matter where there may not be a conflict. The shares that he held are very small. The de minimis rule might well apply.

What I am concerned about is that it is my recollection that British American Petroleum has been involved in a lot of State leases on the Arctic slope. Aren't they one of the big leaseholders on the Arctic slope, where they have made the big finds?

Governor HICKEL. I think they are, Senator. I do not know of any production nor any drilling that they have actually done. Atlantic Richfield is the one. You are asking me some questions that I really cannot answer.

The CHAIRMAN. Would you check that?

Governor HICKEL. Sure.

The CHAIRMAN. I want to be fair to this man. I have not talked to him. But I just raise that one question. I think there are two different situations presented in the wire. One is what he held prior to going into office and then what he purchased while he was in office. And that is the only question I have. Maybe that could be clarified on both counts, what leases they obtained during this period, and if they obtained leases.

Governor HICKEL. As I recall, I do not know for sure—

The CHAIRMAN. As I understand it, you knew nothing about this and he so states in his wire.

Governor HICKEL. I really don't.

Senator STEVENS. Mr. Chairman, may I ask the Governor one question on this matter?

The CHAIRMAN. Yes, certainly.

Senator STEVENS. Governor, the leases that the State issued up on the north slope were all competitive bid leases, weren't they?

Governor HICKEL. That is right, Senator.

The CHAIRMAN. This is what should be resolved I think, so the record is complete and so we know exactly what the facts are. I think it can be checked out whether there were competitive or noncompetitive awards.

Governor HICKEL. Could I comment on that?

The CHAIRMAN. Yes, sir, Governor.

Governor HICKEL. Senator, the distinguished Senator from Alaska just reminds me of something. Yes, the Prudeau Bay leases, the ones that we put out in our administration, were competitively put out and Atlantic Richfield was the successful bidder.

The CHAIRMAN. Do you recall what the returns were on those bids? Were they substantial?

Governor HICKEL. $3 or $4 million; roughly that.

The CHAIRMAN. On a competitive-bid basis?

Governor HICKEL. On a competitive bid. Yes, it was competitive.

The CHAIRMAN. You don't recall how many acres, but this was the north slope area?

Governor HICKEL. Yes. I do not remember how many acres were involved.

The CHAIRMAN. All right.

Senator Metcalf?

Senator METCALF. Thank you, Mr. Chairman.

Governor Hickel, when you get down to me your ordeal is almost over.

Governor HICKEL. Thank you, Senator.

Senator METCALF. However, in spite of the fact that Mike and I are sitting at the bottom of this committee, I have had an interest in matters concerning the Interior Department that you are going to supervise for most of the years since I have been in the Congress, and I have served on the Interior Committee for most of those years. My

State, even as yours, is concerned with Indians, public lands, mines and mining, grazing rights. We have more than any of the other 48 a comparable wildlife situation such as you have in Alaska. We have more grizzly bears than any others. We have moose and so forth, as witness the article in the Evening Star the other day when three stopped even the postman on his appointed rounds.

And of course I think that the only thing you probably could have done to have created more controversy when you said that you were not for conservation for conservation's sake to lock up public resources is to suggest perhaps as Secretary of the Interior you are going to require registration of guns, because about the only question we had last year that got more mail than your confirmation was the gun control bill.

Many of the questions that have been raised by the mail have been answered as you have testified. As far as I am concerned, the resolutions that have come in, the mail that has demanded that we refuse to confirm you as Secretary of the Interior remind me of the man who came in and the judge asked him whether he was guilty or not guilty and he said he didn't know. He would wait until he heard the evidence.

I think that we have heard a good deal of the evidence on many of these questions. As you know, I heard you testify when I was up in Alaska on the Indian claims hearing. I have a great interest in that and compliment you on the statement you made this morning.

Now as I look across the room I see a good many ex-Governors. There is an ex-Governor of Idaho, ex-Governor of Arizona, ex-Governor of Wyoming, ex-Governor of Oregon, ex-Governor of Oklahoma, and I am sitting right next to an ex-Governor of Wisconsin. All of these men have been able to make the transition from aggressive positions as Governor to positions as U.S. Senators and national legislators, so I have not any quarrel generally with a man who has been an aggressive defender of the interests of his State. I am sure that you can make the same transition that these outstanding Senators that I mentioned can make.

Now I have a couple of lines of questions that I am going to enter into that have given me some concern, and I hope that when your answers are in, all the evidence will be in and I will be able to vote for you, for your confirmation.

Before I get into that line I want to clean up a couple of questions that have come along. In your initial statement, Governor Hickel, you said:

"We do not do the citizens of this country justice if we manage parks and wildernesses on an abstract basis and fail to recognize what a great benefit these areas can give to individual people and to our society."

Now did you have some specific instances in mind where we had managed it, either parks or wildernesses, on an abstract basis?

Governor HICKEL. Thank you, Senator.

I would comment on that. I had basically in mind as I recollect and as I stated yesterday the problems inherent within my State, especially, as I mentioned, in Mount McKinley National Park, a vast vast area. It is a wonderful area, and yet it has very limited use on account of what I said was the obligation of ownership of the Federal Government to provide facilities so it could be used, and in my opinion it is not available to the greatest number of American people that it should

be. That is the general thought that I had, because I have a real feeling, Senator, that more of the people would help their environment if they had a chance to be in more open spaces.

Senator METCALF. So when you say abstract basis——

Governor HICKEL. Yes.

Senator METCALF. —you feel that we should have further development of our specialized recreational areas in our national parks?

Governor HICKEL. That is right.

Senator METCALF. Or our wilderness in accordance with the concept that was established when they were created?

Governor HICKEL. That is right, on an orderly basis, yes, Senator.

Senator METCALF. Thank you very much.

Now another one of these few questions that we want to clean up before we get into two main lines of testimony. A few years ago when I was in the House of Representatives, I was one of the cosponsors and voted for the creation of the Public Lands Law Review Commission. At that time I did not realize that I was voting for a program that would be used by many to say that we should not do anything about our resources and resource development until that Commission reported.

The members, some of our outstanding members of this committee and of the House Committee, conservationists of great stature in America were on that Commission. But are you going to refuse to move forward in resource development areas until the report of the Commission is finally filed?

Governor HICKEL. Thank you, Senator.

No, not necessarily. I think that we should also be moving forward and never stand still to wait for some commission or study report.

I believe that in the general area of public land management, the Assistant Secretary of Interior would be instructed to start to implement and maybe work with, if he had an opportunity, the Public Land Law Review Commission. Where we can set those guidelines that I keep speaking about for that wise use and wise conservation of our natural resources, we should do so. We cannot ever say that we are not going to use or develop our resources, whether they are the resources of a park and it be developed for people to look at, and that is a resource, or whether there is a wise utilization of some resource above the ground or under the ground.

I would like and hope that in whatever small way I could contribute to my time in Government, that we could set these guidelines as we look down the road and that we would have a wise use of and conservation of these resources.

Senator METCALF. Of course that is an objective that all of us have, a wise use and the development of our resources, and conservation through conservation is utilization and wise use and not just blocking up as you say the resources.

But my point was that an excuse for doing absolutely nothing about the development of our public lands, change of policy, just let's wait until the Public Land Law Review Commission reports, for instance, many of the people are saying we should not have an increase in grazing fees at the present time until we have the report of the Public Land Law Review Commission, and I want to know whether you are going to lock up any progress in your department until the Commission reports or are you going to move forward as Secretary Udall

has in the course of development and then try to implement the report and findings when it comes out?

Governor HICKEL. Senator, I think you have answered it the way I would have answered the question. We would not stop the progress. We are not that kind. We would move ahead and try to coordinate the uses.

Senator METCALF. Thank you very much.

Now, Governor Hickel, you will be a colleague of mine on the Migratory Bird Conservation Commission. As the Secretary of the Interior you will serve as the chairman of that very important Commission. That Commission spends the duck stamp money in purchasing migratory bird refuges and nesting grounds. We have recently engaged in an accelerated program of acquisition of land for wildlife and waterfowl nesting. The objective is about twelve and a half million acres of State and Federal land. We now have an objective of 8 million of those to be Federal land.

In all the years we had duck stamp money, we only had acquired 3½ million acres. Now, we are purchasing some of the most valuable, some of the most sought-after and some of the most rapidly increasing in price land that is water based land. And so we have felt that at the present time without development we should go into a program of acquiring that land as quickly as possible. Last year, in the last couple of years we have acquired another million acres. We still have three and a half million acres to go.

Now, in your original testimony you said that this should be the time to look over the parks we have created, to look over the new wilderness areas that have been established, and try to develop those instead of going into new acquisitions. Are you going to take that attitude as chairman of the Migratory Bird Conservation Commission?

Governor HICKEL. Thank you, Senator.

No, I did not mean that we would not have any new starts, but that we would also consolidate, and really what it would take, Senator, would be more money form Congress to develop those programs already established. To give you, if I might digress a moment, my philosophy and ideas on these points, we think of Alaska as a very large country, and yet there is only about 1 percent of the land in private hands. Yet at the last session we appropriated money to buy about 500 acres because about 50 or more years ago a settler went north of Fairbanks and homesteaded an area. It turned out to be one of the finest areas for migratory birds. Yet with all the vast hundreds of millions of acres here were these private lands. We appropriated those moneys to buy those lands to protect them.

Senator METCALF. Of course, the State of Alaska is our largest State with outstanding resources, but today we are talking about the United States.

Governor HICKEL. Yes.

Senator METCALF. Which has even larger lands and even more resources.

Governor HICKEL. I understand.

Senator METCALF. Now, when you were talking about native claims before the House committee last year, and some of your discussion about native claims here in this hearing, you said that you would favor the native claims being taken out of some of the withdrawn

lands. Now, as I understand it, you do not refer especially to national park and monuments, but what about fish and wildlife refuges and national wildlife refuges?

Governor HICKEL. Senator, what I had in mind at those hearings was that we were trying to come up with the number of acres. We were talking about 20 million. We were talking about doubling it to 40, and I said if it went beyond 20 million those lands should come out of the withdrawn lands.

Now, there are about 115 to 120 million acres in Alaska, withdrawn public lands. That is way over and above the public parks, the national monuments. I would hope that Congress in its wisdom, if they decided to take above the 20 million acres, would give back some of those withdrawn lands if they do not have use for them now. Obviously you would not give fish and wildlife lands that were of benefit to the greatest public good?

Senator METCALF. So I take it that when you refer to withdrawn lands, you refer to military lands?

Governor HICKEL. Everything.

Senator METCALF. National forests or some of those other lands that have not a specialized use that we have in the fish and wildlife refuges?

Governor HICKEL. That is right, Senator.

Senator METCALF. Now, Governor, in Alaska we have one of the greatest resources for our duck hunters and migratory fowl in all of the world. Those are the nesting places for fowl, Cook Inlet, Eisenbeck, is that correct?

Governor HICKEL. Bristol Bay.

Senator METCALF. Eisenbeck Bay, which is a waterfowl refuge at this time and Bristol Bay. Now, that is being threatened with oil pollution. Last year Secretary Udall wrote to you about the danger of oil pollution in Bristol Bay, Cook Inlet, these nesting grounds. Now, you are going to have a conflict of interest, Governor Hickel, the great advantage of those waterfowl, migratory birds are going to accrue to the Pacific flyway, the Asiatic flyway and so forth. That crop is not going to be harvested in Alaska. But it is of great importance to the other areas of the United States.

On the other hand, the development of oil will be important and significant to the State of Alaska, and to the State of Alaska almost alone. Now, how are you going to resolve that conflict of interest when you have to make a decision as to whether or not there will be oil and oil development endangering those waterfowl species on those productive areas in Alaska?

Governor HICKEL. Thank you, Senator. I am glad you brought that out. No. 1, we have a very strong-minded fish and game department, and they are always consulted when any area like that might be opened. I know of no production or no pollution in Bristol Bay. And Cook Inlet basically is not a nesting ground.

I would say just to cover a few of the points, as Governor my record will show that any time anything like that was in jeopardy, the strictest regulations were set down, and as for the development of oil for just Alaska's purpose. There is no way in the next hundred years that I could imagine that Alaska could even use $1\frac{1}{100}$th of that oil. That oil will come not only to the Midwest and to the west coast,

it might even be used internationally in the East. When you are talking about producing from one reservoir about 1 to 2 million barrels a day, you can serve practically the center part of, the heartland of America.

I only mention these things, they are not being developed. Those oil companies are not coming up there for Alaska's benefit. The population is so small a couple of wells would take care of them. I think the great oil reservoir will be for the great national interest, especially defense. And so as Secretary of Interior, I would have no conflict. In fact, I would feel more free, because in Alaska we took a hard line on that.

At no time do we want to disturb any of those areas that you are talking about, if there were any chances at all of any pollution.

Senator METCALF. Now, Governor, I understand that a Republican-controlled Alaska Legislature, while you were Governor, did pass legislation that would have permitted the building of offshore platforms in Bristol Bay. Bristol Bay, according to a report of the Secretary of Interior's Department, is a region where birdlife is remarkably abundant. Its waterfowl come from Japan and Mexico for wintering. Dr. Gabrielson has described Bristol Bay as the most important Asiatic bird migratory route, and it is a source, of course, of most of the birds in the Pacific flyway.

Mr. Chairman, when I have completed with this, I want to put this entire matter in the record and I am sure that Governor Hickel is familiar with the whole report.

Governor HICKEL. I am familiar with it, yes.

The CHAIRMAN. Without objection, it will be included.

(The material referred to by Senator Metcalf for inclusion in the record at this point follows:)

WESTERN ALASKA COOPERATIVE MARKETING ASSOCIATION.
Dillingham, Alaska, January 3, 1969.

Hon. WILLIAM PROXMIRE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PROXMIRE: I am writing this in the hope that you are preparing to question the confirmation of Governor Hickel to the office of the Secretary of the Interior. I oppose his appointment because I consider him committed to serving the oil and gas interests.

My opposition is based, in part, upon documents, copies of which are enclosed, and upon his subsequent actions with respect to the problems and situations discussed in them. The record clearly shows the concern expressed by Secretary Udall for the protection of the whole spectrum of the biological resources of Bristol Bay should oil and gas exploratory and developmental programs be initiated here. The record also shows, and with equal clarity, Governor Hickel's lack of concern for those resources.

After the Udall statement and release bids were accepted last spring by the State for tideland and offshore tracts along the western shore of the Alaska Peninsula immediately south of Bristol Bay. The State has also announced that bids will be accepted in the near future for similar tracts located in Bristol Bay. Requests for public hearings by Bristol Bay fishermen prior to such leasing have been ignored. Our latest inquiry, made November 25, 1968, to the State Division of Oil & Gas asking specifically if lands within the small commercial fishing districts were to be leased was referred to the Division of Lands and has not been answered.

On these matters of vital concern to the commercial salmon fisherman we are expected by Governor Hickel and his administrators to blindly accept their assurances that at the proper time protective regulations will be initiated. In advance of the event we are not permitted to know the nature of these regulations; after the event they are not published. Big Brother, behind the iron curtain of bureaucratic isolation, is taking care of us.

During the last session of the Legislature, with the Republicans in control of both Houses, a Bill was passed which would have prevented the erection of fixed offshore installations in the fishing districts of Bristol Bay. Then, and now, there is not a single oil well located on the tidelands or in the offshore waters along the many thousand miles of coast west of Cook Inlet. The Legislators did not feel the Bill was unduly restrictive upon exploration for oil and gas under such circumstances and sought to provide protection to the living resources within the few hundred square miles used by the fishery in which the migrating salmon school and are particularly vulnerable to the effects of pollution. The Bill did not preclude the issuance of leases, it did not preclude directional drilling from on-shore locations, it did not preclude the installation of pipelines or other tideland installations for port facilities. As a regulatory instrument it was little more than an expression of legislative intent that the salmon resources should not be wholly abandoned to administer mercy.

The Bill passed late in the final session of the Fifth State Legislature and was given the coup de grace by Governor Hickel's veto which was delayed until after adjournment. His conduct in this matter clearly indicates his disdain and contempt as an administrator for the legislative process (even that of his own Party).

As Secretary of the Interior he will also administer the federal programs dealing with fisheries cooperatives. His actions with respect to the Eskimo cooperative at Bethel last year have been well publicized. When he was elected Governor there were three elected officers of cooperative marketing associations, organized under the laws of the State and representing the interests of Alaskan fishermen, serving as members of the State Board of Fish & Game. The present Board has no member who is an officer of such an association. The Hickel record as Governor of Alaska does not indicate that the fishermen's coperatives in the United States would benefit from his appointment as Secretary of the Interior.

I hope you will find this information useful. And may I ask for the return of the enclosures?

Very truly yours,

TRUMAN C. EMBERG,
Business-Manager.

[News release from the Department of the Interior, April 1, 1968]

UDALL CONDEMNS WATER POLLUTION CAUSED BY OIL OPERATIONS IN ALASKA

Secretary of the Interior Stewart L. Udall today called upon the Western Oil and Gas Association to join in a cooperative emergency control program and strict industry guidelines to cope with an increasing number of incidents of water pollution caused by oil exploration activities in Alaska's Cook Inlet.

"During recent months," Secretary Udall said, "I have received well-substantiated evidence that exploration and development activities in Cook Inlet have resulted in a recurring series of pollution incidents. Between June 1966 and December 1967, there were some 75 incidents of oil pollution in Cook Inlet reported by Federal and State Agencies responsible for the conservation of the natural resources of the area."

He said that pollutants have included crude oil, mud sacks, garbage, refuse, engine oil, stove oil, and jet fuel. While indicating that some progress has been made in talks with industry officials, he said the basic problem remains.

As examples, Secretary Udall cited damage sustained in commercial fishing with oil fouling nets and fish taken in nets. In addition, there have been from 1,800 to 2,000 ducks killed by one oil spill alone. He reported that in December a tanker colliding with a dock caused an oil spill over a 20 mile area involving more than 1,000 barrels of oil.

Secretary Udall said, "I am concerned not only about the pollution problem in Cook Inlet but have even greater concern about the possibilities of similar consequences from the forthcoming exploratory and development programs in the Gulf of Alaska and Bristol Bay."

"Those areas," Secretary Udall emphasized, "are of even greater importance to commercial fisheries and wildlife. In fact, nowhere else on the North American Continent does the prospect of pollution from oil development pose such overwhelming threats to birds and other wildlife and to fishery resources."

Secretary Udall pointed out that the oil industry's activities on the Kenai Moose Range in Alaska have demonstrated that oil operators are capable of conducting petroleum operations so as to minimize pollution and damage to the environment.

He said he recognized the extraordinarily difficult conditions under which the petroleum industry must operate in Cook Inlet. "Nevertheless," he said, "these difficult conditions make it all the more imperative that extreme care be taken to avoid pollution from oil spills."

Secretary Udall said he could not overemphasize his concern for the safety of fish and wildlife resources in the future. "One gusher, one wrecked tanker, one broken pipeline, or one large spill—accidental or not—could cause lasting damage. In fact, no oil exploratory or development work should start in Bristol Bay until the industry can assure that its operations will be carried out without polluting the environment and without damaging fish and other a aquatic resources," he said.

Attached is a fact sheet on the fish and wildlife resources of the areas mentioned.

FISH AND WILDLIFE IN THE GULF OF ALASKA, COOK INLET AND BRISTOL BAY AREAS OF ALASKA'S COASTAL WATERS

Cook Inet is richly inhabited with a variety of bird life. Large numbers of ducks and other water birds feed at the water's edge on the mudflats of upper Cook Inlet. Geese and swan, as well, are found on marshes also subject to contamination by oil during high tides. The waters of the lower Inlet are used year-round by large flocks of diving ducks and water birds of many species including the scaup, scoter, eider, old squaw, goldeneye, harlequin, bufflehead, murre, guillemot, auklet, puffin, glaucous gull, and kittiwake. The Tuxedni National Wildlife Refuge on the west side of Cook Inlet was established to protect two miles of cliffs on which kittiwakes and other sea birds nest in profusion. The kittiwake population of the Tuxedni Refuge feed in the tide-rip areas offshore from Chisik Island where oil pollution has been observed. This important population of sea birds is thus particularly vulnerable to severe decimation through present oil pollution sources. Sea otter are also present in the lower Inlet.

Cook Inlet also supports an important commercial fishery for salmon. During the past 10 years the average annual first wholesale value of the pack was about 15 million dollars. King crab, Dungeness crab, and shrimp are also taken on a commercial basis and during the past three years these fisheries had a total average annual first wholesale value of about 1.5 million dollars.

Large numbers of migrant waterfowl raised in Alaska, Canada and Siberia pass through the Gulf of Alaska en route to their southern wintering areas. In the spring, whistling and trumpeter swans, Canada geese, and black brant rest in the salt water. The Copper River delta especially attracts large numbers of migrant water birds; significant populations of trumpeter swans and Canada geese, as well as many species of ducks nest there. In addition, large numbers of diving ducks, mallards, and Canada geese winter in the area. Flocks of immature and non-breeding diving ducks spend in the summer here. Sea birds generally are much more numerous in the Gulf of Alaska than in Cook Inlet. Important populations of sea otter occur in the coastal and island area from Afognak Island to Prince William Sound.

Fish resources presently being harvested in the Gulf of Alaska by U.S. nationals include halibut, salmon, king crab, Dungeness crab, shrimp, black cod, and razor clams. The Russians and Japanese harvest large numbers of Pacific ocean perch in that region. Latent resources available for utilization by U.S. fishermen in the Gulf of Alaska include the groundfish species, scallops, tanner crab, hardshell clams, and herring. During the past 10 years the estimated average annual first wholesale value of the salmon pack for the Gulf of Alaska was approximately 20 million dollars. For the past 3 years, the king crab, Dungeness crab, and shrimp fisheries had an average annual first wholesale value of about 24.7 million dollars.

In the Bristol Bay region bird life is remarkably abundant. The area is the crossroads for waterfowl coming from wintering areas as divergent as Japan and Mexico and headed for breeding areas as far east as Melville Island in northern Canada and as far west as the delta of the Lena River in central Siberia. Dr. Ira Gabrielson, in "The Birds of Alaska," describes Bristol Bay as the southern terminus of the "Arctic bird migration route." He also notes that birds from an "Asiatic Route," a "mid-Pacific Route," and the North American "Pacific Flyway" funnel through this area. This is truly one of the world's great bird migration crossroads. Bristol Bay and the Alaska Peninsula coastal zone are more than a way point on these extensive migration routes. This region is the last staging and feeding area for vast numbers of birds awaiting spring breakup in the Arctic each year. Likewise, birds fleeing the early Arctic freezeup

linger in this rich coastal environment for weeks to rest and feed before continuing their migration south. Bristol Bay and its coastal zone is also the breeding ground for colonial sea birds numbering in the millions. It is the winter habitat of hundreds of thousands of diving ducks and sea birds, and the summer habitat for large numbers of shearwaters and other species that nest in the southern hemisphere. Shore birds from the entire Pacific Coast pause and rest in this area en route to Arctic nesting areas.

The Alaska Peninsula, on the south side of Bristol Bay, contains several large bays and near the southern tip, the Izembeck National Wildlife Range. These bays are used twice each year by a major portion, or perhaps the world's entire population of black brant, cackling Canada geese, and Steller's and spectacled eiders and by the North American population of emperor geese. These bays, including Port Moller and Port Heiden, are also used by millions of other eiders, scoters, and old squaws. The open waters of Bristol Bay and the beaches are used extensively as resting and feeding areas. Izembeck Bay possesses the world's largest bed of eelgrass. This resource provides a vast food supply for migrating waterfowl. It also provides important habitat for sea mammals and commercial fish species.

Cape Newenham, on the north side of Bristol Bay, has some 20 miles of cliffs rising to 1,500 feet. In the summer, these cliffs are covered with nesting kittiwakes, murres, guillemots, auklets, and puffins. It is estimated that there are at least one million birds in this colony. Round Island and other islands in the Walrus Islands group also have huge bird colonies.

Numerical data on the vast number of birds dependent upon the Bristol Bay area and its associated lagoons are incomplete. Fish and Wildlife Service files do contain many reports of observations such as rafted eiders 100 thousand strong, windrows of molted wing feathers 18 inches deep along miles of beach, and migration flights lasting for weeks during which flocks of waterfowl, sea birds, and gulls are constantly in view passing a given point. Such reports graphically show bird numbers to be enormous.

Bristol Bay also supports a variety of marine mammals in substantial numbers. Ringed seals, bearded seals, harbor seals, fur seals, sea lions, walrus, beluga whales, and porpoises are present at least seasonally. The Walrus Island group is the only place under U.S. jurisdiction where walrus habitually come ashore; a group of about 3,000 bulls spend the entire ice free year on or adjacent to these islands.

The offshore area from Urilia Bay on Unimak Island to Port Moller and extending from 10 to 15 miles offshore is the habitat of a large, essentially pelagic, population of sea otter which has recently been estimated to number between 10 thousand and 15 thousand animals. Even small quantities of oil on the pelage of sea otter and fur seals would have fatal results. The destruction of invertebrate marine organisms by oil pollution would have adverse effects though perhaps less dramatic than on all species of marine mammals.

In addition to being one of the foremost water bird and marine mammal areas on the North American continent, Bristol Bay is the site of the world's greatest and most intensive salmon fishery. In some years it has accounted for nearly half of the value of the salmon landed in Alaska. During the past 10 years, the case pack for Bristol Bay had an average annual first wholesale value of over 21 million dollars, with a peak value in 1965 of 54 million dollars.

The current patterns in Bristol Bay and the migration habits of both adult and juvenile sockeye salmon make them especially vulnerable to oil pollution. Similarly, the fishing gear of the thousands of commercial fishermen in Bristol Bay would be damaged by such pollution. In the spring a counter-clockwise circulation pattern develops in Bristol Bay that is characterized by a wedge of high saline water flowing up the north side of the Alaska Peninsula, generally within the 25 fathom curve of the coastal zone. The current continues around the circumference of the Bay as it mixes with the discharge from the rivers. This current, within the 25 fathom curve, is a route that millions of sockeye salmon follow as they enter Bristol Bay to spawn in its rivers and lakes. Their progeny leave the Bay in a clockwise migration pattern, staying within the 25 fathom curve as they travel down the Alaska Peninsula against this current to the north Pacific Ocean.

Sockeye salmon are almost exclusively plankton feeders and obtain the small creatures by straining the water through their gills. Oil pollution that directly affected the plankton or that indirectly affected it, such as an oil film on the water that inhibited a gaseous exchange at the air-water interface, would adversely affect the salmon food source. The most obvious direct effects of oil pollution on the salmon could occur as oil waters passed through the gills

of the fish impairing respiration and from ingesting oil-contaminated plankton. Both the adult and the juvenile sockeye salmon travel very near the surface as they move through Bristol Bay and along the Alaska Peninsula. Schools of fish are located by their surface activity and jumping, a trait which would expose them to oil pollution.

WESTERN OIL & GAS ASSOCIATION,
Los Angeles, Calif., April 1, 1968.

HON. STEWART L. UDALL,
Secretary of the Interior,
Interior Building, Washington, D.C.

DEAR MR. SECRETARY: We agree wholeheartedly that petroleum operations in Alaska and elsewhere in the United States should be conducted so as to minimize pollution and damage to the environment and we believe they are. On behalf of Western Oil and Gas Association, I accept your offer to meet to discuss water pollution in Alaska.

You will be interested to know that our interest in pollution control is dynamic. We have an industry committee in Alaska working on pollution prevention and clean-up procedures. We have recently created a special committee made up of tankship and terminal operators and water conservation specialists to minimize pollution from tankship and terminal operations on the West Coast of the United States, with first regard to Cook Inlet. We are also contemplating the need for a study of currents, bottom samples, oil seeps, and the condition of the fish in Cook Inlet as affected by these other phenomena.

Since we have been and are so concerned with pollution, we would, of course, expect that any discussions that you have suggested to us would have as their objective a determination of pollution sources, and their prevention and would not start on the assumption that the oil industry has not been applying itself diligently to the problem.

We have had a great deal of previous experience in cooperation with the Federal Fish and Wildlife in Alaska, your own Federal Water Laboratory, the State Department of Fish and Game, and Natural Resources, and the Coast Guard. For example, our Manager in Alaska is a member of the Advisory Council to the Coast Guard and we have assisted in the preparation of procedures suggested by the Coast Guard for surveillance and reporting, and clean-up of spills.

The discussions you suggest will shed light on the industry's relations to various alleged pollution. For example, we do not know of any reported instances of fish dying in Cook Inlet from the effects of oil. We do not know that the oil found on the ducks came from our operations. Neither we nor the state knows the real effect, if any, of our operations on bottom feeding fish or crabs.

One of the problems is adequate and quick notification aimed at keeping the Inlet clean. We have several examples which we have called to the attention of the people involved in which a spill has been noted and could have been stopped at the source by quick notification. Instead, several hours were permitted to go by. One instance involves the Rebecca, a tankship which was followed by the State Department of Fish and Game over some period of time and observed from the air, allegedly creating an oil slick. Impossible as it is to believe, the skipper of the Rebecca was not notified during any of this surveillance. Had this ship been responsible, he could have prevented any further pollution.

We note your appreciation of the fact that we are working under extraordinarily difficult conditions in Cook Inlet. We have been working in a new environment, trying to solve new problems, learning how to cope with them. You referred to the Drift River tanker; this, of course, was a completely unavoidable accident occurring without warning and caused by a buildup of ice, currents and tide that was certainly unforeseeable.

You mention the possibility of a "gusher". You, of course, know our operators use blowout preventers on drilling wells and fail-safe shut-off devices on producing wells. Crude lines, i.e., flow lines from platform to shore, are equipped with automatic and/or remote shut-off valves.

As further indication of our interest, our Board of Directors adopted a statement of policy on water conservation in Alaska, which included the following points:

1. The top management of each company operating in Alaska express within his company his direct, personal concern for the necessity of prevent-

ing any possible condition which could contribute to pollution and taking steps to minimize the results of any accidental occurrences.

2. That each company develop definite procedures, and assign to specific personnel the responsibility for policing all its operations, including contractor, to insure compliance with company policy, and governmental regulations.

3. That company personnel in Alaska be kept informed by their management as to the above steps that are being taken and that they keep other community leaders informed of what is being done.

We share your desires to minimize pollution and to protect all of the natural resources of Cook Inlet and elsewhere in Alaska. We hope that any discussions will achieve our objectives and bring a closer understanding of the problems to both of us. In entering into the discussions, we trust there are no preconceived conclusions as to sources of pollution and we also would like to have it clearly understood that we do not believe we have been derelict in our operations.

I shall be glad to come to Washington at your convenience to discuss this matter with you and I'm looking forward to hearing from you.

Very truly yours,

HARRY MORRISON,
Vice President and General Manager.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., March 27, 1968.

Mr. HARRY MORRISON,
Vice President and General Manager,
Western Oil and Gas Association,
Los Angeles, Calif.

DEAR MR. MORRISON: Growth of the petroleum industry in the Cook Inlet area of Alaska has been phenomenal and there is every indication that such growth will continue. This Department has announced that it will accept nominations for oil and gas leasing in the Gulf of Alaska looking toward a sale in late 1969. The State has announced that it will similarly open areas in Bristol Bay and the Gulf of Alaska to oil and gas leasing.

But the success story of petroleum's development in Alaska is not without blemish. During recent months I have received well-substantiated evidence that exploration and development activities in Cook Inlet have resulted in a recurring series of pollution incidents. Between June 1966 and December 1967, there were some 75 incidents of oil pollution in Cook Inlet reported by Federal and State agencies responsible for conservation of the natural resources of that area.

Pollutants have included crude oil, mud sacks, garbage, refuse, engine oil, stove oil, and jet fuel. The problem has been discussed on several occasions with the industry in Alaska. Some progress has been made, but the basic problem remains.

Commercial fishermen were the first to sustain damage as the pollution fouled their nets and the fish taken in such nets.

In November of last year, Federal and State biologists found a large number of dead and dying ducks that had been exposed to oil along the shores of Cook Inlet between Ninilchik and Seldovia. Extensive field surveys made after that oil spill indicated that between 1,800 and 2,000 ducks were killed by the oil. Laboratory analysis showed the material on the birds to be crude oil.

In December of last year, the tanker *Washington Trader*, loading at the Drift River Terminal, collided with the oil dock and ruptured one of its tanks. More than a thousand barrels of crude oil leaked onto the waters of Cook Inlet. Approximately six hours after the tank was ruptured, a Fish and Wildlife Service biologist observed that crude oil had spread over an area which extended 8 miles south and 12 miles north from the Drift River terminal. The full impact of this large spill on the waterfowl population and other aquatic organisms in the Inlet is still not fully known.

I am concerned not only about the pollution problem in Cook Inlet, but have even greater concern about the possibilities of similar consequences from the forthcoming exploratory and development programs in the Gulf of Alaska and Bristol Bay. Those areas are of even greater importance to commercial fisheries and to wildlife. In fact, nowhere else on the North American continent does the prospect of pollution from oil development pose such overwhelming threats to

birds and other wildlife and to fishery resources. A brief statement on these resources is enclosed.

The Congress has given this Department broad authority to protect migratory birds under international treaties; to protect the fisheries under the International Convention for the High Seas Fisheries of the North Pacific Ocean; to maintain water quality under the Federal Water Pollution Control Act; to conserve and develop fish and wildlife resources under the Fish and Wildlife Coordination Acts; and to administer oil and gas operations under the Outer Continental Shelf Lands Act. In these capacities, we have an intense interest in the conservation and development of Alaska's natural resources including the development of oil and gas. However, this Department cannot applaud the development of one resource in ways that result in serious damage to other resources—as is already occurring in Cook Inlet. I am gravely concerned over the pollution problem there.

Looking ahead, I cannot overemphasize my grave concern for the safety of the fish and wildlife resources in the Bristol Bay area. One "gusher," one wrecked tanker, one broken pipeline, or one large spill—accidental or not—could cause long lasting damage. In fact, no oil exploratory or development work should start in that area until the industry can assure that its operations will be carried out without polluting the environment and without damaging fish and other aquatic resources.

The oil industry's activities on the Kenai Moose Range in Alaska have demonstrated that oil operators are capable of conducting petroleum operations so as to minimize pollution and damage to the environment. We recognize the extraordinarily difficult conditions under which the petroleum industry must operate in the Cook Inlet due to the extremely strong currents encountered, the scouring action on the bottom of the Inlet and the icing in winter. Nevertheless, these difficult conditions make it all the more imperative that extreme care be taken to avoid pollution from oil spills or otherwise and the consequent damage to the natural resources of Alaska.

Officials of this Department will be glad to meet with representatives of the petroleum industry to discuss the oil pollution problem and help develop a plan for better control in these important natural resource areas. I am convinced that the problem would be largely eliminated if industry would adopt strict guidelines and enforce them. A cooperative emergency control plan between industry and Government agencies could do much toward preventing or limiting damage to natural resources if accidents do occur.

In view of the urgency of the matter it would be appreciated if you would bring this matter to the attention of the members of the Western Oil & Gas Association at your earliest convenience. A copy of this letter is being forwarded to the Governor of Alaska for his information.

Sincerely yours,

STEWART L. UDALL,
Secretary of the Interior.

[News release from the Department of the Interior, April 1, 1968]

UDALL CONDEMNS WATER POLLUTION CAUSED BY OIL OPERATORS IN ALASKA

Secretary of the Interior Stewart L. Udall today called upon the Western Oil and Gas Association to join in a cooperative emergency control program and strict industry guidelines to cope with an increasing number of incidents of water pollution caused by oil exploration activities in Alaska's Cook Inlet.

"During recent months," Secretary Udall said, "I have received well-substantiated evidence that exploration and development activities in Cook Inlet have resulted in a recurring series of pollution incidents. Between June 1966 and December 1967, there were some 75 incidents of oil pollution in Cook Inlet reported by Federal and State Agencies responsible for the conservation of the natural resources of the area."

He said that pollutants have included crude oil, mud sacks, garbage, refuse, engine oil, stove oil, and jet fuel. While indicating that some progress has been made in talk with industry officials, he said the basic problem remains.

As examples, Secretary Udall cited damage sustained in commercial fishing with oil fouling nets and fish taken in nets. In addition, there have been from 1,800 to 2,000 ducks killed by one oil spill alone. He reported that in December a tanker colliding with a dock caused an oil spill over a 20 mile area involving more than 1,000 barrels of oil.

Secretary Udall said, "I am concerned not only about the pollution problem in Cook Inlet but have even greater concern about the possibilities of similar consequences from the forthcoming exploratory and development programs in the Gulf of Alaska and Bristol Bay."

"Those areas," Secretary Udall emphasized, "are of even greater importance to commercial fisheries and wildlife. In fact, nowhere else on the North American Continent does the prospect of pollution from oil development pose such overwhelming threats to birds and other wildlife and to fishery resources."

Secretary Udall pointed out that the oil industry's activities on the Kenai Moose Range in Alaska have demonstrated that oil operators are capable of conducting petroleum operations so as to minimize pollution and damage to the environment.

He said he recognized the extraordinarily difficult conditions under which the petroleum industry must operate in Cook Inlet. "Nevertheless," he said, "these difficult conditions make it all the more imperative that extreme care be taken to avoid pollution from oil spills."

Secretary Udall said he could not overemphasize his concern for the safety of fish and wildlife resources in the future. "One gusher, one wrecked tanker, one broken pipeline, or one large spill—accidental or not—could cause lasting damage. In fact, no oil exploratory or development work should start in Bristol Bay until the industry can assure that its operations will be carried out without polluting the environment and without damaging fish and other acquatic resources," he said.

Attached is a fact sheet on the fish and wildlife resources of the areas mentioned.

Senator METCALF. Now, the Legislature of Alaska decided that it would be in danger to both the salmon fishing which can be destroyed by oil, because even a very faint trace of oil can, and endanger that important waterfowl resource if they had offshore platforms, and passed such a bill, and you as Governor vetoed such a bill after the legislature had adjourned, so that there would not be a chance to pass it over your veto.

Now, it is that record, Governor Hickel, while you were Governor that disturbs me as to what your attitude is going to be on the development of oil as against the preservation of wildlife and waterfowl resources when you become Secretary of Interior.

Governor HICKEL. Senator, refresh my memory again. First I would like to mention that Bristol Bay area is about as big as the State of Wyoming, and so the nesting grounds and everything do not cover the total area. But it is a vast area.

As I recall, and I do not recall specifically, I will try to get some help on this, you say they passed legislation? What was the legislation they passed, prohibiting——

Senator METCALF. Let me read a letter, a portion of a letter to Senator Proxmire from the Western Alaska Cooperative Marketing Association:

During the last session of the legislature, with the Republicans in control of both Houses—

Go ahead, consult with your staff.

Governor HICKEL. Could I have my executive assistant——

Senator METCALF. May I read this paragraph and then I would like to have your comment.

During the last session of the legislature with the Republicans in control of both Houses, a bill was passed that would have prevented the erection of fixed offshore installations in the fishing districts of Bristol Bay.

Then and now there is not a single oil well located in the tidelands or in the offshore waters along the many thousands of miles of coast west of Cook Inlet. The legislators did not feel the bill was unduly restrictive upon exploration for

oil and gas under such circumstances, and sought to provide protection to the living resources within a few hundred square miles used by the fishery in which migrating salmon schools are particularly vulnerable to the effects of pollution. The bill did not preclude the issuance of these. It did not preclude the erection on-shore locations or the installations of port facilities. As a regulatory instrument it was little more than the expression of legislative intent that salmon resources should not be wholly abandoned to administrative mercy.

Now let me remind you what Bristol Bay's importance is to the salmon.

Sockeye salmon are almost exclusively plankton feeders obtaining small creatures by straining water through their gills. Oil solution that directly affect the plankton or indirectly affect it such as an oil film on the water would adversely affect the salmon food source. The most obvious direct effects of oil pollution on the salmon could occur as oil waters pass through the gills of the fish impairing respiration and from ingesting oil contaminated plankton. Both adult and juvenile sockeye salmon travel very near the surface as they move through Bristol Bay, and along the Alaska Peninsula. Schools of fish are located by their surface activity and jumping, a trait that would expose them to oil pollution.

Governor HICKEL. Thank you, Senator.

I remember now being advised by my executive assistant the makeup of the law. He has brought to my attention why I had to veto it.

The law as passed only had control of pollution on the surface of the water, and so we thought, and I feel very very strong on this point, that we must have pollution control not only on the surface but under the water because we have had that problem at Cook Inlet. So I requested the fish and game board for such a resolution and they granted it to me. The fish and game board has the power to do that.

Senator METCALF. The fish and game board then granted a stronger and more effective regulation than the law that you vetoed?

Governor HICKEL. That is absolutely right.

Senator METCALF. I am certainly glad to hear that and I hope that you will have somebody on your staff put that regulation into the record of this hearing.

Governor HICKEL. We will do that, Senator.

(The material to be furnished by Governor Hickel at this point is in the committee files.)

Senator METCALF. In your testimony here as we have gone on discussing pollution, I think first Senator Muskie and other members of the committee, you insisted that the Collier Chemical Co. was not operating, had not dumped pollution material into any of the areas of Alaska especially the Cook Inlet, and said that it was not your intention to permit them to do so. But isn't it a fact that even though the Collier Chemical Co. is not, they do have permission when they start to operate to dump this pollution into Cook Inlet?

Governor HICKEL. Senator, if I might, only if they can prove to the State that this will not affect the water and that is what they are studying now at the University of Washington and the Universiy of Alaska. They have to come up to our standards and regulations.

Senator METCALF. And they have to demonstrate through the scientists of the University of Alaska that the standards that you have adopted, the standards that have been accepted that you testified to earlier today will be complied with?

Governor HICKEL. That is my understanding of it, Senator, yes. I know it is a difficult technical problem, and we have had many many meetings on it, and our intentions are very clear.

Senator METCALF. Now when Senator Allott was questioning you, you said that you favored the opening of the huge fish and wildlife reserve in northern Alaska on the basis that exploration there would give you useful information as to oil and minerals in that area. We have already learned that individual companies are going to do the exploration, and you have told us that that information will be available both to the Federal agencies concerned and the States, is that correct?

Governor HICKEL. I know it is available to the State agencies, and if it is available to the State agencies I am sure the Federal Government can request it and receive it.

Senator METCALF. I am certain if you are Secretary you will be able to obtain it.

Governor HICKEL. Yes.

Senator METCALF. Now, did you have to make any other concession to these private companies, that is oil leases, exploratory leases, or any concessions other than just a contract for a survey of the mineral area?

Governor HICKEL. That is all, Senator, and as it was stated earlier, our bids in that area are competitive bids.

Senator METCALF. Well now, if this is mound to be a mineral area, and inevitably because this is a great fish and game resource area, and there is a conflict, do you contemplate opening that area for mining and oil development?

Governor HICKEL. Absolutely not, Senator. You see, that geological structure is way out as we envison it, clear out into the Arctic Ocean. We do not know the perimeter of it. It would only be knowledge.

Senator METCALF. As I understand it then, the purpose of this survey is to ascertain where the geological formations are so that you can find out where they run into the offshore lands, and to areas outside of this very important area.

Governor HICKEL. That is right, to get the total structure of what is envisioned there.

Senator METCALF. You took the position in regard to S. 1654 that was here in the committee the last session that Naval Petroleum Reserve No. 4 commonly referred to as NPR No. 4 should be transferred to the Department of Interior. Your intention at that time when you took that position as Governor was to take the reserve from the Navy and allow the Interior to lease it for oil development.

Now Governor, we Montanans are especially sensitive since Tom Laws explored Teapot Dome about the transfer of oil reserves from the Navy to some other area. Will you please tell us your position as Secretary of Interior in regard to NPR No. 4, and what as Secretary would your plans for this reserve be?

Governor HICKEL. Senator, might I give a little background for this?

Senator METCALF. I hope you will give just as exhaustive a background as you choose.

Governor HICKEL. I think one of the great efforts that our great Senator from Alaska, the late Senator Barrett made was to try to open that up. We supported that. We think it has been there for a long enough period of time that something possibly should be done with it. And so we supported that position as Governor.

Now, if there were any conflict as Secretary of the Interior, I could take another position. But as the Governor of Alaska and supporting the late Senator's desire, action going back before statehood when he was a delegate to Congress, we supported that decision collectively.

Senator METCALF. Well now, this attitude that you have taken as far as NPR No. 4 and expressed, in your statements as to the reasons you want this site survey of the Arctic wildlife range troubles me because in September 1967, you wrote to Secretary Udall concerning this and you said:

> I believe you can appreciate the fact that mineral leasing cannot proceed without preliminary exploratory work.

Now, if you had no intention of doing anything but just ascertain where the oil was, where the geologic formation was, why was it necessary for you at that time to point out to Secretary Udall that no leases could be let without preliminary exploratory work?

Governor HICKEL. Senator, I am going to answer that in this way. This geological area is very big. It is to the State's benefit to know what the geological structure is. The more knowledge we have, the better we can handle our competitive leasing bids. Is the structure a high structure on the edge of the reserve or is it out in the Arctic Continental Shelf or is it to the southeast of there? It is that knowledge, Senator, that really is to the benefit of the State. The State owns the land, the land and the oil, in this case, unlike a private individual, so the more knowledge that we have as a State, the more beneficial it is to all of the people within that State. We must have that knowledge. And we may not even put the lands up for competitive leasing until we have a lot of knowledge on a great vast area, and then we will select 50,000 acres or something and put it up for competitive bid.

Senator METCALF. Put what lands up?

Governor HICKEL. Lands that would belong to the State.

Senator METCALF. The fringe lands?

Governor HICKEL. Yes.

Senator METCALF. Outside of the reserve?

Governor HICKEL. Yes; just like at Prudeau Bay.

Senator METCALF. And are you doing exploratory work in that area at this time?

Governor HICKEL. Seismic work is going on in all of the State in other lands where they are not in withdrawn areas.

Senator METCALF. Is that being done by private companies?

Governor HICKEL. Oh, yes; all private companies. The State is not in the oil business.

Senator METCALF. What is the period of these leases?

Governor HICKEL. Oh, they do not have leases.

Senator METCALF. What is the period of the contract?

Governor HICKEL. They do not have to really have a contract to do seismic work. They would if it were on like this wildlife reserve or if they had a 90,000-acre block of land, for example, and they drilled on one part of it. They would have a lease that was given whenever it was given to do seismic work along those lines.

But they are not given what is known as a lease to do seismic work, I mean a lease to drill.

Senator METCALF. So in these fringe areas they are going in of their own volition in order to ascertain whether or not there are areas that might be leased from the State?

Governor HICKEL. Yes, Senator. You see, their knowledge is to their benefit and to the benefit of the State obviously or to the Federal Government.

Senator METCALF. But in the reserved area in the withdrawn lands in the Arctic Game Preserve and over there in the southern area——

Governor HICKEL. Yes.

Senator METCALF. They are doing it under contract from the State.

Governor HICKEL. I do not think they are in that withdrawn area now.

Senator METCALF. They are not in——

Governor HICKEL. No.

Senator METCALF. In the Artic Reserve?

Governor HICKEL. Not that I know of; no.

Senator METCALF. I thought we were talking about some of these——

Governor HICKEL. No; the State does not issue any contracts to go out and search for oil or anything like that, no.

Senator METCALF. It is an exploratory contract?

Governor HICKEL. Yes.

Senator METCALF. To ascertain——

Governor HICKEL. They spend their own money. We just get the information.

Senator METCALF. In your fringe areas?

Governor HICKEL. Yes.

Senator METCALF. But in the southern lands——

Governor HICKEL. There would not be a contract. The State would not pay them to do that.

Senator METCALF. Where are they going to get reimbursement if they are not going to get a lease, you have no intention of leasing that land?

Governor HICKEL. All right, they would also have the knowledge of all the areas around that reserve, whether it is out on the continental shelf or in the other areas, and we likewise would have that.

Senator METCALF. Do not other companies also have that knowledge?

Governor HICKEL. If they go do the work they can; yes. You might be getting me in a technical position. I am not an oil man. I do not know exactly.

Senator METCALF. I am a loss to quite understand what benefit an oil company will have going into this reserve, if there is a firm resolve that there will be no mineral leasing of that area.

Governor HICKEL. Senator, I might say——

Senator METCALF. And if the information is going to be available to the Federal and State agencies.

Governor HICKEL. Yes, but not to other companies, just to the State at this point. I do not know, Senator, I am really trying to be as helpful as I can, I don't know what point you are really driving at. I wish I could help. Years ago, back in territorial days, 1956 and 1957 and 1955, as I recall, when they were doing some geophysical work on the Moose Range for knowledge, and eventually Congress, or whoever did it, opened up some of the Moose Range for drilling. I think it was in 1956, and with very strict control. How they got in there at that time I do not know, but they had to go in and do the work.

On this great North Slope area, you see, before we can do the best job for the people of Alaska, and really for the Federal Government, the more knowledge we have the more beneficial it is.

Now it is sort of ridiculous to put up a couple hundred thousand acres when in reality if you had the knowledge we could do it with 50,000 acres to the benefit of more people. The need is really one of knowledge. I have no other thought in my mind except out in the fringe area. The State might want to select that at some point. Now they could not. And so it is for that long-range viewpoint, because, until we have that knowledge, it is somewhat difficult to take advantage of it.

Senator METCALF. Governor, I am concerned with the long range or short range or at some time the Secretary of the Interior is going to give permission to develop those oil reserves in that Arctic refuge in that North Slope area that is so important for fish and game.

Governor HICKEL. Senator, I will not do that unless I am instructed by Congress or by members of this committee that I should do that, because I know the problem. I know the problem.

Senator METCALF. That is certainly a good statement.

Governor HICKEL. I do know the problem.

Senator METCALF. And that helps allay a good many of my fears.

Governor HICKEL. I was wondering what it was. I am glad to have been able to do it.

Senator METCALF. I think that that will also answer many of the questions that some of the conservationists have, because, as I previously pointed out, Alaska is one of the great areas for the development and enhancement of much of the fish and wildlife, especially the migratory waterfowl of America. While you would get the benefit from the oil, the hunters in the Pacific flyway of Montana, Oregon, Washington, and California get the benefit of that other resource that you send down to us and we are grateful for it.

Now in earlier testimony you talked about a 3-million-acre land selection in an area just south of the Atlantic Richfield mineral claim area. It was suggested that there was some law that allowed you to make this selection north of the line mentioned in the Statehood Act. Would you go into that again?

Governor HICKEL. Senator, I will try to repeat it as I said it then. The Statehood Act of 1959 allowed us 5 years to select lands under mineral lease. The Congress in its wisdom when the time expired extended it for another 5 years to January 3, 1970. That is only to select those lands that are under mineral lease.

In July of last year the Director of the Budget as I recall in the Department of Interior recommended to Congress that another 5 years be granted, and then the big oil strike came in or for some other reason they did not support the extension.

I know that I have talked to the Senator and Chairman Senator Jackson about this last fall and he said that he would try to support legislation like that this next session. But the time is running out. That was January 3 of this year. And so there were so many acres, and I do not know the exact number of acres. You say 3 million something?

Senator METCALF. That was taken out of the testimony in the transcript, about 3 million acres.

Governor HICKEL. Yes, that it is now under mineral lease, so we have to select that before January 3, or we cannot select it, and so we selected it. But we would have loved to have more time to do that, but we did not have the time and so we had to select it for the people of Alaska, and that is part of the Statehood Act.

Senator ALLOTT. Would the Senator from Montana yield just for a clarification?

Senator METCALF. I will be delighted to. Information is all we are after.

Senator ALLOTT. As I understand it, you said a few moments ago January 3, 1970?

Governor HICKEL. 1969.

Senator ALLOTT. It is January 3, 1969?

Governor HICKEL. 1969, right today, this last January 3, I am sorry.

Senator ALLOTT. So that unless Congress does act to give an extension, the rights of Alaska to make this selection have actually expired as of now?

Governor HICKEL. That is right, it has expired already, yes.

Senator METCALF. It expired January 3?

Governor HICKEL. January 3.

Senator ALLOTT. I think there will be legislation introduced, but I want to thank the Senator particularly because I think he inadvertently misspoke, when he said 1970.

Governor HICKEL. 1970.

Senator ALLOTT. He referred to 1969 later but he said 1970 the first time.

Governor HICKEL. Thank you, Senator.

Senator METCALF. Yes. As I understand it, the time for selection expired on January 3, 1969?

Governor HICKEL. That is right.

Senator METCALF. Now, did you make that selection or did the State of Alaska after you were a nominee for Secretary of Interior?

Governor HICKEL. We made that selection from the standpoint of maps last fall sometime. It took some time to do so. I cannot recall the exact day when we made that selection, but as Governor of Alaska, I had no choice regardless of being a nominee.

Senator METCALF. Will you have any responsibility for approving that selection after your confirmation?

Governor HICKEL. You are asking me. I do not know. I know as Governor the legal thing we had to do was meet the deadline. Yes, the Secretary of Interior would have to I think—some attorney help me out here—I think approve that. It is a matter of statehood legislation that this had to be done if we were going to select the land.

Senator METCALF. Isn't there some conflict of interest involved, Governor? You make a selection as Governor or the people that you have working for you as the Governor make a selection and then you move in and have to approve it as Secretary of Interior?

Governor HICKEL. I cannot see where the conflict would be, Senator. I really cannot. I think if you were Governor of any State and were doing things as a Governor, and then you became President, I do not know whether all the things you do would be conflict. I really cannot see it in my mind, Senator. If there is a conflict, I will step aside, but it is just a legal point.

Senator METCALF. I am trying to be just as generous as I can, because none of us get elected to offices on a waiver of some of these national offices if we are not aggressive in protecting the interests of our own State, but I want to be sure that when you move into a larger area, you will take cognizance.

Now I mentioned all the Governors that sit on this committee, but if my friend Governor Nelson gets too enthusiastic about his loyalty for the State of Wisconsin, there are other Senators here that curb that enthusiasm. But as Secretary of Interior, you are the final word in many of these areas. It is your decision and yours alone that will make or break the whole activity that is involved.

And so it concerns me that here as Governor of Alaska, at the end of your term you made a selection of these 3 million acres, and in a day or so you will move down to the office on the top floor of the Interior Building, and approve that selection.

Governor HICKEL. Senator, you have made a good point. I had no choice. The January 3 deadline is set by law, so we had to make the decision before January 3. I am still Governor, so as a legal thing I had to make that decision. If there is any conflict whatever, or if you think there is any, I will bring this specific case to this committee and let them make the decision. I would be glad to do that. I would not have any problem doing that at all.

Senator METCALF. Thank you very much. I am sure that you could work out these conflicts, and inevitably this committee recognizes that such conflicts are going to occur.

Senator STEVENS. Would the Senator yield just a moment right there?

Senator METCALF. I will be delighted to yield.

Senator STEVENS. Senator, I am an attorney and I have followed this a little bit. I might clarify one thing. Those lands that were selected are under the freeze. All that the Government did was to file the application before January 3, 1969, so that the State's interest would be protected, but none of those applications will be granted so long as the land freeze remains in effect. In addition to that, it is north of the so-called section 10 line of the Statehood Act and requires the President's approval to issue the State selections north of that line. So in actual fact the final decision on this matter will be made by the President or his delegated representative in the area that the State is selecting in this instance in the 3 to 5 million acres that were involved here. The Secretary would not have the final authority in that area.

Now south of the section 10 line, the Secretary would have the authority to approve the State selection after the land freeze withdrawal is removed, either by action, we hope, by the Congress or the expiration of the withdrawal. I just want to clarify that because I am sure the Governor may not know the legal technicalities involved here in terms of who has the final authority. North of that line in the area of this selection that is in question now it is the President's final approval that counts.

Senator METCALF. I am delighted to have that clarification. The Senator from Alaska is not only a lawyer but he is very knowledgeable in all of these matters connected with the Department of the Interior. I had the pleasure of working with him when indeed he was working for the Interior Committee over in the House of Representatives, and I know of his excellent work down in the Department of the Interior itself. So it comes with a good deal of authority from the Senator from Alaska and I hope he will help with the interrogation as it goes forward.

Senator STEVENS. Thank you, Senator.

Senator METCALF. Governor Hickel, President-elect Nixon, when he

announced your appointment, he said you had not been involved in any of the bitter struggles between private and public power. I am going to let you in on a secret, Governor. You are going to be involved. You are going to be charged with the large pawer systems in America, and not having been involved—you said that, didnt' you? That was said.

Governor HICKEL. It is a correct statement; yes.

Senator METCALF. Now, you said, and I hope that I quote you right, and if I don't quote you accurately you tell me, you said in a statement that you made that you believe that private power in some areas has been hamstrung. I was in your press conference. I think, shortly after you were appointed.

I have some knowledge of the activities of power companies, and I would like to know in what areas the power companies have been hamstrung and to what you were referring when you made that statement.

Governor HICKEL. Senator, I do not recall making the statement that private power was hamstrung. What I said was in some areas private power had not been able to do the job they should do, and so, therefore, public power has done an excellent job, such as REA's and other co-ops.

Senator METCALF. Let's get some of our facts straight, Governor. When you are referring to public power, you are not referring to REA's and co-ops, are you?

Governor HICKEL. I would like to go further on that.

Senator METCALF. Please do.

Governor HICKEL. Sure. As I was saying, in these areas, especially the country where I was born and raised in the Midwest, I said that public power or REA's had brought in—and cooperative power—had brought in electric power where private enterprise couldn't or wouldn't come in. I think that the partnership program of public power and private power has gotten together and especially in the great Northwest, has been a wonderful thing and should be carried on.

In our State of Alaska we virtually have no private power. It is either REA co-ops, basically REA co-ops. One Bureau of Reclamation project, a couple of very small private companies, and so we can see that they both work together.

I think that the private power has done an excellent job in some of the more concentrated areas of America. But when you get down to what is public power, and I think that is a perfect example of what Government can do in many areas that private enterprise was not able to do or able to do so well, and so in those areas I think they have done an excellent job.

As I repeat, the cooperation that they have gotten together on in the Pacific Northwest, in my opinion, and in my limited knowledge of it, is an excellent attitude to take, and one that should be carried out.

Senator METCALF. I am in complete accord with that, of course. But I have been handed a copy of the press conference, this was supplied to us by the Republican committee incidentally, a copy of the press conference in which on December 18, 1968, from which I quote, you were asked:

"When President-elect Nixon introduced you on television he said one of the reasons you were selected was"—and then in parentheses—"(inaudible) public-private power fights." Could you put your boxing

gloves on and give us your view of the role of private power? I have already asked you some of those questions.

You answered:

> Yes, somewhat. I can say that in the part of the country where I basically grew up, first in Kansas and then in Alaska, I had the opportunity to see them both, and I think public power has done a great job for the whole United States. I think private power likewise has. I think in some ways they are compatible, and I think that has been proven in some of the TVA projects or those like that.

Now that is in accordance with the testimony that you have given here this morning:

> In some areas of power, especially in the years gone by, the only way they could expand that from the standpoint of money, economically and other things, was in the public power field. But I do think that private power in some areas has been hamstrung.

Now you were talking about your basic philosophy of power, public power, not distinguishing between REA co-ops, which are private power, and publicly owned power such as a public utility district, but then you said "I think private power in some areas has been hamstrung."

I want you to elaborate on the areas in which you think private power has been hamstrung.

Governor HICKEL. Really, Senator, I don't know why I made the statement, because I know my general feelings on public and private power. Possibly it would have been, and I don't have anything specific, it would have been in some of the great public versus private fights in the western parts of the United States. I have nothing specific in there. I think one of the great power projects of our time from the standpoint of the benefit of the people has been projects like TVA. You will find me with the kind of a mind that would want to use whatever natural resources there were. Let's take water at this point; that would create the greatest benefit to the greatest number of people. I think it is that kind of a philosophy that can make these policies work compatibly.

I do believe that in some of these—not being specific again—I think TVA, for example, could only and rightfully have been developed by public power, for the total picture to help the greatest number of American people.

Senator METCALF. I had some of these power fights in recent years, too. I have not only read them in the newspapers but have been directly concerned, and I want to tell you my head has been pretty bloodied by the independent and private power companies, and I haven't got close enough to them to do any hamstringing. Stick around awhile.

You are also aware, are you not, that these investor-owned utilities, both electric and telephone, receive, are eligible to receive the 2-percent loans, just as the co-ops do, and it is going to be your responsibility as Secretary to administer that. One of your divisions is going to administer the REA program. What is your feeling about the 2-percent loan?

Governor HICKEL. Senator, I think there is a mistake.

Senator ALLOTT. Would the Senator from Montana yield? I am confused.

Governor HICKEL. Yes.

Senator ALLOTT. I thought that REA was under the Department of Agriculture.

Senator CHURCH. Will the Senator yield for that purpose?

Senator METCALF. Yes. I yield. I will be glad to yield.

Senator ALLOTT. Would the Senator clarify his statement, because I thought that both the telephone, the rural cooperative telephones, and the REA were——

Senator METCALF. The Senator is correct. The REA's are administered, but in the Northwest, I was leading into some of our preference clauses and so forth that are administered by the Secretary of Interior. I am sorry, the REA Administration there is under the Secretary of the Department of Agriculture, but in the Bonneville Power Authority——

Senator ALLOTT. That is right.

Senator METCALF. And in the administration of the other power authorities the REA's have preference clauses to purchase, the REA co-ops have preference clauses to purchase the public power that is developed at dams administered by the Bureau of Reclamation and in other projects along the Columbia and Missouri Rivers and the Colorado River.

Senator ALLOTT. That is quite correct.

Senator METCALF. I am very grateful to you, Senator, for making the correction. Did the Senator from Idaho want me to yield?

Senator CHURCH. No. I simply wanted to know if you were amenable to yielding for the question by Senator Allott.

Senator METCALF. I am delighted and I am grateful for any clarification because I haven't all these questions written out and I am trying to develop them.

Senator CHURCH. The Chair would like to observe that the subject matter is entirely appropriate, as it touches upon the general jurisdiction of the Department of Interior as well as upon that of this committee.

Senator METCALF. What is your answer for the continuation of the preference clause and preferred sale of public power generated at Federal hydroelectric projects to REA projects to secure a 2-percent loan?

Governor HICKEL. Senator, I have to be entirely honest with you like I hope I have been. I am not familiar enough with the details of the program, but I will assure you that my assistant secretary who will be in charge of this would come up with recommendations after conferring with all those people of knowledge, including men on this committee. At this point I really wouldn't have an intelligent answer to your question because I really don't have all the facts in front of me. But I assure you of this, that when I do have those facts, and I think that you will find that they will be made on the basis of the broadest public interest.

Senator METCALF. I am grateful for that answer and I am grateful for your candid response. I know that you are aware that in the Department of the Interior there are five principal power marketing agencies: The Bonneville Power Administration, which is so important and of such significance to the Northwest, the Southwest Power Administration, the Bureau of Reclamation, of course; and the Alaska Power Administration; the Southeastern Power Administration.

Now I believe that you have suggested that you are in favor of that

pluralistic sort of a power arrangement such as we have in the Northwest. We have private IOU investor-owned utilities, we have rural electric co-ops which are private, we have public utility districts in such States as the State of Washington which are public, we have a wholesale of power by the Bureau of Reclamation to both private and preference people, and we have, I feel, a rather happy marriage in that area, and you would be in favor of continuing that sort of a pluralistic program of both public and private power.

Governor HICKEL. Yes, Senator. As I understand it in the broad picture, I think it is working well.

Senator METCALF. In the marketing of our power, our Federal power from Federal dams, we often have the problem of getting the power to the people. Sometimes dams are built in remote and inaccessible canyons, and we need to have transmission lines to wheel that power both to the retail customers and to the special wholesale customers such as an aluminum company or something of that sort. What is your attitude toward the building of Federal transmission lines?

Governor HICKEL. Senator, again I would have to beg that I haven't studied that question. It has never been a problem in our general area for the simple reason I mentioned, that nearly all is publicly owned power. I would much rather give you an answer when I can really have a time to look at it. I have no mental blocks from the standpoint of philosophy, but I really don't know what all is involved, and I would like to discuss it with you at some other time. You might have to go 100 miles or whatever distance you have to go, 500, and it might be that the wholesale distribution to where you got the so-called busbar to distribute it out might be part of the capital improvement of the total overall project of the construction of the dam. It might be amortized as such. But I really don't have enough knowledge on it, to repeat myself, to make a positive yes or no at this time.

Senator METCALF. Governor, I appreciate that. I hope you have an open mind about it.

Governor HICKEL. I do.

Senator METCALF. Because some of our dams that we have built have installed power in which you help repay the cost of the dam and also help secure low-cost power to the consumer, are virtually captive dams of private power companies because there are no transmission lines.

On the other hand, dams where there are transmission lines are public lines, we have been able to carry out the purposes, the whole purpose of the public-power program. In the State of Montana right now the Budget Bureau recommended and the Senate approved an appropriation for a Bureau of Reclamation transmission line from Great Falls, Mont., to Browning, Mont., which would tie some of eastern Montana into the Bonneville area.

Now the Montana Power Co. managed to prevail upon the House of Representatives in the Appropriations Committee there that it, the Montana Power Co., could build a smaller line, and that there didn't need to be any wheeling. If that happens, of course, we will have another case where the sale of Federal power in a huge area to preference customers will be totally at the mercy of a private power company.

And so you have said that you haven't gone into that, but I know

that we will be able to talk about it and if you have an open mind that is all I can ask.

Governor HICKEL. Thank you.

Senator METCALF. Now I was pleased, Governor, when you have repeatedly said that you want to look to the ultimate rights of the consumer in the sale of power and other resources. I copied from your Wednesday testimony that "We should look at the ultimate end, what is going to be best for the greatest number of American people."

Now that, as I understand it, applies to electric utilities, gas utilities and all those others. It would apply to natural gas.

I have here at my desk material filed by the Alaska Interstate Co. of Houston, Tex. with the Securities and Exchange Commission, and I want to say that it is quite a company. The price of that stock has increased four-fold in the last 2 years. The morning paper says it closed at 29. It went up 1½ yesterday, so they must be impressed by the testimony that you presented before this committee.

There are still stock options out, however, at $3.75. According to the November 22, 1966 prospectus, you were listed as Chairman of the Board of one of the subsidiaries of that company, Anchorage Natural Gas, is that correct?

Governor HICKEL. That was correct at that time.

Senator METCALF. Do you have any of those stock options in Alaska Interstate.

Governor HICKEL. I have no stock options in Alaska Interstate.

The CHAIRMAN. Will the Senator yield right at that point?

Senator METCALF. Yes.

The CHAIRMAN. The Senator may have been out of the room, but I did, I believe the first day, ask the Governor about this matter.

Senator METCALF. I wasn't out of the room.

The CHAIRMAN. Oh, you were present.

Senator METCALF. I was present. I heard some of his answers. I wasn't quite satisfied. I feel that I am going into some of the activities of Alaska Interstate, and its subsidiaries, and I was just trying to get a foundation.

The CHAIRMAN. Sure, I understand. I did want to say that he agreed to the judgment of the Chair, and I am sure the judgment of the committee as well, to sell or dispose of all that interest.

Senator METCALF. I want to respect the customs of this committee too, to explore financial situations largely in executive committee session, but this matter, the activities of Alaska Interstate, and this is a subsidiary.

The CHAIRMAN. This is a public matter.

Senator METCALF. It is a public matter and in justice to the Governor and in justice to the other people I feel we should go into it.

The CHAIRMAN. I agree.

Senator METCALF. Now you were also a director of another subsidiary of Alaska Interstate, the Alaska Pipeline Co., but you are no longer still a director.

Governor HICKEL. That is right. I resigned all these positions, put my things in trust when I became Governor and that was done voluntarily. I didn't have to, and as I told the very good chairman, that any conflicts that I might have or which they might even deem I might have I disposed of.

Senator METCALF. I am glad to know that. I am quoting from Who's Who in America of 1967 and 1968. When they put that out we all get a copy of that for corrections and so forth. Did you get a copy of the insertion for your item in Who's Who in America?

Governor HICKEL. Senator, I really can't answer that. I don't know if I did or not.

Senator METCALF. Anyway, in Who's Who in America it says, this is 1967–68, after you became Governor, that you are a director of Alaska Pipeline Co., Anchorage Natural Gas Co., you have hotel interests and so forth, and Governor of the State of Alaska. Now that is in error, is it?

Governor HICKEL. It absolutely is in error. They might have gotten that—I don't know where they got it. I have no idea. I resigned as chairman of the board, with a very limited stock holding, and resigned as director of Alaska Pipeline before I became Governor.

Senator METCALF. Now, in your early testimony you said that you did own a small amount of stock in some natural gas, and on Thursday—and again I want you to correct me if I use newspaper comments and it is not accurate—on Thursday the newspapers, both the afternoon and morning papers, quoted you as having about $1 million in stock in natural gas, is that correct?

Governor HICKEL. I have read that, I think in yesterday's paper, in Anchorage Natural Gas franchise, it isn't only in gas. It has a franchise in Anchorage to distribute gas to householders. It is a city franchise, an areawide franchise like you might have for anything else; yes.

Senator METCALF. It is a franchise to distribute gas.

Governor HICKEL. Yes.

Senator METCALF. To the ultimate consumer.

Governor HICKEL. That is right.

Senator METCALF. And you own $1 million worth of interest.

Governor HICKEL. Stock in that total overall company. I don't say it's worth $1 million. I would hope it would be. I am not real sure of that. I don't know. I don't have one million in it, I know. I am not being facetious but wherever there is a conflict, it owns no oil leases, it owns no gas leases, it is not in the development of oil and gas. It is a franchise like you might have if you had any other franchise in a city, a bus franchise. It buys from other people.

But any conflict, I am not saying it is or isn't, but any conflict that this committee decides I have, I don't care if it is even in the hotel business and somebody from the Department of the Interior might stay there sometime, I am not sure, but if they think I should sell it, I'll sell it.

Senator METCALF. That isn't what I am talking about right now. I am sure you will, Governor Hickel. I am talking about a conflict of interest that you seemed to have when you were Governor of Alaska, and on the one hand representing the people of Alaska, and on the other hand representing natural gas interests, and hoping that that will not carry over to your activities as Secretary of the Interior.

Governor HICKEL. Senator, I am glad you brought it up. There was no conflict as Governor. We own no gas. We own no leases. We own no oil fields. We could call it some other company but it does distribute natural gas and we have a 20-year franchise and a 20-year contract to purchase gas at a fixed price. That was arrived at in 1959 or 1960 and

it is a 20-year contract. If I thought I had a conflict as Governor, this is the type of person I am, I would do anything I had to do. But I resigned and put my things in a simple trust for the simple reason I wanted to get rid of all those problems. Even in my hotel business. So my point is there wasn't any conflict, Senator.

Senator METCALF. Did you put Alaska Interstate into trust?

Governor HICKEL. It is in trust too, all my things are in trust.

Senator METCALF. And the ownership of the subsidiaries are in trust?

Governor HICKEL. Alaska Interstate is the stock. There is no Anchorage Natural Gas stock. That was merged.

Senator METCALF. So you have your Alaska Interstate in what kind of a trust?

Governor HICKEL. It was in just a simple trust with a trustee and I think the Senate committee, whichever one it is, has all that information, and whatever they have to put in trust——

Senator METCALF. I haven't had an opportunity to look at the information.

Governor HICKEL. Whatever they want I will do and I don't know what more I can do.

Senator METCALF. What will happen to that increase in 2 years of a fourfold increase on the price of Alaskan Interstate?

Governor HICKEL. Well, if that is true from what I paid for it and what it is worth, I would pay a capital gains tax. I am serious.

Senator METCALF. So you will enjoy a capital gains tax, enjoy a profit.

Governor HICKEL. If you can enjoy a tax, I will enjoy a capital gains tax.

Senator METCALF. You will enjoy a profit on which you only have to pay tax on capital gains, instead of ordinary income tax, and thereby benefit in two ways as a result of putting your property into a trust.

Governor HICKEL. I don't know how—I don't quite understand that, I don't know how I would benefit two ways.

Senator METCALF. Let me go into some of the activities of Alaska Interstate. Do you know how much an ordinary utility earns as equity credit?

Governor HICKEL. Senator, I don't. I am not that well acquainted with Alaska Interstate. I have never been on their board. I don't really know, and I don't know what all business they are in because they are on the big board.

Senator METCALF. Now Governor——

Governor HICKEL. I am not trying to evade anything. I don't know.

Senator METCALF. Governor, the Senator from Washington, the Senator from North Dakota, and I, we were all around when we passed the Alaska statehood bill. Our States all came into the Union at the same time under a joint statehood act, the two Dakotas, Washington, and at that time there was the idea that there should be a dispersion of the power of the Governor, a suspicion that power should be spread among many boards. We wanted to prevent that, and we wanted to make the Governor the responsible individual. So we made him responsible, as you have testified here, for the appointment and for the selection of many, of almost all of the activities there. We don't have such boards as we have in the State of Montana where the Governor is only the presiding officer of the board of examiners or the board of controllers or the board of land commissioners and so forth.

So when you became Governor of Alaska you did become the responsible individual for the activities of almost that entire administrative and executive agency, isn't that correct?

Governor HICKEL. I think so, and I think I carried it out to the full intention of the Constitution and I will stand on my record.

Senator METCALF. That is what I am talking about. I am talking about this record that you made as Governor of Alaska, and the record that some people made who were your appointees. I will inform you that an ordinary utility makes, oh, 12 or 13 percent equity capital. That is fairly high. That is adequate for the securing of additional expansion money, adequate to take care of dividends on that kind of a special-profit guaranteed stock.

But then we have Alaska Interstate, which made a profit of 64 percent, a profit of 64 percent on its equity capital. Now when Vic Reinemer and I did the research for the book "Overcharge" we ran into some of the reported material that Senator Gruening made and back to the Insull days where there was return to equity capital at about that level, but that is the highest return on equity capital of any place that I know of in the Union.

Governor HICKEL. May I comment?

Senator METCALF. Surely, I want you to comment.

Governor HICKEL. I don't think that is a profit of Anchorage Natural Gas, and they are in so many other things, as I recall it, and I am not that acquainted with Alaska Interstate, as I recall—do you have a prospectus there on it.

Senator METCALF. Yes, I have a prospectus.

Governor HICKEL. Aren't they in shipbuilding and aren't they in what else, I think they are in the real estate business some place.

Senator METCALF. Let me talk about the natural gas business.

Governor HICKEL. Okay, go ahead.

Senator METCALF. Because I have been concerned about your interests in the consumer and what happened to the consumer of natural gas in the franchise that you still have in Anchorage. Now the University of Alaska in its review of businses and economic conditions said:

> The consolidated financial statement of Alaska Pipeline Company and Anchorage Natural Gas Corporation shows that they made substantial profits since 1964 as product and service continued to win acceptance. According to the statement which the company submitted to the Securities and Exchange Commission, net earnings exceeded 29 percent of stock holder equity in 1965, and were at the rate of about 64 percent for the first half of 1966.

Now that is not other activities of the company. That is the sale of natural gas through the Anchorage Natural Gas Corp. to the franchise that you enjoy and exercise and still have a million-dollar interest in.

Governor HICKEL. Senator, those figures could be right. I am not that conversant with them. I will just say this. That one statement in there was very appropriate and that is "acceptance of product." They cut the heating rate in the Anchorage area about 30 percent, roughly, and that is why. There is no demand that anyone has to hook up with natural gas. We did cut the heating rate. I don't know how they are tying in its profit because I do know in these early years there were substantial losses. Possibly it is tied into equity, because there isn't a lot of capital in Alaska, and so, consequently, I would think it had to

do with the great amount of borrowed capital it had to equity. I think in there lies that so-called profit picture.

It isn't a profit really as much as it is related to the dollar invested to the dollar borrowed. Does the Senator understand what I am saying? I don't want to get into detail here. I would like to have whatever accountants or attorneys could answer these questions. I was assured by the chairman that this would be done. I am not going to apologize for being in something that I am willing to get rid of. It might be worth $1 million, and I read in the paper that some of these things are worth $200 and $300 million. So my point is I will do whatever has to be done. And I was concerned with the consumer, because at the time we got that franchise, we didn't even have natural gas. We are thinking about shipping in bottled gas.

And so the rates were cut, and I was happy. So I think it is a general attitude, and I see no conflict. What would the Senator want me to do? I will do whatever you wish.

Senator METCALF. I am glad to hear you say that you will divest yourself of all this. What I am talking about is you consistently said in this long and grueling series of interrogations that you have had that you stand on your record, and I want to point out a record where apparently you had two objectives. One, as Governor of the State, you were responsible for the appointment of a regulatory commission such as you have in Alaska. I will go into that in a minute.

Second, as the owner of a franchise and a man who has stock in trust in this Alaska Interstate and Anchorage Corp., you have used or you have gone to the side of high, extraordinarily high and exorbitant profits rather than protect the interests of the consumer.

Governor HICKEL. I don't buy that.

The CHAIRMAN. Suppose the Governor responds to the last question, and then we will recess until 2 o'clock.

Senator METCALF. I am delighted to recess now and maybe the Governor can come back after lunch and respond.

The CHAIRMAN. All right.

Senator METCALF. I want a full explanation of this and I don't want to put the Governor in any situation with which he isn't familiar.

The CHAIRMAN. Right. He has been answering questions for 2½ hours without a letup.

Governor HICKEL. Mr. Chairman, I would like—I made a full disclosure to the committee in very great and detailed form. I did everything that the committee asked and I am willing to do that. I don't think I could answer in detail what profit some company made when I might have a 2-percent interest in it. I just don't have that information. And I am not trying to hide anything. I am trying to open up to everything that is there, and I don't know how to——

Senator METCALF. Without asking a question, Governor Hickel, I am concerned that as Governor you had a very important responsibility.

Governor HICKEL. Yes.

Senator METCALF. More important than any Governor of any Western State toward the people of Alaska because you have more power as Governor than most of the Governors of our Western States, and I am concerned that it would appear that you protected the interests of a utility and developed a huge company rather than protect the interests of the consumer.

Now I hope that when the recess is over you will come back and be prepared to explain that, or you can answer it right now.

Governor HICKEL. Senator, that is not true, and I just hate to say this, Senator. I will try to make the facts clear. The State has no power over a franchise in a city. I don't know what I could do as Governor or what I did. I do know that I put a law in or I requested legislation to implement a strong public service commission. There hasn't been one there. My predecessor didn't do any different than I did, and we were in business for 6 years while he was Governor.

I would hope, and I know that the Senator isn't inferring this, I know that, but it sounds to me as if he thinks maybe I did something wrong and I would like to show everything I could. But I don't know what I could do as Governor to help that company or what I did do as Governor or what I might be able to do or could have done, because I wouldn't have done it. I don't know, I have my minority leader here of the past session. He knows my attitude toward good strong public control, my attitude towards bills. I would like to make the record straight if I knew how to make the record straight.

Senator METCALF. Mr. Chairman, I am perfectly willing to suspend here or I am willing to continue this line of questioning. I think it would be well to let the Governor——

The CHAIRMAN. Right, suppose we resume at 2 o'clock.

The Committee will stand in recess until 2 o'clock.

(Whereupon, at 12:35 p.m., the committee recessed until 2 p.m. of the same day.)

AFTERNOON SESSION

The CHAIRMAN. The committee will come to order.

At the last hour the able Senator from Montana was pursuing a line of questioning, and he may now resume.

Senator METCALF. Mr. Chairman, during the recess Senator Stevens, the senior Senator from Alaska, has given me a memorandum on the Collier Chemical Co., in which he points out that the discharge of effluent into the Cook Inlet has been investigated by the University of Alaska, has found the proposed discharge will be in the ratio much less than is existing at the present time of the oceans of the world. I ask unanimous consent that this be put in the record at this point.

The CHAIRMAN. Without objection.

(The document referred to follows:)

U.S. SENATE,
Washington, D.C., January 17, 1969.

MEMORANDUM

To: Senator Metcalf
From: Senator Stevens
Subject: Collier Chemical Co.

The Collier Chemical Co. received a 1-year temporary permit to discharge effluent into Cook Inlet, after the effluent met certain stringent standards and was subjected to testing by various laboratories including the University of Alaska. The permit is due to expire on February 1, 1969, and the Collier Chemical Co. has asked for an extension.

Collier Chemical has subjected the effluent to the required tests and will begin discharging a small amount of effluent later this month. It has been tested and retested by many groups including the Fish and Wildlife Service and the University of Alaska. The effluent contains ammonic nitrogen in a ratio of 0.01 to 0.05 parts per million. The effluent contains nitrogen nitrate in a ratio of 0.07 to 0.23 parts per million. These are the only toxic elements in the effluent.

Research has established that fish such as infant salmon are not endangered until a minimum of 20 parts per million of ammonic nitrogen or nitrogen nitrate is in the water.

The major oceans of the earth have 300 percent more of these elements than does Cook Inlet.

Senator METCALF. Also, during the course of my interrogation of Governor Hickel before the recess, I referred to Alaska Review of Business and Economic Conditions, a publication of the Institute of Social Economic Government Research of the University of Alaska. I ask that that article on the natural gas industry in Alaska be put in the record at this point.

Senator BURDICK. Without objection, it is so ordered.

(The document referred to follows:)

[From the Alaska Review of Business and Economic Conditions]

THE NATURAL GAS INDUSTRY IN ALASKA

The 1959 discovery of natural gas on the Kenai Peninsula marked the beginning of what is almost certain to become one of Alaska's most stable and important industries. Natural gas has long been the Cinderella of fuels, while oil, which is easily exported and readily marketable, has stirred imaginations and drawn financial backing for exploration and development. Yet gas, being easy to handle, uniform in heat content and output, extremely clean burning and requiring little or no refining or processing, has unique advantages as an energy source for most applications.

The future of the industry in Alaska already looks bright. One gas-based chemical complex is under construction and others are being seriously considered. A multimillion dollar facility to liquefy and export methane (natural gas) is in the advanced planning stage and natural gas provides a source of low cost energy on which to base further industrialization in the state.

The gas fields found in Southcentral Alaska were the first to be developed on a large scale commercially, although Alaska's first big gas strike occurred some years earlier. The Gubik field on the North Slope, was discovered during the U.S. Navy's search for oil in Petroleum Reserve No. 4 between 1945 and 1953. Most subsequent discoveries of gas in Alaska were also by-products of the search for oil. Not only is natural gas a by-product, but in many cases its unwanted "discovery" makes production of the more immediately valuable petroleum more difficult and expensive.

THE ALASKAN RESOURCE

According to the very conservative estimates (which do not include Naval Petroleum Reserve No. 4) published by the American Petroleum Institute, Alaska has two billion Mcf (thousand cubic feet) of "proved" natural gas reserves, or enough to last 283 years at the 1965 rate of consumption. But such impressive statistics understate both the potential availability of Alaska's natural gas resource and the foreseeable demand for gas. It has taken only seven years to establish today's level of reserves. Considering the present high level of exploratory drilling and the huge number of potentially favorable structures yet to be drilled, it is probable that only a superficial scratch has been made on the petroliferous geology of Alaska.

Conservative estimates by industry geologists of the economically producible gas stocks in the Cook Inlet Basin alone have ranged up to ten billion Mcf and are being revised upward each year. Many other regions, such as the Alaska Peninsula, Bristol Bay and the Alaska Gulf Coast are geologically similar to producing areas elsewhere, but so little exploration has been done that any evaluation of their reserves must remain pure speculation. Nevertheless, a gross comparison of the geologically favorable acreage in Alaska with similarly favorable but proven acreage in other states indicates that as much as 100 billion Mcf of natural gas may someday be available in Alaska.

THE GAS UTILITY SECTOR

Utilization of natural gas to meet Alaska's needs for heat and power has been hindered by the same problems facing many northern developments—long dis-

tances and sparse, scattered populations. Although a relatively large amount of energy is required to maintain an American standard of living during Alaskan winters, the total demand for energy has so far not been sufficient to justify the extension of gas pipelines beyond the Anchorage-Kenai Peninsula area.

At present, Anchorage Natural Gas Corporation, and its parent firm, Alaska Pipeline Company, with a total of 75 year-round employees, represent the only large-scale investment in the distribution of natural gas for intrastate consumption. Organized in 1959, the two firms have spent approximately $22 million in transmission and distribution facilities to serve the Greater Anchorage, Soldotna and North Kenai areas.

The history of Alaska Pipeline's operations illustrates the early frustrations and ultimate rewards which may face anyone contemplating similar large-scale investments in Alaska. Originally planned for completion in 1960 at a total cost of $12 million, the 90-mile transmission line suffered early construction difficulties, particularly in the 8.5 mile segment of the line that crosses the tide-swept Turnagain Arm. Completion of the facility was delayed a full year when the original contractor could not finish the project.

When gas finally did reach the distribution system in Anchorage, further difficulties arose. Although natural gas received rapid acceptance in the civilian market, conversion from coal to gas of the two military steam and power plants at nearby Elmendorf Air Force Base and Fort Richardson (upon which feasibility of the pipeline investment had been predicated) encountered resistance from interests sympathetic to the Matanuska Valley coal industry. Despite an apparent saving of more than $1.5 million a year and the strong support of military officials, congressional approval has not, to date, been forthcoming. The firm's early promise to reduce civilian rates by 10 percent on commencement of military deliveries has not since been reasserted.

Despite the setbacks of the early years, the consolidated financial statement of Alaska Pipeline Co. and Anchorage Natural Gas Corporation shows that they have made substantial profits since 1964 as product and service continued to win acceptance. According to the statement which the companies submitted to the Securities and Exchange Commission, net earnings exceeded 29 percent of stockholders' equity in 1965 and were at a rate of above 64 percent for the first half of 1966. The rates of return on total assets for the same periods were approximately 7 percent and 11 percent respectively.

While residential rates are not low by national standards (see Figure 3), they provide the home heating customer a slight money saving—and considerable convenience—when compared with alternative fuels. In large commercial use, where consumers are more price conscious, the competitive advantage of natural gas has been reported to range from 20 percent to 50 percent. As might be expected, most large commercial buildings in Greater Anchorage are using natural gas where it is available.

It is difficult to measure the effect of natural gas service on the cost/price structure in Southcentral Alaska, but it has undoubtedly been more important than is generally realized. Especially significant are the considerable reductions in the price of competing fuels, apparently as a result of growing competition in the heating fuel market. In Fairbanks, where natural gas is not available, the price of fuel oil and solid fuel have, by contrast, tended to move upward (see Figure 4). The presence of inter-fuel competition in Anchorage is particularly important since the consequent price reductions benefit all area consumers, including those located some distance from the existing gas system.

ELECTRICITY FROM GAS

Although the industrial consumers which usually provide the base load for gas utility and pipeline operations are largely missing from the Anchorage market, this role has been at least partially assumed by the electric utilities, Anchorage Municipal Light and Power and Chugach Electric Association. During the past year these consumed about half of the natural gas delivered in Anchorage (see Figure 5). The cost savings that have helped bring about this large level of consumption are shown in Figure 6. Today more than 55 percent of Southcentral Alaska's civilian generation capacity is fired on natural gas, and it appears that new plants to be constructed in the foreseeable future will also use gas.

Low cost power has been recognized as one of the most critical requirements for industrial development in Alaska. Although the state abounds in potential hydroelectric sites, they have remained largely undeveloped due, in part, to high first costs and the limited markets available under present patterns of distribution. The past five years, however, have seen not only the establishment of

a natural gas industry in Alaska, but developments in gas turbine technology making it possible to build relatively inexpensive gas-burning turbine generators. Such turbines allow utilities to meet expanding power needs in small increments, as they develop, rather than the large blocks required with hydro and, to a lesser extent, steam plant installations. Recent reductions in Anchorage power rates have been ascribed to low cost natural gas generation—an indication of how these developments have brightened the Alaskan power picture. Four gas turbines with a total capacity of 72 megawatts are now in operation in Anchorage, and the CEA Knik Arm steam plant was recently converted from coal to gas.

Despite the progress of the past several years, all segments of the Alaska natural gas industry realize that further reductions in the cost of gas generated power are imperative if the industry is to remain competitive. Up to now, the low (and probably declining) price of gas relative to other energy sources in Alaska has lessened the importance of the gas turbine's greatest drawback—its relatively high fuel consumption and low efficiency, particularly at partial loading. The problem of high operating costs is likely to become a more serious deterrent to the use of gas-fired thermal power as rapidly growing loads and more efficient distribution networks provide the economies of scale which are more favorable to hydro power development.

Gas industry officials hope that a reduction in operating costs can be effected by "waste heat recovery", in which the exhaust from a gas turbine is used to make steam for operation of a second generator driven by a steam turbine. No plant of this kind has yet been built in Alaska, but it would go far toward answering the power industry's need for "spinning reserve", since there would be no additional fuel cost for the steam-powered unit. Also under consideration is the "total energy" concept, in which electric energy is generated at the point of use and the waste heat captured and used for space heating. Wide experience in other states indicates that "total energy" systems can bring about significant cost savings in the operation of shopping centers, offices and other large buildings.

The boldest scheme for utilization of natural gas in electrical generation is the power complex now in the first stages of construction at the Beluga gas field, 50 miles west of Anchorage. Discovered in 1962 by Standard Oil Company of California (SOCAL), the Beluga field is reported to contain reserves of nearly a billion Mcf. The present contract between CEA and SOCAL specifies a price of 15 cents per Mcf at the wellhead. (By comparison, the lowest rate now in effect for gas delivered to power plants in Anchorage is 38 cents per Mcf.)

The economic success of the Beluga project depends largely on its rapid expansion to the point where total costs of transmission facilities can be lowered by spreading fixed costs over a greater output and reducing operating costs by economies of scale. If such high outputs can be successfully developed and marketed (perhaps through better interconnection of existing systems), CEA predicts that Beluga power can be delivered in Anchorage at a cost of 5 to 5½ mills per kwh, which would be more than ½ mill below the present Anchorage costs for fuel alone (see Figure 6).

GAS FOR ALASKAN COMMUNITIES

Although studies have been made to determine the feasibility of supplying natural gas to several Alaskan cities, particularly Seward and Fairbanks, no major service extensions are known to be seriously under consideration at the moment. The Fairbanks area, located approximately 300 miles from the Beluga gas field and even further from the Gubik field of northern Alaska, is a potential market for 15,00 Mcf per day. It has been estimated that a pipeline large enough to supply the peak seasonal load in Fairbanks would cost in the neighborhood of $100,000 per mile, for a total cost of $30 million or more. It is unlikely that the revenue from a Fairbanks distribution the Alaskan economy is the "fallout" of LNG technology on the local Alaskan energy scene. Anchorage Natural Gas Corporation is investigating the possibility of marketing LNG in Alaska by barge, railroad, or truck. Even without the Alaska/Japan project it might be possible for a small liquefaction plant in the Cook Inlet area to supplement the normal gas supply in Anchorage during periods of peak demand, and also supply LNG to other Alaskan towns. Income which accrues to the State from oil and gas royalties and other taxes, may at present seem to many residents and officials to be the most important effect of the development of the petroleum and natural gas industries. However, the view of the gas company is that LNG for local consumption may well prove to be the greatest and most enduring benefit of the Alaska/Japan gas project.

PETROCHEMICALS

The use of Alaska gas for heating and power, and its conversion to LNG, are not the only possibilities that exist for the beneficial exploitation of Alaska's vast gas reserves. In recent years about 5 percent of all gas produced in the U.S. has been used as fuel and feedstock (raw material) by the rapidly growing chemical industry.

Existing chemical plant locations in the U.S. are clustered around locations such as the Louisiana Gulf Coast and Southern California Coast where the raw material and tidewater are found in proximity. Recent developments indicate that a similar pattern is developing on a smaller scale in Alaska. Now under construction at Nikiski on Cook Inlet by Collier Carbon and Chemical Corporation is a $50 million fertilizer manufacturing complex which will use natural gas from the Kenai field for the synthesis of anhydrous ammonia. Collier, a subsidiary of Union Oil, will supply approximately 40 percent of the plant's 1,500 ton per day ammonia output to an adjacent urea facility, owned jointly by Collier and Japan Gas Chemical Co., which will, in turn, use it as raw material in the production of prilled urea fertilizer for export to Southeast Asia. It is expected that a significant portion of the ramaining 900 tons of daily ammonia output will be marketed to the U.S. mainland.

In view of the need for increased food production throughout the world and our present balance of payments difficulties, it is not unreasonable to expect that the demand for Alaskan produced fertilizer will increase in the near future. Pan American Petroleum Corporation, with a huge unmarketed gas reserve in its Cook Inlet field, is said to be considering the construction of an ammonia facility similar to Collier's to transform its Alaskan gas into a salable product.

Although no official word has been released, Skelly Oil and Gas Corporation, in association with Japanese interests, is reported to be evaluating the feasibility of methanol manufacturing in the Cook Inlet area. The conversion of natural gas (CH_4) into methanol (CH_3OH) is only the first of a number of molecular rearrangements which generally take place before a final product is produced. From methanol comes, for instance, formaldehyde (CH_2O), a principal building block of resins and fabrics. Despite the reluctance of industry officials to comment on this development, it is reasonable to expect that the success of a methanol synthesis plant would depend upon roughly the same economic factors as ammonia manufacturing, namely the world market price of methane and methane derivative products, which presently appear favorable to continued expansion of output.

THE ECONOMICS OF GAS

In 1961, when the initial price of gas was established at 32.5 cents per Mcf, there was only one sizable gas and transmission system which could meet interest payments, operating expenses and principal retirement on an investment of this magnitude.

It is possible, however, that undiscovered natural gas reserves exist in the vicinity of Nenana, within 100 miles of the Fairbanks area. An exploratory well drilled in this vicinity by Union Oil in 1958 yielded discouraging results, but further work might change this picture. A significant discovery in this location could no doubt be profitably marketed in the Fairbanks metropolitan area.

The lack of low cost energy at isolated communities and potential industrial sites in Southcentral Alaska has in the past been a brake on such developments as mineral and fish processing plants. Today, given a moderately large and firm industrial load at such locations, it may be feasible to reach them with natural gas pipelines. For example, the availability of gas 11 miles northwest of Homer in the North Fork field makes the supply of gas to this Kachemak Bay community a comparatively simple proposition.

As in the case of Homer, Alaskan villages and communities which are situated near gas strikes stand to profit as a result of both reduced heating costs and the industry-attracting possibilities of low cost energy. An example of such benefits can be observed in Barrow, the United States' northernmost municipality. Until 1965, when gas became available for local heating and cooking from a development well drilled in the nearby South Barrow gas field, liquid petroleum products were imported at great expense, i.e. $1.00 per gallon for fuel oil. Today Barrow residents heat their homes at no greater expense than their fellow Alaskans in Anchorage.

LNG—GAS BY THE TANKERLOAD

Faced with a constantly expanding worldwide demand for energy with the form advantages of natural gas, the industry has made vigorous attempts

to develop an economic means of transporting natural gas in a liquid state to large markets which could not feasibly be supplied by pipelines.

Liquefied natural gas (LNG) is formed when ordinary natural gas is refrigerated to —258° F. LNG's great attractiveness lies in the fact that one cubic foot of the super-cold liquid equals 630 cubic feet of gas. It has been known for some years that this extreme volumetric reduction would, theoretically at least, make long distance transportation by ocean tanker economically feasible. At present, LNG is being shipped in commercial quantities from Algeria to the energy-short countries of France and Great Britain, and deliveries to Spain and Italy are expected to begin in 1968.

Over the last six years, owners of Alaskan gas have been actively pursuing the possibility of selling Kenai gas as LNG in the energy-deficient markets of the U.S. West Coast and Japan. During the past year, a combine composed of the Marathon Oil and Phillips Petroleum Companies announced an agreement to sell 50 million Mcf yearly to Tokyo Gas Company, Ltd., and Tokyo Electric Power Company, Ltd. Site selection and foundation surveys have been conducted at Port Nikiski, north of Kenai, for the proposed liquefaction plant.

The parties on both sides submitted applications to their respective governments for the necessary consent to go ahead with this project, but there remained a question as to the strength of the Marathon group's position in relation to competitive offers from the Soviet Union, Brunei (Borneo) and Iran. It had been calculated that the offer of Conch International (Conoco-Shell-Union Stock Yards) to supply the Japanese market from Borneo would have resulted in lower delivery costs to the Japanese. Nevertheless, the desire of Japan to diversify her sources of supply, high level international pressures relating to the U.S. balance of payments problem, and the extreme purity of Alaskan gas, were among the factors leading to final approval by the Japanese and U.S. governments.

Often overlooked in the analysis of LNG's impact on field available for production in Alaska. Since that time additional discoveries have been made, causing the state's gas reserves to outdistance immediate requirements. This highly unequal development of supply and demand, coupled with an increasing number of firms offering gas for sale, has resulted in downward pressure on prices.

Present average wellhead charges on the Kenai Peninsula rest in the neighborhood of 25 cents per Mcf, and gas produced for reinjection at Swanson River is being valued by the federal government for royalty purposes at 16 cents per Mcf. Another indication of the downward trend is SOCAL's agreement, mentioned earlier, to sell its less accessible Beluga gas to Chugach Electric Association at 15 cents per Mcf. Many observers expect this trend to continue, with prices to large volume purchasers possibly falling as low as 7 cents or 9 cents per Mcf. Whether or not this comes about will, of course, depend on the amount of competition within the industry, the long-run costs of production (below which prices may not fall for any extended period) and government regulatory policies.

Regulation has not, so far, had an important effect on gas prices in Alaska. The Federal Power Commission's mandate to regulate the natural gas industry in the interest of consumer protection and resource conservation does not presently apply to the Alaskan market, in that Alaskan gas crosses no state lines on its journey from producer to consumer. The price of exported gas, which must be approved by the FPC, may, however, affect the price which large domestic consumers, including public utilities, will be willing to pay. State regulatory authority is divided between the state Department of Natural Resources, charged with preventing waste or misuse of natural gas, and the Alaska Public Service Commission, which exercises nominal control over gas pipelines and utilities.

Lacking a well developed regulatory apparatus, Alaska must, at least for the present, depend on competition to bring about and maintain gas prices which accurately reflect the real long-run costs of production. Any level of charges which remained for a long period above costs would have unwelcome results, not the least being higher business and living costs. Furthermore, an inflated price for fuel and feedstock would, in itself, discourage new industrial and utility developments.

In spite of the problems mentioned above, Alaska's infant gas industry may look to a bright future. In its short history it has already shown startling economic achievements. This record, and the state's rich endowment of natural gas, indicates the expanding challenge and opportunity facing the natural gas industry in Alaska.

Senator METCALF. I mentioned the fact to Governor Hickel that 2-percent loans to the REA's was the custom but there were also 2-percent loans to investor-owned utilities who get the same sort of money if they complied with the provisions of the law that they would serve all the proposed customers in sparsely populated areas. This was in connection with where I wondered whether any of the private utilities had been hamstrung. It is a brief list but I would like to have incorporated in the record at this point a list of REA 2-percent loans to the commercial I O U's investor-owned power companies as it relates to the statement I made.

Senator BURDICK. Without objection, it is so ordered.

(The document referred to follows:)

CUMULATIVE R.E.A. LOANS TO COMMERCIAL POWER COMPANIES AS OF JUNE 1, 1966 *

Name & Address of Borrower	*Total Loans Approved*	*Date of First Loan*	*Date Repaid*
Arkansas Power & Light Pine Bluff, Ark.	$ 523,000	9/8/37	10/30/44
Central Iowa Power Des Moines, Iowa	5,617	9/24/35	11/8/46
Earl W. Baker Utilities Bethany, Okla.	185,721	11/23/35	1/8/51
Fidelity Gas Minneapolis, Minn.	556,577	4/16/46	
Florida Power St. Petersburg, Fla.	164,500	10/24/35	1/4/51
Florida Public Service St. Petersburg, Fla.	47,690	5/21/36	1/20/44
Georgia Power & Light St. Petersburg, Fla.	107,406	10/24/35	1/3/51
Kentucky Rural Electric Louisville, Ky.	1,774	10/1/35	7/3/41
Louisiana Ice & Electric Alexandria, La.	50,000	3/22/39	4/4/41
Louisiana Rural Electric Pineville, La.	8,447,000	12/31/48	
Missouri Gen. Utilities Rolla, Mo.	35,110	9/21/36	9/1/45
Montana-Dakota Utilities Minneapolis, Minn.	5,043,072	3/2/49	
New York State Elec. & Gas Ithaca, N.Y.	1,863,618	3/21/38	12/1/43
Ocracoke Power & Light Ocracoke, N.C.	30,731	5/12/37	Foreclosed
Ohio-Midland Light & Power Canal Winchester, Ohio	6,242,532	4/29/48	5/16/62

* Source: Rural Electrification Administration, U.S. Department of Agriculture.

Name & Address of Borrower	*Approved Total Loans*	*Date of First Loan*	*Date Repaid*
Pamlico Ice & Light Englehard, N.C.	32,196	12/1/37	5/2/50
Public Service Co. of Ind. Indianapolis, Ind.	430,000	11/9/38	12/31/41
Sheridan Suburban Electric Sheridan, Wyo.	78,700	6/30/39	7/24/47
Stonewall Electric Albuquerque, N.M.	134,498	1/16/41	11/30/50
Stonewall Electric Trinidad, Colo.	100,000	5/18/39	9/26/46
Suburban Electric Dunlap, Ill.	81,173	9/24/35	9/15/38
Tidewater Elec. Service West Point, Va.	192,886	4/25/36	5/27/47
Tide Water Power Wilmington, N.C.	131,277	8/24/35	3/31/52
Utility Services Hoisington, Kans.	5,784	3/31/37	4/14/44
White Mountain Power Meredith, N.H.	200,000	5/26/49	
Total number borrowers: 25	$24,690,862		

Twenty of the power companies have retired their R.E.A. loans in full. Four are still active R.E.A. borrowers, and one has been foreclosed. The Louisiana Rural Electric Corporation has repaid $1,155,678 in principal and $1,043,167 in interest; the Fidelity Gas Company has repaid $539,533 in principal and $111,971 in interest; the White Mountain Power Company has repaid $69,628 in principal and $47,341 in interest; and the Montana-Dakota Utilities Co. has repaid $1,751,986 in principal and $1,149,297 in interest. The loan to the Ocracoke Power & Light Company was foreclosed by R.E.A. 12/28/44, at a loss of $37,230. This included $30,731 principal and interest of $6,499.

Note: Two-percent-interest R.E.A. loans are also made to both investor-owned and cooperative telephone systems. As of Jan. 1, 1966, R.E.A. had made 620 loans to investor-owned telephone companies and 225 loans to customer-owned telephone cooperatives.

Senator ALLOTT. Would the Senator answer a question for my own information? Does he know when that became a part of the law? I think it was added after the original REA law, wasn't it?

Senator METCALF. As I recall, when the REA law was originally enacted, it was hoped that some of the private power companies who were then in the areas would take over this business of serving the sparsely populated areas rather than forcing the others into cooperative associations, and so they were given the opportunity, the I O U's, to serve the area providing they would sign a statement that they

would serve the sparsely populated areas. At that time, they turned down the 2-percent money because they said they couldn't afford to do that.

Senator ALLOTT. The reason I asked this is that at the time I represented the city of Lamar which has a municipally owned light plant and when REA came in and we entered into a contract with them, the city of Lamar at that time was anxious, I don't recall the reasons why, but was anxious to serve certain rural territory, but, of course, couldn't borrow it on the open market, and I remember exploring this at that time when there was no money available to do it. But I was just wondering when this came into the law. Apparently it has been in from the first.

Senator METCALF. As I recall, the provisions for the loans to the private power companies was in from its inception.

Senator ALLOTT. Thank you.

Senator METCALF. There are loans dating back to 1935.

Governor, I won't be very much longer. I want to ask you about Anchorage Natural Gas. As I understand it, you were chairman of the board.

STATEMENT OF GOV. WALTER J. HICKEL—Resumed

Governor HICKEL. I was chairman of the board for about a year or so, 2 years.

Senator METCALF. And then you resigned as chairman when you became Governor?

Governor HICKEL. That is right, Senator.

Senator METCALF. Now, Anchorage Natural Gas gets its gas from the Alaska Pipeline, is that correct?

Governor HICKEL. That is right. It is a carrier.

Senator METCALF. And according to those—in 1966–67 according to other reports you have been a director of Alaska Pipeline also.

Governor HICKEL. Until I resigned when I became Governor.

Senator METCALF. Now, the gas to the franchises you talked about comes from the fields in the Kenai Peninsula.

Governor HICKEL. That is right.

Senator METCALF. How far is the length—how long is the pipeline?

Governor HICKEL. Approximately 70 miles.

Senator METCALF. Seventy?

Governor HICKEL. Roughly, 50 to 70.

Senator METCALF. Who owns the gasfields in the Kenai Peninsula?

Governor HICKEL. The Anchorage Natural Gas and Alaska Pipeline have a 20-year contract; I think it is, with Union Marathon, and it is at a firm rate established in 1959, as I recall.

Senator METCALF. Union Oil and Marathon Oil own this, and they have given a franchise to Anchorage and Alaska Pipeline?

Governor HICKEL. No. Anchorage Natural Gas has a franchise from the city of Anchorage.

Senator METCALF. I see.

Governor HICKEL. They have a contract to purchase at a firm rate over a 20-year period.

Senator METCALF. And Alaska Pipeline is the pipeline——

Governor HICKEL. Right.

Senator METCALF (continuing). Is the pipeline that hauls the gas. So that the Alaska Pipeline and Anchorage Natural Gas are dependent upon Union Oil and Marathon Oil for their entire supply of gas?

Governor HICKEL. They have a 20-year contract to purchase it, and Union Marathon have the right, I mean have the obligation to supply it.

Senator METCALF. I have here a copy of the contract for transmission of gas supply, and the paragraph pertaining to that contract you refer to.

Mr. Chairman, at this time I would like to put that contract into the record because it sets forth the various details that Governor Hickel has described.

Senator BURDICK. Without objection, it will be received.

(The document referred to follows:)

EXCERPTS FROM AMENDMENT 3 TO FORM S-1 (REGISTRATION STATEMENT) FILED BY ALASKA INTERSTATE COMPANY WITH SECURITIES AND EXCHANGE COMMISSION, JUNE 4, 1968

THE COMPANY

Alaska Interstate Company (the "Company"), was incorporated under the laws of the State of Alaska on August 11, 1966, and maintains its principal office at 3815 Buffalo Speedway, Houston, Texas; however, on April 24, 1968, the Company entered into a five year lease in customary form of 14,680 square feet of office space in an office building under construction at the corner of Westheimer and Post Oak in Houston, the term of which commences January 1, 1969 at a monthly rental of approximately $6,100. The Company was organized primarily for the purpose of succeeding to the operations and assets of the established companies herein described so as to gain the benefits of a unified and common control. Unless otherwise indicated herein, the term "Company" as used herein refers only to the Company and not to any subsidiary.

The Company is primarily a diversified holding company and its activities may be divided into four principal fields:

Natural Gas Transmission and Distribution in Alaska

Transmission—Alaska Pipeline Company ("Pipeline")
Distribution—Anchorage Natural Gas Corporation ("Anchorage")

Manufacturing

Overhead cranes—Kranco, Inc. ("Kranco")
Hearing and acoustical equipment—The Vicon Instrument Company ("Vicon")
Fiberglass boats (primarily for the U.S. Navy)—Gulfstream Industries, Inc. ("Gulfstream")

Sulphur Recovery, Processing and Sales

Recovery, Processing and Sales—The Anlin Company of Illinois and The Anlin Company of New Jersey (collectively "Anlin")

Commercial and industrial real estate operations

Baldwin Properties, Inc. ("Properties") Baldwin Equities Corporation, 3000 Spenard Corporation
Rone-Associated, Inc. ("Rone") Loop Parkway Development, Inc.

All of the Company's subsidiaries are wholly owned and operate separately. The Company's operations are, accordingly, conducted on a decentralized and substantially autonomous basis, subject to overall management supervision and financial and technical guidance by the management of the Company.

APPLICATION OF PROCEEDS

The aggregate net proceeds to be received by the Company from the offering made hereby are expected to be approximately $8,065,000 (after deducting expenses estimated at $105,000). Of such net proceeds, $6,201,812 will be applied by the Company to the satisfaction in full of certain short-term notes payable as follows: $1,158,088 due Banks and $5,043,724 due others. This aggregate indebtedness has been reduced from $6,568,724 at December 31, 1967 (see note 3 to Consolidated Financial Statements herein) which amount was incurred as fol-

lows: $525,000 used to purchase the boat building facilities now operated by Gulfstream; $4,875,000 used to purchase all of the issued and outstanding Class B (non-voting) common stock of Pipeline, resulting in ownership by the Company of 100% of the equity securities of that subsidiary; and $1,168,724 for the purchase of subordinated notes in the aggregate principal amount of $1,140,219 (plus accrued interest of $28,505) of Pipeline previously owned and held by two oil companies. The balance of such proceeds, approximately $1,863,200, will be used for general corporate purposes including working capital.

PRICE RANGE OF COMMON STOCK

The Company's Common Stock is traded in the over-the-counter market. The high and low bids for the Common Stock, as reported by the National Quotation Bureau, Inc., are set forth below:

	High bid	Low bid
1967:		
1st quarter	7½	6¾
2d quarter	10	6
3d quarter	14¾	10¼
4th quarter	18	14¾
1968:		
1st quarter	21	15
2d quarter (through May 24, 1968)	18	14

HISTORY OF THE COMPANY

Joint Venture Agreement

The Company was organized to implement the terms of a joint venture agreement dated June 23, 1966 (the "Joint Venture Agreement"). As appears in the table under the subcaption "Identity of the Joint Venturers" herein, the respective corporations and partnerships participating in the Joint Venture Agreement and the various interests consolidated as a consequence of the implementation of such Agreement, were interrelated with one or more of the other participants through interlocking ownerships or other business or professional relationships. Accordingly, the amalgamation of such interests appeared feasible and desirable as discussed below. Mr. Robert B. Baldwin was primarily instrumental in initiating the preliminary discussions of such a consolidation among the various interest owners.

Since all the Joint Venturers were active participants in forming the Company and in formulating the various exchanges described herein, each may be deemed a "promoter" within the meaning of the Securities Act of 1933. However, the Company expressly disclaims control over its affairs by any one person or group. Except for minor and immaterial amounts and except as hereinbelow discussed under the appropriate captions, all shares of stock and other assets transferred to the Company were acquired by the Joint Venturers, respectively, more than two years prior to such transfer.

Considerations Affecting the Terms of the Exchange Ratio

The Joint Venture exchange ratios were determined by negotiations among the Joint Venturers prior to the formation of the Company and prior to the making of the Exchange Offers. Such exchange ratios were based on a number of factors, including book values and relationships of market values, historical and anticipated earnings, the respective financial conditions of the various enterprises as shown by certified financial statements and schedules and certain real estate appraisals made by independent appraisers.

The Exchange Offers and Related Transactions

In December 1966, the Company acquired pursuant to exchange offers, all of the outstanding voting common stock of Pipeline, Anlin and Rone and 61.12% of such stock of Properties. The 38.88% minority interest in Properties was obtained by the Company in January 1967, in exchange (in a statutory merger) for an aggregate of 120,714 shares of the Company's Common Stock. Upon consummation of the foregoing the Company owned all outstanding equity securities of its subsidiaries except for the non-voting Class B common stock of Pipeline.

On December 1, 1967, the Company acquired all of the outstanding Class B common stock of Pipeline. Under the terms of the purchase agreement dated

November 17, 1967, between the Company and Marathon Oil Company and Union Oil Company of California, the Company (i) paid each seller $500,000 in cash, (ii) delivered each seller a note for $2,521,862.11, (iii) purchased from each seller Subordinated Notes of Pipeline (referred to in Note 3 of the Notes to Consolidated Financial Statements included herein) in the amount of $584,362.11, principal and interest to November 30, 1967, and (iv) assumed the obligations of the sellers with respect to furnishing funds in the future for the account of Pipeline under the Deficiency and Subordination Agreement (the Company also agreed to attempt to be fully substituted for the sellers under both such agreement and Pipeline's Mortgage). The sellers hold in pledge the Class B stock of Pipeline and the Subordinated Notes as security for the payment of the Company's related notes.

Distribution

Anchorage, in 1961, commenced the distribution of natural gas in the City of Anchorage and in some portions of the surrounding suburban area through a distribution system consisting of approximately 75 miles of mains, laterals and service lines constituting a grid system, which cost approximately $5,500,000. Anchorage has expanded its facilities each year (at an average annual cost of approximately $500,000) and now serves approximately 8,350 residential, 1,400 commercial, 250 interruptible and 3 power plant customers through an all welded pipe distribution system of approximately 240 miles of main, all of which is less than seven years old and, in the opinion of management of Anchorage, in excellent condition.

GAS SUPPLY

Transmission

In May, 1960, Pipeline entered into a gas purchase contract (the "Gas Purchase Contract") with Union Oil Company of California and Marathon Oil Company (under its former name of The Ohio Oil Company) providing for delivery to Pipeline of 243 billion cubic feet of natural gas over a period of twenty years. Such contract was amended as of October 1, 1967, to provide for delivery to Pipeline of 240 billion cubic feet of natural gas over a period of 20 years from the date of such amendment.

On or before August 1 of each year, Pipeline must notify the producers of Pipeline's maximum daily firm and interruptible load requirements during the twelve-month period beginning the first day of August of the following year. The producers must then notify Pipeline on or before the first day of the following October that their delivery capacity is (i) equal to 110% of such requirements, or (ii) not equal to, and will not be equal to, such requirements, or (iii) not then equal to such requirements but producers will attempt to provide delivery capacity of 110% of such maximum daily load requirements on or before the first day of April next succeeding the date of such notice.

In the event Pipeline receives the notice contemplated by subparagraphs (ii) or (iii) above, it is free from date of receipt of notice that (ii) applies, or from the first of April in the event that (iii) applies and the requisite delivery capacity has not been provided, to contract with others for the purchase of gas up to the greater of 2500 Mcf per day or the amount by which the producers' then current delivery capacity is less than Pipeline's maximum daily load requirements. The producers are obligated to operate the dedicated acreage in a reasonably prudent manner so as to satisfy Pipeline's requirements.

Pipeline must pay 24¢ per Mcf for the first 8 billion cubic feet taken each year and 16¢ per Mcf for all additional volumes taken each year. Commencing October 1, 1972, each of such prices increases 1¢ each five years. Pipeline is also required to reimburse the producers for any increases (since May, 1960) in specified taxes.

Pipeline has entered into a second contract with the same producers for a 10 year term from May 1, 1967 covering an aggregate quantity of 10 billion cubic feet of natural gas to be delivered from the producers' Kenai-Nikiski Pipeline at prices 1½¢ per Mcf higher than those set out above. This second supply contract provides, in effect, that the quantity of gas provided for in the Gas Purchase Contract will be increased by the amount of gas, if any, not taken under such second supply contract.

Distribution

At present Anchorage is Pipeline's only customer. In December 1960, Pipeline and Anchorage entered into a twenty-year gas supply purchase contract (the "Gas Sale Contract"). The Gas Sale Contract provides for Anchorage to purchase all of its natural gas requirements during the term of the contract from Pipeline unless Pipeline is unable to satisfy such requirements in which event Anchorage

may contract with others to supply the deficiency. (While, as of the date hereof, there is no competition to Pipeline in the natural gas transmission business, management of the Company believes that the existence of large gas supplies as well as the development of specialized markets (such as petrochemical plants) on and near the Kenai Peninsula, may result in an active competitive situation for Pipeline within the next few years.)

FRANCHISES AND REGULATION

Under the laws of the State of Alaska, franchises may be granted by municipalities (and certain other governmental entities) for the rendering of gas service within their respective jurisdictions. Anchorage holds franchises for gas service within the city limits of Anchorage and Soldotna and for the areas under the jurisdiction of the Council of the Public Utility District of Spenard, all of which expire in 1979 (subject to a three-year extension period). All such franchises grant the customary rights to construct, maintain and operate gas system facilities.

The franchises were granted for a minimum term of 20 years from the effective date thereof plus a three-year extension period. As a consideration for these franchises, Anchorage must pay a franchise tax not to exceed two percent of the gross revenue from the sale of gas within the corporate limits of the respective franchised areas. Further, the laws of the State of Alaska provide, in effect, that no municipality or Public Utility District may grant such a public utility franchise for more than 20 years, or without reserving the right to purchase the utility's property at the end of its term at a valuation to be fixed by arbitration. The utility has the right to remove any of its property not so purchased.

In the opinion of the management of Anchorage, none of such franchises contains any restrictions or requirements which are of a materially burdensome nature, and such franchises are adequate for the conduct of Anchorage's business. None of the franchises is by its terms exclusive.

Anchorage is subject to the jurisdiction and regulation by the City Council of the Cities of Anchorage and Soldotna and by the Public Service Commission of the State of Alaska as to rates, rules and regulations and services areas.

Public Utility Holding Company Act of 1935

As a result of its ownership of more than 10% of the outstanding shares of the voting securities of Anchorage, Pipeline and the Company are each a "holding company" as defined in the Public Utility Holding Company Act of 1935, as amended ("the 1935 Act"). However, both Pipeline and the Company have filed, and expect to continue to file in future years, a Statement with the Securities and Exchange Commission pursuant to Rule U-2(a)(1), claiming exemption as a holding company from all of the provisions of the 1935 Act and rules there under [except Section 9(a)(2)]. Under the Rule the filing of such a Statement exempts (until terminated by the Commission) Pipeline, and every subsidiary company as such, from all of the provisions of the 1935 Act and the rules thereunder (other than Section 9(a)(2), relating to the acquisition of securities of affiliates which are public utilities) subject to the filing of such a Statement on or before March 1 of each year.

Other Regulation

Because Pipeline's operations are wholly intrastate in character it is not subject to the jurisdiction of the Federal Power Commission under the Natural Gas Act of 1938, or otherwise.

The State of Alaska, through its Public Service Commission, regulates public utilities, which term, as presently defined, includes Anchorage (but not Pipeline) as to, among other things, rates. However, the extent of the jurisdiction of the Alaska Public Service Commission over natural gas pipelines generally (and Pipeline, specifically) has not yet been determined. There are no state statutes affecting Pipeline's gas supply.

Governor HICKEL. Could I clarify one point, Senator?

Senator METCALF. Certainly. I would like you to clarify any point.

Governor HICKEL. I would like to clarify one point. If I may respond to the question asked before lunch and I worked all lunch hour to work it out and give you the facts. The question related itself to the suggestion that while I was Governor I owned stock in a company

that appreciated in value, and could have been benefited by the exercise or the failure of my exercising the power as Governor or through public agency under my jurisdiction.

I would like to make it real clear that Anchorage Natural Gas received a franchise from the Greater Anchorage area by public referendum in 1959, and the utility is not now, never has been under any State control, and during that time, as near as I can figure out today at noon, there has never been an increase in rates in any of its system. There have been two slight decreases of rates in the sale of gas to REA and the sale of gas to the city of Anchorage for power generation.

I only mention this to state very clearly that if any Governor or anyone else wanted even to help that company, I wouldn't know how, because we have no jurisdiction.

Senator METCALF. When you say that it has never been under State control, you mean that it has not been under the control of the Alaska Public Service Commission or the regulatory commission?

Governor HICKEL. I think that is right, yes.

Senator METCALF. Now, who does control? Is there any regulatory agency?

Governor HICKEL. The city of Anchorage sets the rates. They go over the books or whatever they have to go over, whenever they have to go over them, and then with the public utility district outside of the city of Anchorage at the time they got a franchise they do likewise and that is the governing factor. It is a nonexclusive franchise. In other words, some other company could come in, too. It is not an exclusive franchise.

Senator METCALF. Who regulates the Alaska Pipeline Co.?

Governor HICKEL. They are not under the public service commission, not of the State. I don't think any of the pipelines in Alaska are, and I would stand corrected on that.

Senator Stevens, can you—they are not under the public service commission.

Senator METCALF. I think you are correct. As I understand it the State of Alaska, through its public service commission, regulates public utilities which term as presently defined includes Anchorage but not the pipeline. Among other things, the rates and the extent. It says here that the extent of jurisdiction of the Alaskan Public Service Commission over natural gas pipelines and the Anchorage Pipeline specifically has not yet been determined.

I now yield to Senator Stevens.

Senator STEVENS. Thank you, Senator.

That is correct. It is my memory that the legislature over a series of years has specifically excluded that pipeline from the regulation of the State public service commission, primarily because the one serves only the city of Anchorage and its environs, and the pipeline, the oil pipeline, serves only major companies. It does not serve consumers in any way.

Senator METCALF. I was quoting from the Alaska interstate report to the Securities and Exchange Commission, neither subject to the Federal Power Commission, the Natural Gas Act of 1938, nor is there any regulatory authority at the present time through the Alaska Public Service Commission.

Senator STEVENS. If I could interrupt there again——

Senator METCALF. Surely.

Senator STEVENS. It is my memory again, Governor—correct me on this one—but I think the Governor sought that regulation during the latter part of the last legislature but did not receive it.

Governor HICKEL. That is correct, and I recommend for this session that opens in about 2 weeks, back in our State capitol.

Senator METCALF. How are public service commissioners in Alaska selected, Governor?

Governor HICKEL. I think they are—gee, I should know that. I think they are appointed, and are they confirmed by the Senate?

Senator METCALF. The Governor appoints them?

Governor HICKEL. I think that is right. I think there are guidelines, however, how I do that. I can get that information for you again, Senator, but I just don't have it at my fingertips.

Senator METCALF. I have been informed that the Governor appoints the public service commissioners.

A couple of years ago Senator Muskie, with the Government Operations Committee, held a survey of the various activities of the State regulatory agencies, in reference to the survey that your own commission reported that they were appointed by the Governor.

Governor HICKEL. I might add for clarification, they don't serve at the pleasure, as I recall. I think they are appointed under specific terms, as I recall, Senator.

Senator METCALF. It is true that every single active member of the commission at the present time——

Governor HICKEL. Yes.

Senator METCALF (continuing). Was appointed by you?

Governor HICKEL. If you have the facts on that and tell me that, yes. I couldn't name the commission members right now.

Senator METCALF. Well, I have that you appointed one Loren Lounsberry.

Governor HICKEL. That I recall.

Senator METCALF. Who used to be on your staff.

Governor HICKEL. No; he has never been on my staff. He never worked for me.

Senator METCALF. Thank you.

Governor HICKEL. He is an engineer.

Senator METCALF. I have the wrong information.

Governor HICKEL. He never worked for me in private or public life.

Senator METCALF. You appointed him?

Governor HICKEL. Yes.

Senator METCALF. Another commissioner, James R. Klaus, who was the district attorney for Alaska.

Governor HICKEL. Yes.

Senator METCALF. During the last Republican administration.

Governor HICKEL. That is not true.

Senator METCALF. And a man named Gordon Zerbes, a hotel and property manager of Ketchikan, who was originally appointed by Governor Egan and you reappointed him as chairman.

Governor HICKEL. I remember him, Klaus, Senator, I am not real sure whether he was the district attorney in any Republican administration. Can anyone clarify that? I can't.

Senator STEVENS. If I may—Mr. Klaus was a former assistant U.S. attorney, not a State district attorney.

Senator METCALF. I thought I made that clear.

Senator STEVENS. Assistant U.S. attorney in Anchorage.

Senator METCALF. Yes, and he served in that capacity during the last Eisenhower administration.

Senator STEVENS. It is Joe Lounsberry on the staff and Loren is his brother who is a civil engineer.

Senator METCALF. Thank you for that clarification.

Do you know, then, how much the pay is of the commission?

Governor HICKEL. Many of our commissioners serve without pay. I don't think they have a salary, Senator. I think they might have a per diem for meeting purposes. If I knew these questions were coming up, I could answer them specifically, but I don't think our commission members generally are paid.

Senator METCALF. They are paid a per diem?

Governor HICKEL. They are.

Senator METCALF. And they are paid expenses, too, and for your information it is the lowest pay of all the 50 States, and Alaska has the highest rate of return of any of the 50 States.

Now, in these per diem commissions, we often have a staff that takes care of a lot of the regulatory activity, but I was going to ask you how big a staff? Apparently it isn't fair because you haven't prepared, so I will tell you that the staff of your regulatory commission up there is one accountant, one engineer, one lawyer, one other professional, and four secretaries, again among the lowest in the United States.

Governor HICKEL. Senator, it has been that way since statehood. I know we have to upgrade it, but it is one of the many things that we have to do and this has just been a precedent that has been going on for the years since statehood.

Senator METCALF. I am not going to belabor this. I wanted to point out that the natural gas franchise that you still hold, two companies who distribute natural gas, the pipeline company on which you were a director, have the highest rate of equity return and one of the highest rates of income return of any of the utilities in America. You are going to be responsible for at least saving for us in the Northwest a continued low-cost public power.

Governor HICKEL. And I believe in it.

Senator METCALF. And you are going to be responsible in these various agencies to preserve the low-cost public power to preference customers, especially industrial customers who have moved into those areas in order to enjoy that power.

I want to be sure, and I think all of us in the Bonneville Power area want to be sure that the rights of the consumer rather than the rights of the utilities who purchase that power are first and foremost in your mind as Secretary of the Interior.

Governor HICKEL. Thank you, Senator. They will be. I would like to, I would be derelict if I didn't comment. There never has been a dividend paid by these companies, and I am sure that when they go into the hearings under the first portion of that, you will find out that for many years this company lost a considerable amount of money, and that the rate of return—I don't know how or what—I know you have got the figure from the university business section or something, but I would like at the time when we go into that other part of it bring out all the facts so you can see them. I don't have them here.

Senator METCALF. Governor, I want you to bring out all the facts.

Governor HICKEL. I know.

Senator METCALF. And that is what the purpose of this hearing is, and I want to have the full and complete disclosure of all of these activities, and I welcome any other corrections or anything that your staff is able to establish.

Governor HICKEL. Senator, if I may——

Senator METCALF. Surely.

Governor HICKEL. Mr. Chairman, if I may, this morning there was some discussion about a bill that I vetoed. It had to do with water pollution. I have a copy of my veto message here that I would like to have a part of the record which explains why I vetoed.

Senator METCALF. Mr. Chairman, may we put the Governor's veto message in at the point at which we were discussing this veto of an act of the Alaska Legislature?

Senator BURDICK. Without objection, it will be so received, and placed in the committee's official files for reference.

Senator METCALF. Thank you very much, Governor.

Now, Governor, isn't it a matter of fact that the two oil companies, Marathon Oil and Union Oil have a line of natural gas that the utilities use so when you said you didn't have any interest in an oil company you have an indirect interest in the activities of Union and Marathon Oil?

Governor HICKEL. Not directly, Senator, because——

Senator METCALF. I didn't say directly; I said indirectly.

Governor HICKEL. Well, they have to furnish gas; yes, and——

Senator METCALF. They have complete control over the natural gas?

Governor HICKEL. They have a contract to furnish us gas for 20 years, and likewise Anchorage Natural Gas has a 20-year franchise where they have to furnish gas to the city of Anchorage.

Senator METCALF. Mr. Chairman, I have mentioned several items during the course of this statement that I may have forgotten to incorporate in the record. In order to make the record complete, I would like to have permission to incorporate those with proper and adequate identification if I have overlooked one or another of them.

Senator BURDICK. That may be done.

Senator METCALF. Governor Hickel, I would suggest that when you get down to Interior you would do one thing, go over this transcript. Many of the things that we have asked you, and we have asked for your ideas on, are very controversial matters within this committee, and before the Congress of the United States, and I would hope that you would throw a good many of them right back to the Congress with some of your suggestions that we enact legislation to enable you to do the things that you feel it necessary to be done.

Governor, I hope that when the transcript is available, you will go over it and look into those questions when you understand them, where you have been unable to provide the answers, and see if you can talk to some of your staff or some of your consultants and add this information for the record, on what you have said perhaps about transmission lines or your suggestion as to what you knew about preference clauses and so forth, and if you can supply them within a reasonable time before it is printed, I would like unanimous consent to have the Governor's statement incorporated at the proper point in the record, Mr. Chairman.

Senator BURDICK. Without objection, it is so ordered.

Senator METCALF. Governor Hickel, I have some questions about

sea otters, I have some questions about the musk ox, but you are going to hear from us about Yellowstone National Park, which is a comparable sort of a problem, and I feel that we will be able to work those things out together.

I congratulate you on your statement. I feel that you have cleared the air of a good many problems and you have made some commitments that I feel will be very important as to how we are going to handle and work together on the development of fish and wildlife resources and those important areas in and around Alaska, such as Cook's Inlet, and how we are going to develop resources on the Arctic game range. I thank you very much for your testimony and it has been a pleasure having you before us.

Governor HICKEL. Thank you, Senator.

Senator BURDICK. Senator Moss?

Senator Moss. Thank you, Mr. Chairman.

I have, I think, just two questions, Governor, that I neglected to ask when I had my first opportunity, and I would like to get your point of view here now. One has to do with water and the other has to do with oil shale.

As you may know, studies are presently being made both in the United States and in Canada on the question of the transfer of water from the northern reaches of the continent where it is largely wasted into the sea, bring it southward into prairie provinces, the Great Lakes and down to the arid western part of the United States.

If this project were ever approved, it would probably involve some Alaskan waters perhaps being utilized in this way.

First of all, I just wanted to ask you whether you had heard about this general proposition, and, secondly, to have you express your attitude or your opinion about this.

Governor HICKEL. As a very limited thing, Senator, I think I am only aware of Parson's report. I think that is right.

Senator Moss. That is one. There are four or five others, but Parson's is one, yes.

Governor HICKEL. And I think the general idea—and I remember discussing this years ago when I was chairman of the Economic Development Committee, talking about a possibility of having Alaskan waters going into the Canadian system and the Canadian system then go into the American system on down through the West and Southwest. I don't know it in detail. It might have some merits. I do know that any study that the Interior Department might want to make on the diversion of waters, I think, has been set aside for about 10 years, as I recall.

I don't know if this comes in that category or not. I know about the Columbia problem.

Senator Moss. No, the only moratorium that we are confronted with is studying water out of the Columbia Basin. This has to do, of course, with Canadian waters and reaching as far as Alaska, on which there is no embargo at the present time.

Governor HICKEL. I have no mental reservations about having the water come down; because it all is wasted now. I think that it would depend on, basically, economics, and whether the input up in Alaska or Canada could be amortized at the other end in some way. I think that

would be the big consideration. That would be one consideration, I think a primary one.

I would say that the idea is exciting because it is new. It is quite large. I am not conversant enough in the engineering field to know about it. I know its general terrain. But I have no locked in idea on it, for or against.

Senator Moss. Thank you.

Obviously, the thing has to be done or it doesn't go anywhere, but you have no objection to that sort of a survey being made?

Governor HICKEL. No.

Senator Moss. Or engineering studies going forward to see if it is economic, I take it from your answer.

Governor HICKEL. I think it makes sense to have it.

Senator Moss. Nor do you have any, oh, political bloc, speaking as an Alaskan, you don't have any political bloc against whether those waters might be utilized elsewhere, if the economics are right for Alaska, of course?

Governor HICKEL. I have none at all. It might be of great benefit to Alaska. I just haven't thought about it. I have no reservations about the study or the feasibilities of it. Like I say, it could be quite an exciting thing.

Senator Moss. Thank you, Governor.

My other question had to do with oil shale, which I think we did touch briefly, but which I felt ought to be expanded a little more in the record.

In your press conference on December 18 a question was asked you about your general philosophy toward oil shale development, and you answered that, but your final answer was not clear, whether you thought we should have Government development of the process of extracting oil shale or private development in the traditional way of simply making leases and letting the private companies develop it.

And so I would like to know which of these two, if either, you favor and what your general philosophy is on how development might go forward on oil shale.

Governor HICKEL. I think basically oil shale development will come about by two methods. One will be an economic need and the other possibly would be by Government direction. And I stated that it could be possibly a combination of public and private. I think above all, regardless of who does it, the minimum the Government should do should set the guidelines of how it should be developed. I don't know at this point whether royalties are set now or what the guidelines are. But under Federal lands and State lands, as one of just general philosophy I think we definitely have to set the guidelines of how and when it should happen, other than that of economics.

Senator Moss. One of the proposals suggested for getting the oil out of the oil shale is to use an atomic charge deep in the ground to fracture the rock and also furnish the heat to electrify. If that method were used, it would almost certainly involve the Federal Government, because of the monopoly that is held on atomic fissionable material by the Federal Government.

Now, do you see any objection to proceeding along this line to determine whether this is indeed a feasible method of bringing out oil?

Governor HICKEL. Senator, none whatsover. I think that in there would be the Government responsibility, because in that specific case,

as you mentioned, with atomic energy, it is something that private enterprise literally can't do at all or couldn't do as well, and so at that point it would be the role of Government. It could be in that light that there could be that partnership I talked about in developing it with the Federal Government doing what it thought it had to do or should do, and what private industry would have to do or should do. There are no mental blocks on trying to figure out how we could economically do it if such a study showed that.

I understand the last study wasn't too favorable, but let's look at it.

Senator Moss. There are some people that apparently feel that this is a resource that should just be left there and not fooled with at least for a long time. Others argue, well, you don't know whether it is a resource until you know whether it can be brought out economically, and so it seems to me the dividing line is as you expressed, that you ought to go ahead and find out whether it can be extracted in an economic manner. Then you know you have a resource in the ground.

Governor HICKEL. That is right.

Senator Moss. Does that generally state your ideas?

Governor HICKEL. That is the general way I feel about so many of the resources.

Senator Moss. Thank you, Governor.

It has been a long interrogation, and I want to compliment you on your responses, and as Senator Metcalf said, we have great concerns here in the committee about so many of these wide problems that we felt it was our obligation to probe as well as we can your attitude on so many of these points. I am sure that we can work very well as you undertake your new assignment.

Governor HICKEL. Thank you, Senator.

Senator METCALF. Mr. Chairman?

Senator BURDICK. Senator Hatfield?

Senator METCALF. Mr. Chairman, I forgot to ask a question. I forgot to ask about Rampart Dam. You are certainly familiar with it. What are your views as to the construction of Rampart Dam?

Governor HICKEL. Senator, I would like to comment before I answer directly that that is another one of those questions that isn't controversial. I think this. I know the report that came out on Rampart Dam. I know the opposition by some of the conservationists. I know some of their fears. I don't share all their fears, probably for the reason that I know that vast area.

I think that some day, somewhere, somehow, Rampart Dam might be built. I don't want to say that I am going to do anything. You asked me for really a philosophical answer. To say it shouldn't be built would be to make a decision without really having all the facts as I see them. It relates to so many different problems in an arctic country. But basically we are living by that report. I do think some day Rampart Dam, probably beyond our time, will be built.

Senator METCALF. It is possible, however, that during your career, during your tenure as Secretary of Interior you may send up to the Congress a recommendation that we build Rampart Dam.

Governor HICKEL. As you said, it could be possible that that might happen. I sure won't make that decision on my own. That is too complicated. It is really an engineering economic problem along with the total aspect of wildlife. I think the problem is so immense that no one person would ever make that decision, unless possibly the President

of the United States with the advice and consent of Congress, but I would have to have the voluminous amount of material that has been written about it and studied out before any decision was made. I have no intention of that at this time.

Senator METCALF. As Secretary you would continue to study both as to the impact upon the fish and wildlife resources and the necessity for the development of power and the storage of water?

Governor HICKEL. I absolutely would, because I think, to repeat myself, I think it is a great, great engineering project. I think it would do so much for so many but to belabor the point any further than that would be just repetitious.

Senator METCALF. Thank you very much, Governor.

The CHAIRMAN. Senator Nelson?

Senator NELSON. Is my memory correct—I thought I had read that you were publicly on record as Governor in favor of the construction of Rampart Dam.

Governor HICKEL. I was, Senator, as Governor I was. I think, as I said, with my limited knowledge on that as Governor of Alaska, and as a person who has known about this for years, it would be a great project, but to push it as Secretary of Interior, there are too many other things involved.

Senator NELSON. What I didn't understand, then, if it is correct that you have been on record as favoring Rampart Dam your response to Senator Metcalf's question saying that you couldn't give a positive answer now because you didn't have enough facts.

Governor HICKEL. Well, that is true, Senator. As the Secretary of Interior I would have to have other facts to make that decision, completely different than that of Governor of Alaska. Alaskans in general would overwhelmingly support a project such as that.

The CHAIRMAN. Senator Burdick?

Senator BURDICK. Governor, a question in this area maybe has been covered but just for my satisfaction. I am referring to the BOR program. Do you look favorably upon that program?

Governor HICKEL. Do I look favorably?

Senator BURDICK. Yes.

Governor HICKEL. Yes, I do.

Senator BURDICK. And would you support it?

Governor HICKEL. Absolutely, I would.

The CHAIRMAN. Any further questions of the Governor?

If not, the Chair has a few concluding questions here.

Governor, I hope that you are aware of the provisions of the recently enacted Colorado River Basin Project Act which for a period of 10 years prohibits the Secretary of the Interior from undertaking reconnaissance studies of any plan for the importation of water into the Colorado River Basin from any other natural drainage basin lying outside of Arizona, California, Colorado, and New Mexico.

This provision was a vital part of the agreement which would permit the other benefits to the Southwest incorporated in the act to be realized. Its purpose is to provide the time required for the States of the Pacific Northwest to complete their evaluations and fundamental planning for the future of their water resources, and it is essential that the work be permitted to continue in an efficient and orderly fashion and not in an atmosphere of expediency and threats.

In the meanwhile, there is a great deal of planning work required, of course, in the Southwest. We have porvided in the act for the Secretary to undertake that work, and I hope you will proceed with your planning for western water resources in the spirit of the Colorado River Basin Project Act as well as within the letter of its provision.

I think all of the Western States will benefit with that approach, and I assume that you will do that.

Governor HICKEL. I will, Senator.

The CHAIRMAN. Is that right?

Governor HICKEL. Yes, Senator.

The CHAIRMAN. Now, one or two other items here.

As you know, a National Water Commission has recently been authorized by Congress, and the members have been appointed by the President. The Commission will soon have its staff organized and will begin its 5-year review of the entire scope of Federal water resource development policy. The Commission will have to work very closely with the water resource agencies. The Department of the Interior, of course, is one of the principal agencies in the field.

I would like to be assured that you are in sympathy with the objectives of the Commission, and that you will offer it your best cooperation.

Governor HICKEL. To the best of my ability and knowledge, I will do that.

The CHAIRMAN. A question on reclamation. The beneficial development of water resources, of course, has been a basic factor in the economic growth of the Western States. The Bureau of Reclamation's multiple-purpose water projects have provided the agriculture and municipal water supplies, hydroelectric power, recreation, fish and wildlife, conservation, and other benefits which have contributed to the prosperity of many of the principal population centers of the West.

Considering the population and economic growth, which seems certain to continue in the Western States, and considering the very important water resource problems which face the entire Nation, the Bureau of Reclamation's expertise will be a valuable asset.

Could you comment just briefly on the Bureau's role in the future as you view it in these areas of reclamation, and hydroelectric development that are a part of the multiple-purpose water projects?

Governor HICKEL. To the best of my ability, Senator, as a philosophy, it probably goes back to what I talked about, the wise use and conservation.

I think that many times these projects have other value over and above even the saving of lives in a flood and the generation of power. I think they are multiple of purpose, and I think there are areas in there that I mentioned that man can really help nature, the total program of recreation, industrial development, and these multiple-purpose uses that an agency or a bureau like the Bureau of Reclamation is.

And so as one of philosophy, I think that in there lies the reasons why Government has to do things. Private enterprise at that broad a level couldn't accomplish the recreational aspects, the flood controls. They might just in power, but in the broad aspects it takes some governmental body to accomplish this purpose. And so I think it is the function, and I would carry out programs like that, because I

think there isn't any other way in that broad field to really have the progress that has to come about.

The CHAIRMAN. Thank you, Governor.

Governor, as you know, the Government in the award of oil leases often uses a lottery system to determine the priority of leases where the bidding is noncompetitive. There have been recommendations that this system should be discarded and that all leases should be made on a competitive bid basis. Do you have a position on this matter in view of your familiarity with the development of Alaska's oil reserves? Has a lottery system, for example, worked in Alaska? And then go on from there.

Governor HICKEL. It has worked but we are going forward on a competitive bid system. We think that is by far the best way to protect the public interest. The lottery system as such is just what you call it. It really is a lottery, and it is not based on any scientific fact or knowledge.

I might elaborate a little further. That is the reason why we within government should try to find out as much as we can about these various geological formations, so that we know where we can move, in the best interests of all concerned with the most knowledge at hand.

The CHAIRMAN. It is very important, isn't it, in the public domain, and I say this both Federal and State public domain, to do the necessary survey work so that you know whether there is a known geological structure, because once you have that——

Governor HICKEL. That is right.

The CHAIRMAN (continuing). Then you can offer it competitively.

Governor HICKEL. That is right.

The CHAIRMAN. And this will bring a tremendous amount of revenue to the State or to the Federal Government as the case may be, which would not be possible otherwise.

Governor HICKEL. Senator, I might add, I agree wholeheartedly. I have asked for a directive to be put out in my office while I am still Governor that oil leases be competitive. I am not sure that has gone out or not.

The CHAIRMAN. Another question. At the time the present Commissioner of the Bureau of Indian Affairs, Robert L. Bennett, was before this committee in connection with his nomination to that post, Executive Report No. 1 was referred to the Senate. In it this committee expressed its dissatisfaction with the pace of progress in elevating the American Indian to a level of parity with other citizens of the country. I would like to have your views on some of the issues that have concerned us and which have not received the attention or wholehearted support of the Interior Department.

For example, the question of multiple ownership of Indian allotted land, the fractionation, in other words, of Indian lands. For 10 years this committee has proposed legislation to alleviate this administrative nightmare, and to return these fractionally owned lands to a single Indian ownership. What is your view with regard to stopping this reduction of ownership to minute fractions whereby the Indian gets little or nothing, and what would you suggest as a way to cure the problem?

Governor HICKEL. Senator, I have some basic knowledge of the problem. I do not have detailed facts nor specific things to recommend, but as a broad thing I think that, number one, where the Bureau fell

down was first in education and the type of education and the method by which they tried to achieve the education.

Secondly, I think that the self-dignity and the pride of ownership is very, very important, and how we accomplish this or how we get them integrated, maybe it is in some sort of corporation that protects the tribal aspect of it and yet has the individual feeling of ownership within some business or enterprise that they might be doing.

But in a sense all we have to do or the step we should possibly take is try to get our Indian, Eskimo, and Aleut people in the same mainstream of life that we are in, but we will have to start from a different base.

The CHAIRMAN. Senator Church had a further question.

Senator CHURCH. Governor, if I may say so respectfully, I think your answer was not really responsive to the question. May I restate the question?

The CHAIRMAN. Senator Church, I might say Governor Hickel, struggled with this problem for a long time. We have passed an Indian land bill relating to the fractionation problem. You can have one-thousandth ownership in a small piece of land.

Senator CHURCH. Maybe you are not faced with this in Alaska.

Governor HICKEL. No.

Senator CHURCH. May I just say for the record that on many of the Indian reservations in the other Western States there is a very serious problem of fractionated ownership of lands, sometimes called the heirship problem. Now it has reached the point where computers are needed to administer the lands, in order to distribute the proceeds from leases to the individual owners. Sometimes they number in the hundreds.

Several times over this committee has attempted to write legislation which would help in the solution of this problem. That legislation, though it has passed the Senate on the recommendation of this committee at least twice has never been acted on by the House. Each year the problem gets worse, and frankly though the failure to pass legislation is not the responsibility of the Department of Interior, there has been some feeling that the Department has not given the kind of support it should have given to the solution of this problem.

I would hope that as Secretary of Interior you would make a point of looking into this whole question with the purpose of cooperating with the committee in an effort to secure a legislative solution.

Really it is getting is bad that unless something is done soon, a great deal of this land will simply yield nothing at all to the Indian owners.

Governor HICKEL. I understand your question now, because when you said fraction, I thought you meant one person owned many fractions or pieces of land. In reverse it is, so many people own the same thing.

Senator CHURCH. Yes.

Governor HICKEL. Well, first of all let me say that we do not have Indians on reservations in Alaska so our problem is a different thing.

Senator CHURCH. Yes.

Governor HICKEL. As I view your problems, and as I understand it from listening to you, I would ask the simple question why the Department of Interior has not supported you, because I would think it would be the right thing to do, just seeing the problem as you relate it to me, and as I have it in my mind.

As I see it now, I would be one of the champions to help solve that problem, because I can see the problem of 100 people, as you mentioned, owning a little piece of ground. It practically is insurmountable and really does that person no good from the standpoint of self-help or self-dignity. He cannot say he owns it. Sure, I would be glad to help if I understand the problem.

Senator CHURCH. I am glad to hear that and I hope you can give the problem some priority attention.

Governor HICKEL. I will.

Senator CHURCH. It is a place where I think you can make a very real contribution.

Governor HICKEL. I will do that. Thank you, Senator.

The CHAIRMAN. Governor, the National Historic Sites Act provides funds for training and research in preservation of historic places. It also provides the Secretary with authority to comment on a variety of actions of the Federal Government which might affect historic areas. As Secretary do you intend to pursue your authority in this regard, and will you work to protect historic sites of national importance from loss or damage?

Governor HICKEL. I will, Senator; yes.

The CHAIRMAN. One last matter. Governor, on page 3 of your statement you said:

> I believe we should devote a period of time to the consolidation of the gains that have been made through a reassessment of our long-range objectives. I think we should explore ways within the Department to make things work better.

You may be interested in knowing that last fall I requested the Department of Interior to prepare a report which sets forth the objectives of the Department and the issues which it will face in the years ahead. I had anticipated that the full committee would hold a hearing on this subject sometime in February. At the hearing we would receive testimony concerning the problems and alternatives which we face in conservation and natural resource areas.

At this hearing I would expect to obtain testimony from you, your assistant secretaries and your office and the Bureau heads. I have asked the staff, Governor, to prepare a copy of my letter to Secretary Udall and the accompanying memorandum on these proposed hearings for your use. In short they will be posture hearings.

Now, we may not be able to have it right in the month of February, it may be in March, but I am sure that you would lend your full cooperation, would you not, to this effort?

Governor HICKEL. I will do that. Could I ask one question?

The CHAIRMAN. Yes. We will supply the letter.

Governor HICKEL. Thank you. It has already been requested of the Department and they are working on it?

The CHAIRMAN. Yes. A letter has gone down, but we will give you or your staff man a copy of the letter and the memorandum.

Now, you mentioned yesterday that you were preparing or had prepared a memorandum in connection with the Kuskokwim matter and that it would be available. Is that paper available?

Governor HICKEL. The one paper, didn't you put in the record that part on the Federal court case?

Senator STEVENS. This was put in the decision, Mr. Chairman, of the U.S. district court which cites the facts on the Kuskokwim matter

this morning. That was the one item I put in. But the memorandum that the Governor mentioned I think you wanted a complete background and the exchange of correspondence?

The CHAIRMAN. Yes.

Senator STEVENS. That has not been prepared yet.

Governor HICKEL. I know they are working on it.

The CHAIRMAN. Could your counsel indicate to you and then you can advise us as to when?

Governor HICKEL. Senator, if I may, we have about three of the documents, but we are picking it up piecemeal trying to get it as quick as we can.

The CHAIRMAN. Would you supply as much of it as you have available today, and try to get the rest of it together, by tomorrow I would hope, so that the committee will have it?

Governor HICKEL. We will. Senator, if I may, we are working on this now. We started it yesterday evening, and they are getting these documents. Some of them have to come out of Alaska.

(The data referred to follows:)

JANUARY 19, 1969.

HON. HENRY M. JACKSON,
Chairman, Interior and Insular Affairs Committee,
U.S. Senate, Washington, D.C.

DEAR SENATOR JACKSON: The following is a report summarizing events which took place relative to the commercial fishery on the Kuskokwim River, near Bethel, Alaska, in 1968, as requested by your committee during hearings on my appointment as Secretary of the Interior.

Included as attachments to this summary report are copies of the following:

1. Letter of October 8, 1968 from Nelson Bros. Fisheries Ltd. to Charles H. Meacham, Director of International Fisheries, State of Alaska.
2. Letter of February 15, 1968 from Larry M. Brayton, Executive Director, ASCAP, to Mitsubishi International Corporation and the Kyokuyo Hogei Co., Ltd.
3. April 26, 1968 letter of agreement between Bruce Crow, Manager of the Kuskokwim Fisheries Co-op and Mitsubishi International Corporation and the Kyokuyo Hogei Co., Ltd.
4. Letter of May 13, 1968 from Kuskokwim Fishermen Cooperative, Inc. to Governor Walter J. Hickel.
5. Letter of May 25, 1968 from Governor Hickel to Mr. Henry Charles, President, Kuskokwim Fishermen Cooperative.
6. Letter of May 13, 1968 from Governor Hickel to Mr. D. P. Shoup, Association of Pacific Fisheries, Juneau, Alaska.
7. Letter of May 23, 1968 from Governor Hickel to Mr. T. Taki, General Manager, Seattle Branch, Mitsubishi International Corporation.
8. Memorandum of Decision and Order, No. A–68–68, Filed June 5, 1968, United States District Court, District of Alaska. Michael Chase vs. Walter J. Hickel.
9. State Statute 16.10.240.

Prior to statehood, 1959, there was no organized commercial fishery on the Kuskokwim River. In 1960, the Board of Fish and Game, State of Alaska, promulgated regulations allowing for an organized commercial fishery. The catch in 1960 was approximately 6,000 king salmon; this has increased through 1968 to 34,300. Commercial catch of all species of salmon in the entire Kuskokwim District during 1968 was 299,040.

To illustrate the increase of this fishery, the average earnings of a fisherman on the Kuskokwim River for the years 1964 through 1968 were as follows:

	Earnings	Licensed fishermen [1]	Average earnings
1964	$83,000	175	$471
1965	91,000	170	534
1966	87,500	200	435
1967	138,600	256	548
1968	288,000	406	709

[1] Those fishermen holding a vessel and fishing gear license—does not include payment to their helpers.

Throughout the formation of this fishery the native fishermen were encouraged by the Alaska Department of Fish and Game to retain part of their catch for personal use. (These fish are dried, in their traditional way, for human consumption and dog food. Dried fish are worth far more to the native Eskimo than the cash received from the sale of fresh fish. This is true up to approximately 1300 fish per family.)

The basic philosophy and policy of the State of Alaska since statehood has been to harvest salmon runs at the maximum sustainable yield and to have these fish processed within the state by domestic labor. On three occasions prior to 1968 foreign bottom vessels purchased salmon within the State of Alaska. On each occasion the governor of the State of Alaska issued an invitation to the foreign vessels to enter Alaska and purchase salmon.

(1) In 1964, due to a price dispute that resulted in the canneries not operating in 1964 in Prince William Sound, Governor Egan (Alaskan 1959–1966) invited Japanese vessels in to Prince William Sound to purchase salmon from Alaska fishermen.

(2) In 1966 a supply of salmon in Cook Inlet beyond what domestic processors could process resulted in invitation by Governor Egan for Japan vessels to purchase the surplus.

(3) In 1967 we invited a Japanese vessel to Kotzebue to purchase salmon from the native fishermen due to complete lack of processing facilities in that area.

An example of the State of Alaska's policy that primary processing of fish take place within the state by domestic processors was the case in 1965 when Nelson Bros. Fisheries of Vancouver, B.C., was not allowed to bring two Canadian vessels into the State of Alaska for the purpose of processing salmon from their Alaskan cannery, a United States firm, whose fishermen, incidentally, are almost all Eskimos. (See attachment number 1.)

The incident that took place on the Kuskokwim River in May and June, 1968, began when representatives of Alaska State Community Action Program, Inc. (ASCAP) made arrangements with Kyokuyo Hogei to bring a Japanese vessel into the Kuskokwin River to purchase salmon from the Kuskokwim Fishermen Cooperative. (See letter from Larry Brayton, Executive Director, ASCAP, to Mitsubishi International and Kyokuyo Hogei—attachment number 2.) You will note that Mr. Brayton's letter states that he would obtain the necessary governmental clearance, including the Governor's concurrence.

In the letter of agreement subsequently signed by the Kuskokwim Cooperative and Kyokuyo Hogei the following condition was included:

"It is understood that with the blessing of the Governor's Office Japan side will bring a freezer boat in the area so that an effective operation of freezing can be done." (See attachment number 3.)

It was on May 13, 1968 (see attachment number 4) that the Kuskokwim Fishermen Cooperative wrote my office requesting me to encourage a Japanese freezer boat of Mitsubishi International to come into the Kuskokwim River to buy fish.

On the advice of the Attorney General's office, I informed the Co-op that due to the International North Pacific Fisheries Convention and State policy, past and present, and because sufficient domestic processing facilities were available, it would not be possible to invite a foreign vessel to come to Alaska to purchase unprocessed salmon. (See attachment number 5.)

The North Pacific Fisheries Convention Treaty contains the following paragraphs:

"With regard to a stock of fish from the exploitation of which any Contracting Party has agreed to abstain, the nationals and fishing vessels of such Contracting Party are prohibited from engaging in the exploitation of such stock of fish in the waters specified in the Annex, and from loading, processing, possessing, or transporting such fish in such waters."

The Attorney General's Office, State of Alaska, still is of the opinion that a serious question exists concerning the legality of a Japanese vessel entering United States waters to "load, process, possess or transport" salmon, and feels it would require litigation to resolve the issue.

For clarification of misunderstandings regarding prices, the price paid to the individual fishermen (ex-vessel price) was the same regardless of which one of the nine processors on the Kuskokwim River he delivered his salmon to. Fish were never delivered to nor were they ever intended to be delivered directly to the Japanese company by the individual fisherman. The Japanese freezer boat was to buy fish wholesale from the Cooperative, not from the individual fishermen as has been implied. At no time was the price received for salmon by the individual fisherman (ex-vessel price) lower than it would have been had the

Governor given his "blessing" to the Japanese firm to purchase salmon wholesale from the Co-op.

For further clarification, the Co-op (company) was to "first wholesale" their gilled and gutted salmon to the Japanese freezer ship for final processing. This "first wholesale" price to be received by the Co-op should be distinguished from the "ex-vessel" price paid the fisherman. Domestic fish brokers offered the Co-operative "first wholesale" prices equal to or greater than those offered by the Japanese.

Of a total seasonal catch by the Cooperative of in excess of 900,000 pounds of salmon, approximately 9,000 pounds of King salmon spoiled due to an initial delay in handling by the Co-op. It is our understanding that these fishermen were paid for these fish.

During the height of this controversy, State Senator Ray Christianson (D) of Bethel sent me the following telegram:

"On June 9 a meeting of fishermen was held at Napakiak, Alaska, with a delegation from all villages of the lower Kuskokwim represented. The selling of fish to the Japanese freezer ship was discussed. The delegation unanimously voted against selling to the Japanese freezer ship. I ask you to support them in their decision."—Ray Christianson, Senator of District K.

I trust the foregoing information will clarify any misunderstanding that may have existed relative to this subject.

Sincerely yours,

WALTER J. HICKEL,
Secretary of Interior-designate.

NELSON BROS. FISHERIES, LIMITED,
Vancouver, B. C., Canada, October 8, 1968.

Mr. CHARLES H. MEACHAM,
Director of International Fisheries, State of Alaska, Pouch A, State Capital, Juneau, Alaska.

DEAR MR. MEACHAM: As you requested, I am writing this letter to describe our experience in 1965 when we planned to send two of our refrigerated tenders to Bristol Bay to pick up salmon.

In the Spring of 1965, because of the large run that was forecast, we became concerned about the ability of our processing facilities to handle the expected catch. In order to assist in the disposal of any surplus that might have developed, we decided to modify two of our large tenders to make it possible to transport round salmon from our cannery at Naknek to our cannery near Prince Rupert, B. C. Modifications to our tenders, which have a capacity of 400,000 pounds each, were carried out at a considerable cost.

As the vessels were about to leave, we were notified by an official of the State of Alaska that it was contrary to State policy to permit the export of un-processed salmon in foreign vessels. The matter was not pursued any further.

I hope this brief description will be of some value to you.

Yours very truly,

R. I. NELSON.

ALASKA STATE COMMUNITY ACTION PROGRAM, INC.,
Anchorage, Alaska, February 15, 1968.

MITSUBISHI INTERNATIONAL CORP.,
810 Third Avenue, Seattle, Wash.

THE KYOKUYO HOGEI CO., LTD.,
Chiyoda Building,
Chiyoda-ku, Tokyo, Japan.

GENTLEMEN: As you might have known, ASCAP is a non-profit organization funded by the Office of Economic Opportunity, Washington, D.C., and charged with the responsibility within the State of Alaska of formulating and implementing a variety of anti-poverty social and economic development programs.

Our 1968 Fishery Cooperative Demonstration Projects are one such program now being formulated to assist the fishing communities in Western Alaska.

Mr. Jake Okamoto is presently in charge of the formulation of this program on behalf of this agency. Our basic interest here is to provide whatever assistance possible to the region's predominantly native fishing communities so that they can organize their own community-based cooperatives which will permit them to draw the maximum benefit from their fisheries resources. In most of the areas of this region, however, they do not have the processing facilities to handle their commercial salmon catch. The most urgent problem the cooperatives are faced with this summer is just how they can plan an orderly and productive

season. They are quite anxious to discuss with you all of their operating needs from the lack of fishing gear to the dire necessity of having access to some kind of temporary handling and processing facilities that the cooperatives can use.

We are particularly pleased to learn about the possibility of your group's sending a freezer boat to the areas which indeed is the only practical key for these fishery cooperatives to make this year's season business-wise meaningful with a much greater margin of safety and success. Once the newly organized cooperatives will have experienced a modest business success this summer, we wish to coordinate the further development assistance to them with other state and federal agencies so that they will be able to plan on construcing their own shore-based plants with a much greater degree of self reliance. The most important to this year's operation of these cooperatives is therefore your ability and willingness to send your freezer boat to assist these cooperatives with their own modest programs. We are convinced that such cooperation betwee your group and the Alaskan cooperatives will be economically beneficial to the both parties, and, above all, produce a significant economic impact on the region's village fisheries economy creating more stable cash-earning employment opportunities to the benefit of all the people in the villages.

I, as the Executive Director of ASCAP, hereby solicit your cooperation with our program, and urge you to explore further the possibility of lending your helping hand to the cooperatives, especially in assisting them with your freezer boat to make their demonstration salmon project a success. Your early decision will be appreciated since such arrangement, as we are all aware, will take some time and efforts for ASCAP to make in obtaining the necessary governmental clearance including the State Governor's concurrence. We believe at this point, however, that all the state and federal agencies concerned will certainly be more than receptive to such a program that already have the strong support of the majority of the fishermen of this region.

It is also being considered a worthy attempt to bring the Alaskan cooperatives in touch with their Japanese counterparts with an aim to foster friendly ties between them as part of ASCAP's long-term observation and skill training program for the Alaskan fishery cooperatives.

Truly yours,

LARRY M. BRAYTON,
Executive Director, ASCAP.

THE KYOKUYO HOGEL CO., LTD.,
Chiyoda-Ku, Tokyo, April 26, 1968.

MR. BRUCE CROW,
Emel Motel,
Seattle, Wash.

DEAR MR. CROW: With reference to our conversation in Bethel on February 16th and 17th 1968, regarding the Fish Prices in Kuskokwim Area in 1968 season, we wish to confirm having agreed following prices on the following basis. It is understood that with the blessing of the Governor's office, Japan side will bring a freezer boat in the area so that an effective operation of freezing can be done.

The type of operation agreed on tentatively is that Japan side will have contract with the Kuskokwim fishermens co-op and co-op in turn will have contract with its members as to the supply of the fish, and that fish is to be processed on the shore or in the barge. Japan side will receive the fish on G and G basis, (G and G means Gilled and Gutted) and also receive eggs, either roe or processed.

Prices agreed upon are as follows (to be applied to all the fish caught by the co-op):

1. King Salmon, dressed American style, heads-off, tail-on and gutted at 33 cents per lb delivered to the freezer boat.
2. Silver Salmon, dressed Japanese style, gilled and gutted heads-on at 23 cents per lb delivered to the freezer boat.
3. Red Salmon, dressed Japanese style, gilled and gutted, delivered to the boat at 25 cents per lb.
4. Chum Salmon, dressed, gilled and gutted, at 18 cents delivered to the boat.
5. Eggs fresh taken from the fish, all species washed and delivered to either Bethel or freezer boat at 40 cents per lb.

It is understood that the cost of collecting fish from the buying stations to Bethel or to the boat will be borne by the Kuskokwim co-op and from Bethel to the boat and from Bomavik to the boat the products will be transported by

the barge chartered by the ASCAP. As to the Quinhagak operation it is the mutual understanding that Kuskokwim co-op will do best to organize these people into the co-op, but regardless of formation of co-op in Quinhagak area, the Kuskokwim co-op will fish in Quinhagak area so that these fish will be delivered to the freezer boat.

We have had so many other things thoroughly discussed, but we are not going to put all things down in this paper because of the time limit. It is now our mutual understanding that the rest of the possible agreement will be discussed between the parties concerned based on the mutual faith and honor.

As to the payment and coordination of the operation, we highly appreciate Mitsubishi's offering its services and hope a success in the summer.

Yours faithfully,

THE KYOKUYO HOGEI CO., LTD.
H. SHIMIZU,
Manager of Trading Department.
MITSUBISHI INTERNATIONAL CORP.,
T. TAKI,
General Manager, Seattle Branch.

Accepted by:

BRUCE CROW,
Manager, Kuskokwim Fisheries Co-op.

KUSKOKWIM FISHERMEN COOPERATIVE, INC.,
Bethel, Alaska, May 13, 1968.

MR. WALTER J. HICKEL,
Governor, State of Alaska,
Juneau, Alaska.

DEAR GOVERNOR HICKEL: We need your help in assisting us in our summers' fish operation. We request you to encourage the Japanese freezer boat of Mitsubishi to come into the Kuskokwim to buy our fish.

As you are aware from your personal inspection, the Coop lost its freezing facility in September, 1968.

Based on our promise to—

(1) Pay the usual river market price.
(2) Buy by the pound *all* fresh fish taken.
(3) Maintain buying stations at 3 river locations.
(4) Assist members with net, license, and gas loans.
(5) Try to secure ESC benefits for those fishermen electing to become employees.

The Coop now has a signed up membership of 112 men from 10 Villages (of which, incidentally, 106 are "native" and low income).

Our funding from Farmers Home Administration is obligated but will not be forthcoming until 21 loan closure items are completed.

We were able to use our insurance money to construct a 40' x 60' steel building for a processing shed.

Our forthcoming FHA loan includes enough equipment to operate, but not enough operating funds to transport our fish to Anchorage for freezing.

We have a favorable preliminary feasibility report from E.D.A. on loan-grant for a Bethel located freezer hopefully to be constructed in 1969 and operational in 1970.

To enable us to operate in 1968 it is imperative that we adopt the following stop-gap measure:

1. Utilize the service of the Japanese freezer boat of Mitsubishi to be anchored down river from Bethel 17.5 miles at the mouth of the Johnson River.
2. Butcher, ice and box our fish at the three buying stations and transport them to the Japanese vessel for sale and their freezing.
3. Utilize Japanese technicians to direct our village labor in roe processing at the Bethel Station.

With the E.D.A. Freezer operational in 1970 our long term goal is to so final process our fish as to get the highest amount of revenue and labor receipts from the raw product.

"Breakup" is now occurring impeding travel to the villages, therefore it is not possible for the Coop at this moment to present you with a petition signed by all our members and other interested area people.

The enclosed petition I received from the Village of Kasigluk is indicative of their feeling.

At a Board of Directors meeting on May 11, the following Resolution was adopted:

"Whereas the Kuskokwim Fishermen Cooperative finds itself without funding and facilities to effectively process *all* the fish that our members can produce by transportation to Anchorage for freezing; and

"Whereas Mitsubishi has expressed a willingness to buy all King Salmon both #1 and #2's at a price that will be acceptable to our fishermen; be it

"*Resolved*, That the Kushokwim Fishermen Cooperative, Inc., request the Governor of the State of Alaska to use the influence of his office to encourage the Japanese to bring their boat into the Kuskokwim to the mouth of the Johnson River.

"(S) Henry Charles,
HENRY CHARLES,
President of the Kuskokwim Fishermen Cooperative, Inc.
"(S) Mike Chase,
MIKE CHASE,
Village Council President, Nunapitchuk, Alaska.
"(S) J. Bruce Crow,
J. BRUCE CROW,
Secretary-Manager, Kuskokwim Fishermen Cooperative, Inc."

Kris Lethin, Director, Alaska O.E.O., is knowledgeable about the Cooperatives situation, its needs and future plans.

We will supply you with village people's petitions as transportation becomes possible.

We plan a general meeting of the membership in Bethel on May 30 and would like to invite you or your representatives attendance at that time.

It goes without saying, that your concern for the economic and social development of S.W. Alaska is well known and that your favorable consideration of this request after your thorough investigation will be appreciated by the entire 112 families now constituting the membership of the Cooperative.

Sincerely,

J. BRUCE CROW, *Manager.*

STATE OF ALASKA,
OFFICE OF THE GOVERNOR,
Juneau, May 25, 1968.

Mr. HENRY CHARLES,
President, Kuskokwim Fishermen Cooperative,
Bethel, Alaska.

DEAR MR. CHARLES: This letter is in answer to your Cooperative's request to allow a Japanese freezing vessel into the Kuskokwim and follows my nightletter to you of May 22 on a subject of great concern to Alaska—to her fishermen, the salmon industry, and to myself; that of full utilization of all Alaska's salmon stocks. Not only is full utilization of all stock healthy from both a biological and economic viewpoint, but a requirement of the International Convention for the High Seas Fisheries of the North Pacific Ocean.

It has been my observation that when certain areas of Alaska have been blessed with exceptionally large salmon runs, the salmon industry has sometimes been strained to process the entire catch. In fact, during these peak runs we feel, in some cases, Alaskan fishermen have been denied a ready market for their catch because of imposed catch limits and inadequate capacities. The resulting loss has been to the fishermen, the salmon industry and the State of Alaska. Such circumstances weaken Alaska's position in repelling foreign encroachment of her fisheries.

Your request to allow a Japanese freezing vessel into the Kuskokwim River to purchase dressed salmon was taken under advisement. We find a request can be granted only if certain requirements of the International Convention for the High Seas Fisheries of the North Pacific Ocean have been met. Article V, 1, 2, Article IX, 1(a), Annex 1(c), 2, explicitly requires Japan to abstain from loading, possessing or transporting salmon from waters which are specified in the Treaty. There exist possibilities for exemption from the treaty in situations of emergency.

To determine whether or not conditions exist in the Kuskokwim River fishery this 1968 season, that would allow entrance of a Japanese freezership to this River, I contacted you and all other processors of the Kuskokwim by wire.

Replies received show conclusively that a larger poundage of salmon can be processed during 1968 than was processed during the record high catch of last year. Under these conditions of full utilization, the above cited treaty would not allow the entrance of a Japanese freezing vessel into the Kuskokwim River.

My administrative policy and sincere desire is to harvest, in an orderly fashion, all salmon surplus to subsistence and escapment requirements, and to process the catches in Alaska by United States firms. On the other hand, I will not hesitate to invite into Alaska other processing facilities should our domestic capability prove to be inadequate to handle the catch of Alaskan salmon.

I am sending Mr. Charles H. Meacham, Regional Supervisor, Commercial Fisheries, Alaska Department of Fish and Game, to represent this State at your Bethel membership meeting. I have selected Mr. Meacham as the fishermen of the Kuskokwim River are well acquainted with him and he is knowledgeable of your fishery as well as State, Federal, and International Fisheries laws and regulations.

Warm personal regards.

Sincerely yours,

WALTER J. HICKEL, *Governor.*

STATE OF ALASKA,
OFFICE OF THE GOVERNOR,
Juneau, May 13, 1968.

Mr. D. P. SHOUP,
Association of Pacific, Fisheries,
Juneau, Alaska.

DEAR PETE: I am writing to you about a subject of great concern to Alaska—to her fishermen, the canned salmon industry, and to myself, that of full utilization of all Alaska's salmon stocks. Not only is full utilization of all stock healthy from both a biological and economic view point, but a requirement of the International North Pacific Fisheries Convention.

It has been my observation that when certain areas of Alaska have been blessed with exceptionally large salmon runs, the salmon industry has sometimes been strained to process the entire catch. In fact, during these peak runs we feel, in some cases, Alaskan fishermen have been denied a ready market for their catch because of imposed catch limits and inadequate canning capacity. The resulting loss has been to the fishermen, the salmon industry, and the State of Alaska. Such circumstances weaken Alaska's position in repelling foreign encroachment of her fisheries.

In the recent past, emergency steps to provide additional marketing capacity have been initiated during crisis periods in an effort to ease the marketing problems. Due to lack of long range planning, these efforts have met with limited success for all concerned. On the other hand, a well thought out plan which provide a ready market for chum salmon in Kotzebue during the 1967 season proved to be highly successful. We feel that in the fishing industry, as well as in other fields, long range planning is essential to sound economic development.

The recent meetings you have had with members of the Alaska Department of Fish and Game were initiated by myself for the sole purpose of determining the 1968 production capacity of the salmon industry in all areas of Alaska. My sincere desire is to harvest, in an orderly fashion, all salmon surplus to escapement requirements and to process these catches in Alaska by United States firms.

On the other hand, I will not hesitate to invite into Alaska other processing facilities should our domestic capability prove to be inadequate to handle the catch of Alaskan salmon. I have taken the initial steps to insure these alternate facilities will be available.

I would like to draw to your attention the areas that are potential over-supply problem areas this 19688 season: Kotzebue, northern Cook Inlet, Prince William Sound, southern Southeastern Alaska, and possibly Kodiak. Is the Alaskan salmon industry prepared to purchase all available salmon from these areas, as well as all other areas of Alaska? Secondly, is the salmon industry prepared to harvest up to 25 per cent more salmon than the average forecast as published in Alaska Department of Fish and Game Informational Leaflets numbers 114, 116, 117, and 118?

I would appreciate hearing from you by May 27 on this approach to assuring a complete and orderly harvest of all Alaska's salmon resources.

Warm personal regards.

Sincerely yours,

WALTER J. HICKEL, *Governor.*

MAY 23, 1968.

Mr. T. TAKI,
General Manager, Seattle Branch, Mitsubishi International Corp., Seattle, Wash.

DEAR MR. TAKI: Your generous offer to make available a freezing vessel at Kotzebue and at the mouth of the Kuskokwim River is appreciated. I should like to discuss your proposal in two parts, as those fisheries are separate and distinct, and each poses a completely different set of problems.

In the case of Kotzebue, the possibility exists that adequate on-shore processing facilities may not be available during the 1968 seasons; thus, justifying the entrance of alternate processing methods into Kotzebue Sound. There is presently pending an application to allow a foreign bottom fishing vessel into this fishery. This request was received prior to your letter of April 26. To date, no final decision has been made on either of these requests.

A completely different set of circumstances exist on the Kuskokwim River. The International Convention For the High Seas Fisheries of The North Pacific Ocean, Article V, 1, 2, Article IX, 1(a), Annex 1(c), 2, explicitly requires Japan to abstain from loading, possessing, or transporting salmon from waters which are specified in the Treaty. There exist possibilities for exemption from the treaty in situations of emergency, however these situations are not present on the Kuskokwim River. Domestic facilities capable of processing the present allowable catch for this river do exist. During the 1967 season there were a total of eight processors buying salmon on the Kuskokwim River, these processors successfully handled a record catch of both king and coho salmon. For these reasons, I cannot approve any offer to place a Japanese freezing vessel in the mouth of the Kuskokwim River.

In closing, I would like to thank you for your kind offer of assistance in the above matter and for your further expression of assistance in the development of Alaska.

Warm personal regards.

Sincerely yours,

WALTER J. HICKEL, *Governor.*

Filed JUNE 5, 1968

IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF ALASKA

No. A-68-68 Civil

MICHAEL CHASE, ET AL., *Plaintiffs*

vs.

WALTER J. HICKEL, Governor of the State of Alaska, *Defendant*

MEMORANDUM OF DECISION AND ORDER

This case comes before the Court on plaintiffs' application for a temporary restraining order. The Court's consideration will be limited to (1) whether the matter in controversy arises under the Constitution, laws, or treaties of the United States and exceeds the sum or value of $10,000.00, exclusive of interest and costs, and (2) whether it clearly appears from specific facts shown by affidavit or otherwise that immediate and irreparable injury, loss or damage will result to plaintiffs unless a temporary restraining order is granted.

The Court's consideration is also limited to the record presently before it, and from this, the following appears:

On or about April 26, 1968, a letter of intent or agreement was signed by the Kyokuyo Hogei Co., Ltd., Mitsubishi International Corp., and the plaintiff Co-operative, outlining in general the terms and conditions under which fish to be caught by the Co-operative members were to be purchased. This letter states in part as follows:

"It is understood that with the blessing of the Governor's Office, Japan side will bring a freezer boat in the area so that an effective operation of freezing can be done."

By letter dated May 13, 1968, the plaintiff Kuskokwim Fishermen Co-operative, Inc., an Alaskan corporation, requested defendant, the Governor of the State of Alaska, to assist them in encouraging a Japanese freezer boat to come into the Kuskokwim River to buy their fish. This letter read in part as follows:

"We need your help in assisting us in our summers' fish operation. We request you to encourage the Japanese freezer boat of Mitsubishi to come into the Kuskokwim to buy our fish."

* * * * * * *

"At a Board of Directors meeting on May 11, the following Resolution was adopted:

"Whereas, the Kuskokwim Fishermen Cooperative finds itself without funding and facilities to effectively process all the fish that our members can produce by transportation to Anchorage for freezing; and

"Whereas, Mitsubishi has expressed a willingness to buy all our King Salmon both No. 1 and No. 2's at a price that will be acceptable to our fishermen: be it

"*Resolved*, That the Kuskokwim Fishermen Cooperative, Inc., request the Governor of the State of Alaska to use the influence of his office to encourage the Japanese to bring their boat into the Kuskokwim to the mouth of the Johnson River."

On May 23, 1968, defendant directed a letter to Mr. T. Taki, General Manager, Seattle Branch, Mitsubishi International Corp., thanking him for his generous offer to make available a freezing vessel at Kotzebue and at the mouth of the Kuskokwim River. In this letter, defendant made reference to the International Convention For the High Seas Fisheries of The North Pacific Ocean, and stated that the existing situation did not justify an exemption from the terms of this Convention or Treaty. Defendant further stated that he could not, therefore, approve the offer to place a Japanese freezer vessel in the mouth of the Kuskokwim River.

On May 25, 1968, defendant directed a letter to the plaintiff Co-op. In this letter, he again made reference to the Treaty mentioned in the preceding paragraph and stated in part that under existing conditions, the Treaty would not allow the entrance of a Japanese freezing vessel into the Kuskokwim River. He further advised that he was sending a representative of the State of Alaska to attend the Bethel membership meeting of the Co-op.

At the meeting of the Co-operative members in Bethel, Alaska on May 30, 1968, a representative of the State announced to the meeting that the Japanese freezer would not be permitted to anchor in the Kuskokwim River due to the Treaty mentioned above and because Japanese crew members of such a ship would be performing skilled and unskilled labor for which American citizens were available in violation of 8 U.S.C. § 1182 (a) (14).

In summary, defendant has stated in substance that according to his interpretation of the provisions of the Convention for High Seas Fisheries of The North Pacific Ocean, that under existing conditions, the Convention or Treaty would preclude the Japanese freezing ship from anchoring in the Kushkokwim River; that Japanese crew members of such a ship would be performing skilled and unskilled labor for which American citizens were available; and that for such reasons, he could not approve an offer to place a Japanese freezing vessel in the mouth of the Kuskokwim River. Other than these statements, there is no evidence before the Court that the defendant either individually or as Governor of the State of Alaska has taken or intends to take action which would prevent the freezer ship in question from anchoring in the Kuskokwim River.

At the hearing held on June 4, 1968, Mr. Barrington, Ship's Agent for Mitsubishi, testified that the Akitsu-Maru No. 5 was lying at anchor in Kuskokwim Bay or estuary. He further testified that this action on the part of the ship resulted from orders given by Mitsubishi and that the ship would continue to lie at anchor until further orders were received from Mitsubishi.

The owners, agents or representatives of the Akitsu-Maru No. 5, the ship involved in this matter, are not parties to this action. The rights being asserted by plaintiffs are predicated upon the letter of intent dated April 26, 1968. By the express terms of this letter, the agreement between the parties is made contingent upon the blessing of the Governor's Office being received.

If, as it appears, the agreement is conditioned on the defendant granting or withholding his blessing or approval, the Court is unaware of any basis whereby it could properly enter an order of any nature directing or controlling the defendant's actions in this regard.

Whether the defendant's interpretation of the Convention For High Seas Fisheries of The North Pacific Ocean and Title 8, United States Code, § 1182 (a) (14) is correct or incorrect, is not presently before this Court and would not become so until the defendant either individually or as the Governor of the

State of Alaska takes action, or indicates that he intends to take immediate action, to carry such interpretation into effect.

The Constitution of the State of Alaska, Article 12, Section 5, reads in pertinent part as follows:

"*Oath of Office.* All public officers, before entering upon the duties of their offices, shall take and subscribe to the following oath or affirmation: 'I do solemnly swear (or affirm) that I will support and defend the Constitution of the United States and the Constitution of the State of Alaska, and that I will faithfully discharge my duties as _____ to the best of my ability.'"

A strong presumption of regularity supports the official acts of public officers, and in the absence of clear evidence to the contrary, courts presume that such acts will be done properly and in accordance with law.

From the record before the Court, the Court finds that as of the present moment no act in violation of plaintiffs' rights under the Constitution, laws or treaties of the United States has been taken by the defendant that would result in immediate and irreparable injury, loss or damage to plaintiffs. Plaintiffs' present application for a temporary restraining order is denied without prejudice. If action of this nature is subsequently taken, plaintiffs may again apply for a restraining order or injunction and the matter will then be considered by the Court in the light of the circumstances that then exist.

It is so ORDERED.

In reaching this decision, the Court has considered but makes no conclusion or determination on the following matters:

1. Whether this action is in fact one against the State of Alaska and therefore prohibited by the Eleventh Amendment to the Constitution of the United States.

2. Whether the complaint contains a short and plain statement of the grounds upon which the Court's jurisdiction depends, and specifically whether the complaint alleges facts which establish that the matter in controversy exceeds the sum of $10,000.00 exclusive of interest and costs and arises under the Constitution, laws and treaties of the United States.

3. Whether plaintiffs are proper parties plaintiff and whether the owners of the vessel involved should be joined as parties plaintiff.

4. Whether plaintiffs and defendant are correct or incorrect in their respective interpretation of the Constitution, laws and treaties of the United States.

5. Whether the defendant, the State of Alaska, or private parties can assert the rights allegedly afforded by the Constitution, laws and treaties of the United States under this factual situation or whether such rights may be asserted only by the United States of America.

6. All other issues raised by the pleadings.

RAYMOND E. PLUMMER,
United States District Judge.

Sec. 16.10.220. Penalties for violation of §§ 200 and 210 of this chapter. A person who violates §§ 200 and 210 of this chapter is guilty of a misdemeanor, and upon conviction is punishable by a fine of not more than $5,000, or by imprisonment for not more than one year, or by both.

Sec. 16.10.230. Exemptions. Sections 180–220 of this chapter do not apply to—

(1) those species of salmon in international waters of the Pacific Ocean which are regulated by the International Pacific Salmon Fisheries Commission or by laws of the United States or rules or regulations promulgated under those laws;

(2) the use of nets for fishing for or taking salmon for the purposes of scientific investigation authorized by state law; and

(3) existing laws and regulations prohibiting the taking of salmon by means of nets on the high seas.

ARTICLE 5. TRANSPORTATION OF FISH AND SHELLFISH

Section

240. Transportation of King or Dungeness crab
250. Penalty

Sec. 16.10.240. Transportation of King or Dungeness crab. No person may take out of, ship, transport, or send from this state any live King crab, species Paralithodes camtschatica, or live Dungeness crabs, species Cancer magister.

Sec. 16.10.250. Penalty. A person, association, or corporation violating § 240 of this chapter or contributing to or cooperating in the violation of § 240 of this chapter is guilty of a misdemeanor, and upon conviction is punishable by a fine of not more than $5,000, or by imprisonment for not more than one year, or by both. Each unlawful removal of live crab is a separate offense. Vessels and equipment used in or in aid of a violation of § 240 of this chapter may be seized and disposed of as provided in AS 16.05.190. Conviction under § 240 of this chapter is grounds for suspension of a fishing license or permit by the Department of Fish and Game.

ARTICLE 6. PURCHASE OF FISH

Sec. 16.10.270. Purchase of Fish by the Pound. A primary buyer shall purchase raw fish by the pound. This Act takes effect January 1, 1966.

INSPECTION OF MUSSELS AND CLAMS, AS REQUESTED BY ALASKA ADMINISTRATIVE CODE

Chapter 7. Health and Welfare.
Subchapter 3. Food, Drugs, and Cosmetics.
Part 5. Shellfish Packing.
Section 440. Harvesting and Handling.

Senator CHURCH. Governor, may I say, since you are about to leave the stand, that you have been here for 3 days of rather grueling questioning. You have responded to the questions of the committee with civility and good temper. I commend you for that.

You will be succeeding a Secretary who, in my opinion, was quite possibly the best Secretary of the Interior this country has had. You have big shoes to fill. I want to wish you well.

Governor HICKEL. I appreciate those kind of words, Senator.

The CHAIRMAN. If the committee members have no further——

Senator FANNIN. Mr. Chairman.

The CHAIRMAN. Yes.

Senator FANNIN. I would like to commend Governor Hickel for his patience and understanding, for his excellent handling of the problems that are involved. I was very impressed with what you have been able to furnish to the committee, and I congratulate you and wish you well.

The CHAIRMAN. Thank you, Senator.

Governor, we want to—any further questions of the Governor?

You have held up very well. It has been a long stint. We on this side of the panel are able to get up, move around, and do a few other things. You have to stay in one place, while we think of more questions collectively to put to you, and we want to thank you for your patience, and I think your very fine endeavor to be responsive to the questions. I am sure I speak for all the members of the committee in expressing to you our thanks. You may step aside and we will call the other witnesses at this time. We would like for you to remain available if you will and stay at the hearings, because there may be some matter that we will want to take up.

The committee has received numerous requests by telephone and letter from private individuals wishing to testify on this nomination. In terms of time, however, it is not going to be possible to receive testimony from all who are interested in testifying.

Any individual wishing to have a statement on this nomination incorporated in the committee hearing record should make their statement available to the committee with the request that it be made a part of the record.

If any members of the audience want to testify and have new information which is relevant to Governor Hickel's qualifications to serve

as Secretary of the Interior, and if this information is documented and supported, we will give you an opportunity to testify.

I am going to ask anyone who finds himself in this position to go to room 1204, which is the room directly behind us, and discuss the proposed statement with the committee's legal counsel. A decision will then be made as to whether the testimony will be heard.

Testimony will be received from official representatives of organizations which represent a substantial portion of the public. The Chair will call first Congressman Richard McCarthy, of New York, and after that will make every effort to hear from the witnesses who have come some distance in order to be here.

The Chair would like to announce that it is his intention to meet tomorrow at 10 a.m., either in this room if the public hearings have not been completed, or if they have been completed we will meet in the Senate Interior Committee room in executive session.

Congressman McCarthy, we are delighted to have you before the committee. You have a statement, I believe, that you wish to present?

STATEMENT OF HON. RICHARD DEAN McCARTHY, A REPRESENTATIVE IN CONGRESS FROM THE 39TH CONGRESSIONAL DISTRICT OF THE STATE OF NEW YORK

Representative McCarthy. Yes, I do, Mr. Chairman. But in the interests of time I would simply request that my full statement appear in the record at this point. I will not read it. But I do have a few observations.

The Chairman. Did you make copies available for the members here?

Representative McCarthy. We will.

The Chairman. All right, you may proceed. If you wish to summarize your remarks, and then to supplement them in the record, you may do so.

Representative McCarthy. Supplement based on the testimony that has already been given. I have several concerns that persist with me despite the hearings you have held and the efforts of the Governor of Alaska.

First of all, one statement that caused considerable concern in my area of New York State on the shores of Lake Erie was a statement that the Governor made, and I qoute, that "The water quality standards have to be handled on a case-by-case basis."

The reason this caused such concern is that while we are naturally very anxious to proceed with the great task of cleaning up Lake Erie, in a heavily industrialized area such as ours, we naturally fear that industry might be persuaded to escape to some other area where enforcement was not as strict, and as a member of the Public Works Committee, I have always held to the philosophy that while water quality standards could not be identical in each State, that there should be a minimum standard that would deter industry moving from one area where there would be strict enforcement, to another area where there would be lax enforcement. And the Governor's statement that these standards have to be handled on a case-by-case basis, as I say, caused considerable concern.

Secondly, the statement made in the Governor's opening testimony also caused concern, and I quote:

> I believe we should devote a period of time to the consolidation of gains that have been made and to a reassessment of our long-range objectives.

Now, as the members of the committee know, we face a growing scarcity of park and wilderness areas. We are now experiencing about 133 million visits a year to our national parks, and this figure is going to quadruple, it is expected to quadruple by the year 2000.

Up in our part of the country we are now getting ten and a half million visits a year at one national park alone at the Delaware Water Gap.

As you know, Yosemite National Park has had to actually discourage visitors. We believe that we must vastly expand our park system with additions to our wildlife, national and scenic trail systems as well to meet the demands of our exploding population, increased leisure time, affluence, and the ability to travel, that we must create new parks at a pace to which we have been unaccustomed in the past, despite the gains that have been made over the past 8 years.

I do not think we can afford to sit back and reassess the vast expansion of our park system that goes to require innovation and finding ways to finance this expansion.

Thirdly is the matter of the American Indians, one of the main groups of the poverty stricken in our land. In disease, health, employment, education and other indicators as well show them to be worse off even than the American Negro, and I was concerned to find a lack of concern for this acute problem which the Interior Department has such a direct involvement in, in the Government's statement.

Finally, there is the matter of the new role of the Secretary of Interior as a result of the gains that have been made over the last 8 years, the awareness of the concern about the American environment in my view has increased the stature of this Department. While its budget may be small, its impact on the future of the American environment is substantial, and I might well be here testifying in behalf of Governor Hickel, had he been designated to be Secretary of Commerce. As a former businessman myself, I find much in his record, as a dynamic, energetic, pioneering businessman to recommend him as an individual and as a businessman.

But it seems to me that this job of Secretary of Interior is one that his background, his experience, and most of all his philosophy is not consistent with, and it seems to me to be a case of miscasting. That his talents might well be utilized to great value in some other role.

The decisions that he is going to make in the next 4 years and it might even be after that, will shape the American environment that we are going to experience in 1980, 1990 and the year 2000. I think it is an extremely big job, one that requires the breadth of vision and sensitivity to the issues that we face in an exploding population in an urbanized society and in an industrialized society, with all the threats to the American environment. Some have said we are in a crisis period, and I think that we need a person in this job who has the breadth of vision and the philosophy that will enable him to see this task as it is, one of critical importance to the whole future of our society, and while I admire the Governor very much as a former businessman myself, as I said if he were being designated for Secretary of Com-

merce I would be over here saying that he was a good choice. But I do not believe that he is the best choice we could have for Secretary of Interior.

The CHAIRMAN. Thank you, Congressman.

(The prepared statement referred to follows:)

STATEMENT OF HON. RICHARD DEAN MCCARTHY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Mr. Chairman, your Committee will begin hearings on confirmation of Governor Hickel as Secretary-designate of the Department of Interior tomorrow. I would appreciate it if your Committee would pose the following questions concerning the fitness of the Governor for this position.

I have a direct interest in the qualifications of the Cabinet officer who must provide leadership to the Department of Interior. As a member of the House Public Works Committee, I share responsibility for oversight of the Federal Water Pollution Control program. I also represent constituents from the port of Buffalo on Lake Erie, a body of water already in the most advanced stages of destruction by pollution. And as an elected official from the heavily urbanized Northeast, I am deeply concerned about the quality of the environment that this and future generations will live in. Governor Hickel's experience and views concerning water pollution, conservation and the environment must be weighed by your Committee in rendering a judgment on his qualifications for this office.

MODERN CONSERVATION AND RESOURCE MANAGEMENT

Mr. principal reservation on the appointment of Governor Hickel centers on the new emphasis needed in modern conservation and resource management. The Department of Interior has traditionally been involved in encouraging the development of unused land and mineral resources, providing water to open up new areas for agriculture, encouraging homesteading, and allocating timber, mineral and grazing rights in an orderly fashion. The Department has also set aside certain scenic areas as national parks and wildlife refuges. And it has built roads and campsites so that visitors might enjoy them.

But the focus of the Department's activities have changed as the pressures of the second half of the 20th Century have created new problems. Dramatic population growth, a first-class and extensive interstate highway system, a relatively affluent society, and a dynamic economy have combined to create pressures on our national resources that were unknown in the past.

WATER POLLUTION CONTROL

We find, for example, that the largest body of fresh water in the world, the Great Lakes, is threatened with destruction from industrial and municipal pollution. We find the magnificent rivers of our country, the Hudson, the Connecticut, the Red River of the North, the Mississippi described as "open cesspools." We find beaches condemned as unfit for swimming. We have water crises in which our major cities come perilously close to running out of water. And we find even our western states, such as Arizona, drawing down their underground water resources faster than they can be replenished by nature. By the year 2000, it is estimated that we will use 1,000 billion gallons of water a day, almost twice as much as the 650 billion gallons normally available. Scarce water is no longer a problem isolated to the arid Southwest, it is a national problem.

The Water Quality Act of 1965 and the Clean Water Restoration Act of 1966 were passed overwhelmingly by Congress because we recognized that we can no longer afford to waste our precious water resources. We recognized that our rivers and lakes were no longer large enough to dilute the pollutants we had been dumping into them. So regulations to prevent the abuse of our waterways by industry and municipalities were enacted in cooperation with the states. And billions in Federal aid have been authorized to help states in meeting these clean water standards.

Much has been done. But a realistic appraisal shows that we have a long way to go before we obtain even reasonable levels of water quality. And the progress that has been made has been the result of constant prodding by the Department of Interior and by far-sighted state officials who have fought for effective regulations. They have pressed for meaningful and energetically enforced standards in

the face of continued and persistent opposition from those industries and some cities that object to the costs of pollution control.

Older industries have complained that pollution controls will drive them out of business. Small industries, such as independent oil well operators claim that proper disposal of waste salt water would deprive them of a reasonable profit. Power plant operators claim that thermal pollution is no problem, although the evidence clearly points otherwise. Each demand for an exemption from control, reasonable though it may be, when added together collectively would contaminate the river or lake that our water quality standards are designed to protect.

If we are to use and reuse our water resources, as our projected water needs show that we must, strict anti-pollution laws must be enforced. These are not laws that will cripple industry but, as German industrial experience shows, rather laws that place the costs of pollution control on the polluter. And because so many of our waterways pass through more than one state, the Federal Government must play a leading role in enforcing uniform and effective water pollution control regulations. Can Governor Hickel be counted on for leadership in this area?

RECREATION RESOURCES

Another example of the change in resource management is found in the growing scarcity of park and wilderness areas. In 1966 Americans made 133 million visits to national parks, a figure that is expected to increase fourfold by the year 2000. In the crowded Northeast, 10½ million visitors are expected each year at one park, the Delaware Water Gap National Recreation Area. Reservations must be made over a year in advance for National Park camping sites in the Virgin Islands. And Yosemite National Park has actually discouraged visitors, eliminating night illumination of Fire Falls because it was causing traffic jams in the park. To meet this increased demand for recreation, we must vastly expand our park system with additions to our wild river, national and scenic trail systems as well.

We also have expanded our concept of conservation and recreation resources to include the creation of vest-pocket parks in our urban areas and to assist communities in building picnic areas, playgrounds and sports facilities.

In many cases, locations selected for parks and wilderness use are also sought after by industry or agriculture. The lumber industry fought the creation of a Redwood National Park. Shipping and agriculture would use Florida's Oklawaha River, a wildlife treasure, as a barge and boat canal. Cattle and sheep ranchers would overgraze sparse upland ranges. And increasingly scarce ocean beaches and marshes are fought for by private developers.

Our problems with park and recreation resources, then, are ones of scarcity, not abundance. To meet the demands caused by our exploding population, we must create new parks at a pace to which we are unaccustomed. New sources of funds, even above the scale of those in the Land and Water Conservation Fund Act, may be required. Can Governor Hickel be counted on for imaginative and aggressive leadership in this area?

AN ATTRACTIVE AND HEALTHY ENVIRONMENT

An additional area of concern dependent on the Secretary of the Interior for leadership has been that of environmental quality. Under the able leadership of Secretary Udall, the Department of Interior has been a vigorous force in the search for more livable surroundings. Whether wetland preservation, scenic easements, sonic boom, or air pollution, the Secretary of Interior has been the voice of sanity against those who would foul our surroundings. It is not the Bureau of Public Roads that builds our most imaginative and scenic roads. It is the National Park Service. It is not the Corps of Engineers that has slowed the destruction of valuable wetlands but the Fish and Wildlife Service. It is not the Federal Aviation Agency that has raised meaningful questions concerning the use of supersonic transport, but the Secretary of Interior. Will Governor Hickel demonstrate the sensitivity required for far-sighted leadership in these areas?

ENERGY RESOURCES

Of major importance to the nation is the policy that guides the development and marketing of our energy resources. Whether coal oil, natural gas or even nuclear energy, the Department of Interior affects the amounts available and their costs. In administering the Mandatory Oil Import Quota Act the Secretary determines how much lower price imported oil is available to consumers.

Only recently the Secretary removed the restrictions on residual fuel oil, used for home heating, as domestic refineries found it more profitable to use their crude oil for other purposes besides the production of residual oil. The Secretary has also recommended exemption from the import quota for certain low sulphur oils coming from Indonesia and Africa for use in combating air pollution. The Secretary also approves quotas for oil imported from Mexico and Canada, a matter of economic importance to cities such as Detroit and Buffalo.

Higher energy costs throughout the Northeast, particularly of oil, have long been a sore point to industry and the homeowners from this area. Higher transportation costs, perhaps once a legitimate factor, can no longer be used as an excuse when oil is transported on gigantic ocean tankers. There is no reason for a barrel of crude oil to cost less at Los Angeles than at New York City, Buffalo or Boston.

Going beyond the question of price, we must also question whether the burning of oil and gasoline at the current rate without effective pollution controls can be continued. A major redirection in energy use may be called for.

Against this background, we learn of the discovery of an immensely rich oil field at Prudhoe Bay in Alaska by Atlantic Richfield and Humble Oil, perhaps the same size as all of estimated U.S. reserves. Successful development of this field and successful marketing of its oil in the continental United States is of the greatest importance to Alaska. Yet this development is largely dependent on the oil policies pursued by the Department of the Interior. I can think of almost no decision that Interior's Oil Import Administration would make that would not affect the development of the Prudhoe Bay oil field.

Governor Hickel is also reported by the "Independent Petroleum Monthly" to be the Chairman of the Anchorage Natural Gas Company and a Director of the Alaska Pipeline Company; companies that might be expected to play a major role in Alaskan oil and gas development. In view of Governor Hickel's obvious involvement with Alaska and the importance of the Prudhoe Bay development to Alaska's future, would he have to disqualify himself on all decisions concerning oil? And can decisions in this important area be left to the Oil Import Administrator?

QUALIFICATIONS FOR MODERN RESOURCE MANAGEMENT AND CONSERVATION

The Interior Department has traditionally been headed by a Westerner. Experience in opening up new lands, with lumbering, grazing, mineral rights and other frontier problems was considered a necessity for the office.

Governor Hickel is almost the archetype of this pattern. As Governor of Alaska he has guided our last frontier state on the road to development. With a land area of 586,400 square miles and a population of 285,000 conditions in Alaska are close to those existing on our Western plains and mountain states a century ago. These conditions do not emphasize modern resource management and conservation. The building of railroads, a boom economy, oil field wildcatting, a chronic housing shortage and a continually short supply of capital lead to abuses of the land that are of questionable value on the frontier and are totally unacceptable in a more developed society.

By contrast, there is no Western state or city today that is not plagued with problems of environmental quality that accompany development; air pollution in Phoenix, Denver and Montana; water pollution in Nevada, Idaho and South Dakota; zoning problems and a shortage of park lands in California and Washington. Elected officials from the West today must deal with these environmental problems of the latter part of the 20th Century. And what is true of the Western official is even more true of those from the heavily populated Eastern states.

One might ask how many Alaskan cities and villages have zoning codes, modern solid waste disposal operations or sewage treatment plants? One might ask whether the king crab is threatened as is Maryland's soft shell crab with death from water pollution? One might ask how many of Alaska's lakes suffer from eutrophication, the last stage of pollution contamination now existing in Lake Erie. And one might ask how many Alaskan parks turned away visitors this year? These questions bear on the qualifications of the man designated as Secretary of the Interior.

As I indicated earlier I have reservations about the qualifications of Governor Hickel for this Cabinet post. I believe that he faces more obstacles to effective performance in this office than many other men. I would prefer to withhold confirmation and determine whether there is another post in the new administration in which his talents can be used.

The CHAIRMAN. Senator Fannin?

Senator FANNIN. Congressman, I would like to commend you for your statement about the American Indians. In the State of Arizona we have more Indians than any State in the United States. I am sorry you were not here when I questioned the Governor in this regard. I know he has a splendid record regarding the Indians, Aleuts, and the native Alaskans, and I was very pleased with his thoughts as far as their education is concerned. Also, his great concern for all Indian people and how he would support programs just as you have mentioned.

I am sure that he would give equal support to what you would do for our first Americans. I am very pleased that you brought that out.

The CHAIRMAN. Any further questions?

Senator STEVENS. Mr. Chairman, I have but one request rather than a question. May I request a copy of the Congressman's statement? We did not get one up here.

The CHAIRMAN. Here is mine. Thank you, Congressman. We appreciate having your statement.

Representative MCCARTHY. Thank you very much, Mr. Chairman.

The CHAIRMAN. The next witness is Congressman William D. Hathaway.

Congressman Hathaway?

(No response.)

The CHAIRMAN. I will ask the staff to get word to him that his statement will be included in the record.

(The statement referred to follows:)

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., January 16, 1969.

Senator HENRY M. JACKSON,
Chairman, Interior and Insular Affairs Committee,
U.S. Senate,
Washington, D.C.

DEAR SENATOR JACKSON: Because of a number of actions and statements which may be attributed to Governor Walter J. Hickel, and which in my mind create doubt that his attitudes and convictions are such as to equip him well to serve as Secretary of the Interior, I am taking this occasion to acquaint you with my misgivings.

Some of Governor Hickel's actions and statements appear to indicate a lack of sensitivity to the need for vigilance in conservation and the need to preserve our national resources and environment. No one believes more firmly than I that the natural resources of his region and nation should be developed to serve the interests and needs of the people. At the same time, however, I believe that resource development should be undertaken without sacrificing the national interest in terms of environmental value.

We must rely upon our Interior Secretary to protect our resources from plunder for economic self-interest. Governor Hickel fails to inspire great confidence in me that he can and will provide us with that protection.

I must in candor say that the people of Maine and I as their Representative have a more direct interest in this matter, more reason to fear the consequences of the attitude of narrow sectionalism which Governor Hickel has evidenced.

Of immediate concern to my constituents and New England in general is his opposition to the creation of a foreign trade zone in Maine. He opposes this because it "would severely jeopardize the future of domestic (oil) production and drastically affect exploration and development on the Arctic North Slope (Alaska), America's largest new petroleum province."

In short, Governor Hickel has opposed establishment of the Zone in Maine in which a much-needed oil refinery would be established to serve New England without regard to the merits of the project but simply because he sees in it some vague threat to Alaska's interests.

This hardly reflects the open mind, the fair mindedness, the broad outlook which a Cabinet officer must possess.

For the past eight years we have been fortunate to have an innovative and dedicated Secretary of the Interior who has brought a refreshing outlook to the Department. Secretary Stewart Udall has set high standards for the men who will succeed him. It is clearly in the national interest that the Senate should require that his immediate successor meet that standard.

I have expressed my reservation about Governor Hickel's nomination to you confident that you share with me a keen interest in assuring that he meets the qualifications for the high office to which he aspires.

I know that you and the distinguished members of your Committee will carefully scrutinize and evaluate his credentials and call upon him for a full and satisfactory explanation of his prior actions and statements which, in the minds of many people, have created serious doubt that his nomination should be confirmed.

Thanking you for your kind attention to this expression of my views, I am,

Sincerely,

WILLIAM D. HATHAWAY,
U.S. Congressman.

The CHAIRMAN. The Chair would next like to call Senator Ernest Gruening. Senator Gruening, we are delighted to have you. You are familiar with this environment I think, Senator.

STATEMENT OF ERNEST GRUENING, FORMER SENATOR FROM THE STATE OF ALASKA

Mr. GRUENING. Not from this position, but I am familiar with it.

The CHAIRMAN. We are delighted to welcome you to the committee, and we will certainly be pleased to have any comments that you may wish to make.

Mr. GRUENING. Well, I think that the appointment is an excellent one. I have known Governor Hickel for many years, long before he was Governor. I know him to be a man of integrity and dedication, and I think he will make an excellent Secretary of the Interior.

I think these hearings have been very helpful as an educational process. I think that no man can come to the position of being nominated as Secretary of the Interior and know the answer unless he has had a special kind of preparation such as serving in the Congress for a number of years or being in the Department as Secretary Chapman was, Assistant Secretary before he was made Secretary, and I think that under the circumstances this exercise in hearing has been very helpful both to the new appointee and to the State and Nation.

The CHAIRMAN. Thank you, Senator Gruening. We appreciate having your comments regarding the nominee.

Mr. GRUENING. I will be glad to answer any questions.

The CHAIRMAN. Any questions of the Governor?

Senator Jordan.

Senator JORDAN. Mr. Chairman, Senator Gruening, I, too, want to add my voice of welcome to you. I was privileged to serve under your leadership when you were chairman of the Minerals Subcommittee. I have valued your wise counsel in that respect and in many others, and I am delighted to have you here with us today.

Mr. GRUENING. Thank you, very much.

Senator FANNIN. Mr. Chairman.

The CHAIRMAN. Senator Fannin.

Senator FANNIN. Senator Gruening, I would like to welcome you here today and thank you for your presence. I know your great knowl-

edge of your State of Alaska. I have talked to you many times in regard to developments in Alaska, and I am certainly very pleased that you have made this statement regarding the nominee.

Mr. GRUENING. I would say that Alaskans are very much pleased that President-elect Nixon has seen fit to give Alaska a Cabinet position. During the previous 10 years of statehood, we have not yet been favored by a single minor position, assistant secretaryship, and it is very gratifying that although I am not a member of his party the President-elect has seen fit to consider Alaska of sufficient importance and one of its citizens of sufficient merit to give him this appointment, and I think Alaskans should be very grateful, and I think the country will not be sorry.

Thank you very much.

The CHAIRMAN. Thank you, Senator.

Senator McIntyre, of New Hampshire, has sent a statement. It will be included at this point.

(The statement referred to follows:)

STATEMENT OF HON. THOMAS J. MCINTYRE, U.S. SENATOR FROM THE STATE OF NEW HAMPSHIRE

Mr. Chairman, I want to thank the Committee for giving me the opportunity to appear here today to comment on the appointment of Governor Walter Hickel as Secretary of the Interior.

This appointment is of concern to me because I am both a United States Senator and the Senator from New Hampshire. In a sense, therefore, I have a dual perspective. I have a responsibility for the policies of the United States Government and at the same time I am an advocate for the needs of my state and region.

Mr. Hickel, on the other hand, has been designated as Secretary of the United States Department of the Interior. If this appointment is confirmed, Mr. Hickel leaves the Governorship of Alaska. He may no longer enjoy the view that what is good for Alaska is good for the country.

As Governor of the Nation's last frontier, Mr. Hickel took positions on the question of oil imports, conservation of open spaces, and pollution control which suited the needs and aspirations of Alaska. Some of these positions are hostile to the needs of other areas of the country. I believe that these hearings will be of value to the Secretary-designate in educating him to the multiple, and perhaps, conflicting interests of a vast and complex nation which will be the concern of his Department.

I am particularly concerned about Governor Hickel's stand on the oil import quota program. As you know, the New England states are fighting to build an oil refinery at Machiasport, Maine. This refinery, to be built by Occidental Petroleum, would be New England's only oil refinery. Governor Hickel should appreciate the importance of an oil refinery for each area of the country. Under his leadership, the Alaska legislature authorized the construction of a small refinery sufficient to meet the state's needs. New England wants nothing more that.

The Machiasport refinery would provide substantial benefits to the 11 million people in New England, who now pay the highest fuel prices in the country and suffer the threat of fuel shortage every winter. A New England refinery would lower the price of home heating oil to the New England consumer by 10% and it would stimulate the economy in a economically depressed area of Maine. Also it woudl help keep the oil industry in New England competitive by allowing independent oil distributors to buy from someone other than the major oil companies.

The oil import program has obstructed competition and it is my feeling that the soundness and basis of this program is questionable. Serious thought should be given to the need for restructuring.

As the Governor of Alaska, Mr. Hickel has vigorously supported the oil import program and rigorously and consistently opposed the Machiasport project. The state of Alaska has filed to prevent the Machiasport project from moving forward.

The position taken by the Governor raises serious question as to his ability as a Secretary of the Interior to deal fairly with this question on the merits. It raises a serious question as to whether Mr. Hickel as Secretary should disqualify himself from ruling on this matter because of a conflict of interest.

The Machiasport project is vital, not only to meet the needs of New England, but to strengthening a competitive and productive national economy. Those concerned with making critical decisions involving this project must be able to do so in the national interest, not in the interests of a single industry or state.

This Committee has inquired into Mr. Hickel's views on other aspects of his responsibilities. I trust that the Secretary-designate will support conservation and pollution control programs cosistent with the needs of an industrial society where open space, clean air and pure water have become precious commodities.

The CHAIRMAN. The next witness, Mr. David Brower, executive director of the Sierra Club, San Francisco, accompanied by Lloyd Tupling, Washington representative and J. Michael McCloskey, conservation director.

Mr. Brower, we are delighted to welcome you to the committee once again. We will be pleased to have your statement.

STATEMENT OF DAVID BROWER, EXECUTIVE DIRECTOR, SIERRA CLUB, SAN FRANCISCO; ACCOMPANIED BY LLOYD TUPLING, WASHINGTON REPRESENTATIVE, AND J. MICHAEL McCLOSKEY, CONSERVATION DIRECTOR

Mr. BROWER. Thank you very much, Mr. Chairman and members of the committee for the privilege of appearing here. One minor correction. Mr. McCloskey is the conservation director from the Sierra Club. He comes from Oregon and so does Mr. Tupling whom many of you remember from these halls. We thank the committee especially to start out with for some major conservation gains on which this committee has exerted some of the principal leadership. We are grateful for those things that happened in the Congress that is just over.

The CHAIRMAN. Can you please talk into the mike. Can the people in the back hear you?

Mr. BROWER. Is it being heard now?

The CHAIRMAN. Yes, it is better.

Mr. BROWER. We are grateful for the leadership in this committee on the Redwood National Park, Cascades National Park, the efforts to save the Grand Canyon, the new national wild river system, the national trail system and other major gains in the Nation's reservoirs and wilderness.

In the past we have had the opportunity to work with a good many Secretaries of the Interior. I remember, myself, the days when the Sierra Club was working with Secretary Ickes in the Kings Canyon Park battle where members of the Sierra Club itself were misunderstanding some of the purposes for which extremely important park land was then being used, multiple use. We were grateful that Secretary Ickes straightened us out. He let us know what primary park purposes were.

We remember with gratitude Secretary Krug's work in saving the Olympic National Park from major destruction of what was alleged to be timber overripe and rotting but essential to the park.

We are grateful for Secretary Oscar Chapman when out of great difficulty he found a way to try to begin to save Dinosaur National

Monument and we are happy that Secretary McKay finally found it possible to do this.

We are grateful to Secretary Seaton particularly for one of the outstanding things he did when he set aside the largest wilderness research ever set aside by this country, the Arctic wildlife range of which we have been hearing quite a bit. And the work of Secretary Stewart Udall is legendary.

We are thankful for what this committee has been bringing forward in its own expert questioning, for what the chairman and Senator Allott have done in one of the major issues here, the uncertainties about the freeze and the lifting or the not lifting.

There is confusion still I think because there are two freezes, and I think there is a little ambiguity still in the wording just worked out because it talks about consultation with the committee and I think consultation means that we can talk with you and then go on and do something else. I think it is adjudicated that way. We are grateful all the way down the line here for the things that the members of this committee have done to clarify some of the issues that confront us now.

I am particularly unhappy to be here because ours may or may not be a very unpopular view, as I think you know from our releases to the press, we oppose the confirmation of Governor Hickel, and I would like to proceed now with my prepared statement on that subject, and make a few other remarks and then be ready for questions if the committee has any.

My name is David Brower, the executive director of the Sierra Club, an organization of 70,000 members scattered all across these United States and other nations, too. John Muir founded us 77 years ago to draw Americans together who loved her wild places and were committed to the proposition that some wildness must endure. We appreciate having the opportunity to speak to you today on the question of confirming the appointment of the Cabinet officer who can do the most on behalf of this proposition.

In its long history, which antedates establishment of most of the Nation's conservation agencies, the Sierra Club has never opposed confirmation of any Cabinet officer. We have tried to work with them all, more successfully with some, less with others; but always with the aim of seeing the principles of conservation prosper and succeed, regardless of personalities or parties. We wish we could continue this habit, and merely await the coming of the new Secretary of the Interior with high hopes.

However, too much is now at stake for us to close our eyes to the knowledgeable judgments that our members in Alaska, and others there, have made regarding the present nominee for this position. Conservation is now too important to live merely on idle hopes. Americans in all States and parties are now asking: What is the record of the man who has been nominated as the Cabinet's chief conservation officer, the present Governor of Alaska, Walter J. Hickel? What attitudes does this record reflect?

His own past statements have sent a wave of apprehension across the country. His words here may have allayed some of that apprehension, but what will be his enduring views? Will they meet the requirements of the office?

The Secretary of the Interior is the focal point for faithful administration of most of the corpus of conservation laws that Congress has created. These laws reflect broad generalizations that are the essence of conservation: the view that long-range goals, rather than quick solutions, must guide our course; the view that present consumption must be tempered by the claims of future generations; the view that man must share the planet with other creatures, whose fate should be a matter of moral concern to him; the view that man must limit his dominion lest he become his own worst enemy through impoverishing the home that the earth affords him; the view that the broad public interest is composed as much of intangibles as it is of economic progress, and that the latter must often give way to the former; the view that the national interest is something apart and above sectional and local interests; the view that all long-lasting decisions should be knowledgeable ones, taken only after thorough study and with understanding, and according to careful plans; and the view that professional training is the basis for effective programs embodying these principles.

These principles are not just lofty generalizations. They are the guiding premises of hundreds of laws and scores of programs: The national park system, the national system of wildlife refuges, the wild and scenic rivers system, the land and water conservation fund, the national wilderness preservation system, the water pollution control program, endangered species laws, estuarine protection programs, and other public land laws.

Not all of these laws are self-executing, however. The Secretary of the Interior must interpret their meaning, seek sufficient financing and staffing, and enforce their regulations. The fragmentary systems must be filled out, old programs must be expanded to meet new needs and opportunities suggested by the conservation ethic.

Prior to this hearing, there was little in Governor Hickel's record to suggest he has this ethic. Reports given to us by Alaskans suggest his attitudes have been contrary to almost every conservation tenet:

(1) He has seemed oriented toward quick solutions regardless of long-range consequences; witness his appointment of task force given 90 days to come up with results, as with development of State timber in the absence of accurate inventories.

(2) He appears to have been bent on pushing current development and consumption without concern for future reserves; for instance, he advocated increasing commercial fishing gear in Alaska to work over an already depleted salmon fishery.

(3) He objected to the size of refuges provided for the last great herds of Alaskan wildlife, saying let the moose, for instance, go elsewhere, without knowing whether the habitat was suitable.

(4) He has been preoccupied with pushing oil development within the last great American wilderness on Alaska's north slope, regardless of effects on the fragile tundra and caribou migrations.

(5) He equates the public interest with the aggregate advantage of various private interests; witness his advocacy of an arctic winter road across the north slope to serve the immediate needs of the oil industry, and extending the Alaska Railroad to serve the interests of Kennecott Copper Co. at Bornite.

(6) Until nominated for this position, he characterized almost all his policies in economic terms—plants, built, lumber sold, gas pumped, and fish caught. Concern for ecology and environmental intangibles, until now, have been nearly absent from his vocabulary.

(7) He has celebrated local control, even on matters where the national interest requires uniformity, as an overall high-water quality standards to prevent runaway industries from exploiting opportunities to pollute.

(8) Finally, Alaskans tell us that the talents of planners, biologists, and other career professionals have not been in vogue in Governor Hickel's administration.

There may be a place in the business world for men of Mr. Hickel's outlook, and perhaps even in the governorship of some States. But the position of Secretary of the Interior is simply no place for a man of such views.

Now you have heard Governor Hickel give you a new interpretation of his views. We are glad he is trying now to see a broader picture. It should be apparent to all, however, that the views he has given the committee have a different tone from his previous remarks—at his December 18 press conference and earlier. What has prompted his sudden embrace of conservation? He himself has admitted that his previous views needed clarification. Will his expressions at these hearings be subject to further reinterpretation a few months hence? Consider these past remarks the Governor made away from the oversight of this committee. You have heard some of them, but I think they bear review:

> Just to withdraw an area for conservation purposes, a vast area * * * and look it up for no reason, or don't make it available to the general public, or make it so difficult that the general public can't use it, doesn't have any merit in my opinion. (Press conference, December 18, 1968.)
>
> We think there could be multiple use of the lands of some of the parks that have taken such vast areas. (Hearings on Native Claims, July 11, 1968 (p. 98), House Interior Committee.)
>
> That we must proceed with certain caution in developing our natural resources is obvious, but we must be careful that conservation does not retard Alaska's growth. (Statement before federal estuarine pollution hearing in Anchorage, June 13, 1968.)

Referring to the Arctic Wildlife Refuge, he said:

> I believe we can do the things that have to be done there in the intent of the withdrawal and still not lock it up to get the resources that are in the area * * * (Press Conference, December 18, 1968.)
>
> Take the Kenai Moose Refuge. One million acres for the Kenai moose. That is more acres than some of the people down here have. I think it could be smaller. (Native Claims hearings, op. cit., p. 99.)
>
> I can't see any reason why they (the moose) couldn't have the million acres and have it upon the slopes of the Chookat Mountains or the Kenai Range rather than just have the vast areas of wonderful flatlands they have now. (Ibid.)
>
> I would like to tell the Federal Government that we can't live within its laws. (Anchorage Daily Times, March 3, 1968.)
>
> If we lived within the letter of the law, we'd be one big national park. (Anchorage Daily Times, March 3, 1968.)
>
> If you sat the water standards so high, you might really hinder industrial development. (Press Conference, December 18, 1968.)
>
> If the Federal Water Pollution Control Act affects our industry too much, we may have to tell the federal government to go fly a kite. (Anchorage Daily Times, March 21, 1968.)

Moreover, even the Governor's profession of conservation faith this week is not free of ambiguity and objection. For instance, in saying that he believes 100 percent in the Wilderness Act, he also implied that wilderness might be limited to areas where "nature can't be improved upon." What would this qualification mean, areas devoid of commercial timber?

This suggestion is the corollary of the assertion that we have the obligation to improve upon nature wherever possible, presumably, for instance, in areas with timber that is purported to be "rotting." He also criticizes managing parks and wilderness "on an abstract basis." Who has been doing this? What change in policy does this charge imply?

In saying he did not favor State exemptions from high water quality standards, he also said you had to look at the problem on a case-by-case basis. What does this mean, a policy of variable exemptions?

While saying he did not mean to suggest that no new national parks should be created, he always preferred to emphasize putting more developments in existing parks. What is the purpose of this emphasis? In addition, when forced to discuss new parks, he immediately talks about the need in the East, which is real. But more classic national parks still await creation in the West. Are they going to be passed by? And, while saying he would administer national parks under Congress laws, he did suggest that eastern natnonal parks might have to be open to mineral development. Why broach this possibility? He also broached the possibility of opening national monuments to hunting.

Governor Hickel made it clear, too, that he wants classification work under the Multiple Use and Classification Act of 1964 to come to a halt to await the report of the Public Land Law Review Commission. He suggests holding grazing fee raises in abeyance until then, also. He reiterated that native claim settlements in excess of 20 million acres ought to come out of Federal Alaskan reserves, such as wildlife refuges and ranges. He dodges a question on whether he advocated shrinking the Kenai Moose Range, preferring to stress compatibility between moose and oil operations.

Mr. Chairman, the people really most qualified to comment on this nomination are not present in this room. They are the conservationists in Alaska who have observed Governor Hickel in action. Their judgments are biased neither by partisanship nor ambition. The Sierra Club's Alaska chapter has provided us with this conclusion:

> We who have lived under Governor Hickel's administration and observed his day to day decisions affecting land and people of this great state feel his record demonstrates an alarming lack of knowledge of conservation principles. For the best interests of the Nation, the Alaska Chapter of the Sierra Club, after thorough evaluation of his conservation record, opposes confirmation of Governor Hickel as Secretary of the Interior.

The Alaska Conservation Society states:

> We cannot help but wonder if Governor Hickel, as Secretary of the Interior, could represent the national interest as vigorously as he now represents local business interests. So far as a man's future performances can be predicted from his past actions, we would expect that, at best, the fine conservation programs begun in recent years would receive lackadaisical attention from Governor Hickel as Secretary of the Interior. At worst we might watch these gains compromised away under the guise of economic development. It is not a happy prospect. We also feel that Governor Hickel lacks the vision to administer the natural resources of the United States for the long-term benefit of her citizens. The

Board of Directors of the Alaska Conservation Society therefore recommends that Governor Hickel be denied confirmation as Secretary of the Interior.

The Tanana Valley Sportsmen's Association says:

The trustees of the Tanana Valley Sportsmen's Association feel that Governor Hickel does not possess a sufficient perspective of the problems of resource management to administer our land, wildlife, and mineral resources. Hickel's performance as governor of Alaska and his recent statements have revealed an almost total devotion to the conversion of resources into dollars. He has paid scant attention to esthetic and spiritual lands or to the needs of future generations.

A leader of the Alaska chapter of the Izaak Walton Leagues states:

Governor Hickel is an ambitious developer whose policy has been to expand Alaska's economy at all costs. Certainly much of this development has been good and Mr. Hickel should be commended for his efforts. However, his "develop or bust" philosophy and his obsession with progress have made him one of the major opponents of conservation in this state. He has never taken a stand against industry on any conservation question unless a great public outcry has forced him to do so * * *. The sad fact of the matter is that Governor Hickel has never done more than pay lip service to conservation in the State of Alaska. It is regrettable that one cannot support the appointment of the governor of his own state to a federal cabinet position, but we feel that Walter J. Hickel is most certainly not the type of man who should hold America's highest conservation office * * *.

Specifics in support of these conclusions are provided in letters to the committee from each of these groups, and we have these for inclusion in the committee's record or file, whichever you prefer.

Even if Mr. Hickel's latest professions of interest in conservation are given full credit, he will carry the greatest cloud of apprehension to the secretaryship in over 40 years. Even if the Governor tries to lead, will anyone follow—under the circumstances that now prevail? We can only conclude that it is most unlikely that the Department of the Interior can function effectively under leadership which has been open to so much public resistance.

Therefore, in the interest of all concerned, we ask the Governor to request that his name be removed from nomination for this position. In this manner, a sense of public confidence can redound again to the occupant of the post, and the public will be able to be truly grateful to Governor Hickel for his understanding and selflessness.

I would add extemporaneously just one last thought. That when Senator Nelson raised the question that allowed Governor Hickel to express his feeling about the environment, there was an extraordinary opportunity there for the Governor to realize and to state something about it, the extraordinary threat that this world is confronted with now, with the United States leading in the destruction of wild places around the world.

There was recently held under the direction of Russell Train of the Conservation Foundation an extraordinary conference that has been reported in a series of four articles in the Christian Science Monitor pointing out 100 case studies of the tragedy of a rampant technology that has gone into places without any ecological understanding of what is going to happen.

There is the danger of irreversible action that can destroy this planet that we are supported to live on. To lead a department so proud in scope, in which time is running out at so frightening a rate, the man must have scope too. There is not time to learn what we feel are

the critical things a candidate for the Secretary of the Interior should already know about the Nation's environment and its heritage.

I think we can put it in form for addition to the record with the other documents, but the advertisement that we had in the New York Times just the other day, a page and a half advertisement contributed to by many members of the club is I think one of the most important statements that we have ever put together, and I would like to have the basic text of that included at the end of this statement or somewhere there if it please the Chairman, not the coupons necessarily. You will be getting those anyway.

I would like the committee to read the ad, and I know the Internal Revenue Service reads our ads. But the general headings they are talking about—I will just read the headings so that the people who cannot see all will know what we are talking about where it says "New Sierra Club's publication advance this idea, an international program before it is too late to preserve earth as a conservation district within the Universe, a sort of Earth National Park," and the first subheading is "The Moon, Mars, Saturn nice places to visit but you wouldn't want to live there."

The second part is toward a more moonlike earth which describes some of the rather drastic things irreversibly done to our environment in the name of progress. And we finally ask for a wildlife preserve where we are the wildlife.

I think that there is an important message here. The facts have been very carefully checked, and I think that I would recommend very highly that all read the ad, whether or not they send money.

The CHAIRMAN. Without objection the entire article except the coupons, because if we did that we would be publishing coupons, but the entire article will be included at the end of your remarks, Mr. Brower.

Mr. BROWER. Thank you; Mr. Chairman.

I would like to close my remarks with my favorite quotation. It is from Adlai Stevenson shortly before he died. And it is quite appropriate now when we have just looped the moon, and where Astronaut Borman looked back and talked about this oasis in the vastness of space.

Stevenson had that same view from where he stood in England at the time when he said "We travel together as passengers in a little space ship, dependent upon its vulnerable reserves of air and soil, committeed for our safety to its security and peace, preserved from annihilation only by the work, the care and I will say the love we give our fragile craft."

That is the end of the quote.

There is still time for that love, but not nearly enough, and we must make the best use we can of that time.

Thank you, Mr. Chairman.

(The material referred to follows:)

Senator HENRY M. JACKSON,
Chairman, Senate Interior and Insular Affairs Committee,
Senate Office Building, Washington, D.C.

DEAR SENATOR JACKSON: This letter is to express our concern about the selection by President-elect Nixon of Governor Walter J. Hickel for Secretary of the Interior. We hope your committee will consider our views when it weighs the merits of this appointment.

The domain of the Department of the Interior is a labyrinthian maze of territories administration, Indian affairs, power administrations, outdoor recreation planning, water pollution research, geologic reconnaissance, and diverse others. The complexity and enormity of the decisions resting with the Secretary of the Interior demand that he possess at least the following basic characteristics:

(1) He must be dedicated to the harmonic improvement of spiritual as well as technologic aspects of the human environment.

(2) He must understand the basic differences in management between renewable and nonrenewable resources, and between resources with economic and those with less tangible values.

(3) He must be able to choose capable assistants of imagination and conscience, whose abilities supplement his own.

(4) He must be able to accept advice and to delegate responsibilities appropriate to the supporting roles of his chief staff members.

(5) He must be able to distinguish good from inadequate advice through his understanding of social and economic consequences of alternate choices.

(6) He must have a sense of the national interest as distinct from the interests of a single area.

We have studied Governor Hickel's brief record as a public administrator and have serious doubts that he has all of those qualities in sufficient measure. Our reasons follow.

(1) Governor Hickel has shown that his interests lie in the conversion of Alaskan resources into dollars. Economic betterment is a worthwhile objective, but we are disappointed in finding little evidence of a balancing concern for those characteristics of natural beauty that make Alaska worth living in. This one-sidedness dominates Governor Hickel's present administration. The appointment of former oil company executives as commissioners of Natural Resources and Health and Welfare; the selection of a businessman as Commissioner for Fish and Game; the great difference in funding between divisions of Lands, Mines and Petroleum on one hand, and Forestry, Parks and Recreation on the other; and the composition of Governor Hickel's Northern Development Commission, amply demonstrate this fact.

Consequently it dismays but does not surprise Alaskan conservationists that Governor Hickel's recently stated his intention to open the Arctic National Wildlife Range to oil and mineral development, or that the Commissioner of Natural Resources wrote that the Kenai National Moose Range (of which almost one-half is now under unit management for oil production) should be entirely opened to commercial development, or that the Director of the Division of Lands strongly oppsed the Bureau of Land Management's plan to classify and manage parts of the Copper River Basin primarily to enhance and preserve scenic and recreational values.

(2) Governor Hickel has been quick to remove members of the former administration but has had an uncertain time with new appointments. In the Department of Fish and Game, for example, the Commissioner, his Deputy Commissioner, and a Division Director were fired within the first five months of Governor Hickel's administration. The Governor's first choice for Commissioner soon became the center of a sharp controversy and was not submitted for confirmation to the Legislature. The present Commissioner has had no previous experience in public administration or resource management. He is now receiving severe criticism from sportsmen and legislators. The Division Director was not replaced with a permanent Director until this October, 17 months after the former man was removed. The Governor also removed most members of the Board of Fish and Game before their terms expired, an action many thought was contrary to state law. The Governor's appointee as Commissioner of Public Works is said to be illegally occupying the position; his appointment has yet to be confirmed by the Legislature.

(3) Governor Hickel has been very critical of many federal programs and policies. Examples are his attack on the Jones Act following Alaska's purchase of the Stenna Britannica, his recent statements about the Water Quality Standards Act, his opposition to Department of State actions regarding foreign commercial fishing activities in Alaska, and his rejection of the administration's "freeze" on federal land in Alaska pending decisions on Native claims. We cannot help but wonder if Governor Hickel, as Secretary of the Interior, could represent the national interest as vigorously as he now represents local business interests.

So far as a man's future performances can be predicted from his past actions, we would expect that, at best, the fine conservation programs begun in recent

years would receive lackadaisical attention from Governor Hickel as Secretary of the Interior. At worst we might watch these gains compromised away under the guise of economic development. It is not a happy prospect. We also feel that Governor Hickel lacks the vision to administer the natural resources of the United States for the long-term benefit of her citizens. The Board of Directors of the Alaska Conservation Society therefore recommends that Governor Hickel be denied confirmation as Secretary of the Interior.

Sincerely yours,

DANIEL SWIFT,
Vice President for the Board of Directors, Alaska Conservation Society.

THE IZAAK WALTON LEAGUE OF AMERICA, INC.

ARE THESE THE STATEMENTS OF A MAN WHO SHOULD HOLD AMERICA'S HIGHEST CONSERVATION OFFICE?

With one exception all of the following statements by Governor Walter J. Hickel have been taken from the Anchorage Daily Times (referred to below as A.D.T.) which is Alaska's largest daily newspaper.

1. On the directives of the Federal Water Pollution Control Act which require state water pollution laws to meet certain standards:
   "If the Federal Water Pollution Control Act affects our industry too much, we may have to tell the federal government to go fly a kite" (A.D.T. March 2, 1968)
   "I would like to tell the federal government that we can't live within its laws, . . ." (A.D.T. March 5, 1968)
   "But our waters are so pure, you couldn't float a log in them and still meet these standards." (A.D.T. March 5, 1968)
   "If we lived within the letter of the law, we'd be one big national park." (A.D.T. March 5, 1968)
2. On timber resources:
   "There is enough timber in Alaska to satisfy both the needs of Japanese and U.S. private industry." (A.D.T. February 8, 1968) (He made this statement in spite of a comment on the same subject made by Earl Plurd, then State Forester, in the same newspaper two days earlier: "We simply do not know how much commercial timber we have in Alaska." Mr. Plurd resigned several months later because of disagreements between he and the governor over timber management policy.)
3. On wilderness areas:
   "Just to withdraw a large area for conservation purposes and lock it up for *no reason* doesn't have any merit in my opinion." (A.D.T. Dec. 20, 1968) (Emphasis added)
4. On conservation in general:
   The following is a summary of a brief statement by Governor Hickel which was presented in his behalf by Secretary of State Kieth Miller at the Federal Estuarine Pollution Hearing held in Anchorage, June 13, 1968:
   "That we must proceed with certain caution in developing our (Alaska's) natural resources is obvious, but we must be careful that conservation not retard Alaska's growth."

The above information was collected and compiled by the committee for Conservation Research of the Anchorage, Alaska Chapter, Izaak Walton League of America. Committee chairman: Stephen Pavish.

THE IZAAK WALTON LEAGUE OF AMERICA, INC.,
Anchorage, Alaska, December 22, 1968.

Mr. JOSEPH W. PENFOLD,
Executive Director, Izaak Walton League of America,
Washington, D.C.

DEAR MR. PENFOLD: Since President-elect Nixon announced the members of his cabinet two weeks ago, many conservationists have expressed concern over the appointment of Alaska's Governor Walter J. Hickel to the post of Secretary of

the Interior. Since we, as Alaskans, know our governor better than most other Americans, we feel obligated to inform you that reservations about his appointment are not at all unfounded.

Governor Hickel is an ambitious developer whose policy has been to expand Alaska's economy at all costs. Certainly much of this development has been good and Mr. Hickel should be commended for his efforts. However, his "develop or bust" philosophy and his obsession with progress have made him one of the major opponents of conservation in this state. He has never taken a stand against industry on any conservation question unless great public outcry has forced him to do so. (There has been only one significant example of this—in the early months of 1968 he yielded to public pressure and encouraged the legislature to pass laws to control oil pollution in Alaska's tidewater. However, these laws, applauded by the governor as the answer to oil pollution, have been proven to be nearly 100% ineffective and it appears that they were enacted more to satisfy the public than to truly regulate the oil industry.)

Governor Hickel has fought unceasingly against Alaska's compliance with federal water pollution laws. He has also shown himself to be steadfastly opposed to public land withdrawals for wilderness preservation. The sad fact of the matter is that Governor Hickel has never done more than pay lip service to conservation in the State of Alaska.

It is regrettable that one cannot support the appointment of the governor of his own state to a federal cabinet position, but we feel that Walter J. Hickel is most certainly not the type of man who should hold America's highest conservation office. We are in favor of vigorously opposing his confirmation by Congress if he does not make public concessions to conservation before taking office. We urge the entire League to do likewise and help us in this vitally important matter. The next four years of American conservation will depend in no small way or our action now.

Sincere regards,

STEPHEN PAVISH,
Member, Board of Directors, Anchorage, Alaska Chapter.

TANANA VALLEY SPORTSMEN'S ASSOCIATION, INC.,
Fairbanks, Alaska, December 29, 1968.

HENRY M. JACKSON.
Chairman, Senate Committee on Interior and Insular Affairs,
Senate Office Building, Washington, D.C.

DEAR SENATOR JACKSON: This letter is to express our reservations concerning the nomination of Governor Walter J. Hickel as Secretary of the Interior. The trustees of the Tanana Valley Sportsmen's Association feel that Governor Hickel does not possess a sufficient perspective of the problems of resource management to administer our land, wildlife and mineral resources.

Hickel's performance as governor of Alaska and his recent statements have revealed an almost total devotion to the conversion of resources into dollars. He has paid scant attention to esthetic and spiritual values of our lands or to the needs of future generations. For example, during his tenure as governor, Hickel has replaced a professionally qualified Commissioner of Fish and Game with a businessman with no professional qualifications or experience in resource management. The Commissioner of Natural Resources is a former oil executive and real estate developer. The Commissioner of Health and Welfare is another former oil eexcutive. The Governor's Northwest Commission for Economic Development is composed entirely of businessmen not one economist or resource management specialist. Within the Department of Natural Resources, funds have been lavished on the Division of Mines and Minerals; within the same department, the Division of Lands which is responsible for the farsighted management of state lands, with management of our timber resources, and with parks and recreation has been starved for funds and is chronically understaffed. The Environmental Health Division of the Department of Health and Welfare does not have the staff to administer the pollution abatement statutes already on the books.

The Bureau of Land Management, under a mandate from Congress, has begun a program of multiple use classification of our federal lands. The Governor's Commissioner of Natural Resources bitterly attacked a classification plan

for Alaska's Copper River Basin. This attack was in the face of well-known abuses resulting from the unplanned disposal of public lands in the same area. In a recent press conference, Hickel indicated he would open the Arctic Wildlife Range to oil and mineral development if he became Secretary of the Interior.

Hickel will of course point out that he has supported the establishment of parks and recreation areas. However these have only involved small tracts of land, on the scale of municipal parks, which would be subject to heavy utilization. He said that he couldn't see setting aside land "strictly for conservation."

Most sportsmen and conservationists recognize the concept of multiple land use. We are also aware that certain types of disturbances to the land result in improvement of the habitat to certain animals. We do wish to see the bulk of our public lands managed with true multiple use in mind. We fear, however, that Hickel would advocate policies that would give license to commercial use at the expense of the wildlife resources and esthetic values.

We also feel that selected representative regions, which are prime wildlife habitat and have outstanding scenic values, should be exempt from all commercial use that would disturb the environment. The Arctic Wildlife Range is such a region. Although it may not be heavily utilized at present, we expect that with the growing population and urbanization in the United States, such areas will become much more valuable in the future. Now is the time to protect these areas before they are scarred with the tracks of bulldozers and show other irreparable signs of human use. And if in the future, the mineral resources of these areas prove to be more valuable, these minerals will still be there.

Our prime objection to the confirmation of Walter J. Hickel as Secretary of Interior is that he seems incapable of such long-range views of resource management. With the power of modern day technology, a Secretary of Interior such as Hickel, with nineteenth century views of resource management, could have a disastrous effect on our environment. The trustees of the Tanana Valley Sportsmen's Association respectfully urge the Senate of the United States to withhold confirmation of Walter J. Hickel as Secretary of the Interior.

Sincerely,

HAROLD (HAP) MATHIAS, *President.*
JOSEPH NAVA, *Vice President.*
THOMAS SCARBOROUGH, *Trustee.*
CARL ZUENDEL, *Trustee.*

[From the New York Times, January 14, 1969]

NEW SIERRA CLUB PUBLICATIONS ADVANCE THIS URGENT IDEA: AN INTERNATIONAL PROGRAM, BEFORE IT IS TOO LATE, TO PRESERVE EARTH AS A "CONSERVATION DISTRICT" WITHIN THE UNIVERSE; A SORT OF—"EARTH NATIONAL PARK"

I. THE MOON, MARS, SATURN . . . NICE PLACES TO VISIT, BUT YOU WOULDN'T WANT TO LIVE THERE

Any moment now, man will find himself hurtling around in an Outer Space so enormous that descriptions of its size only boggle the mind. (One attempt has put it this way: The size of the Earth is to the size of the known Universe as a germ is to our entire solar system.)

Yet, we already hear excited talk of locating, out there, a planet that duplicates the natural environment on Earth, i.e., trees, flowers, water, air, people; you get our meaning.

The fact is that if we do find such a duplicate Earth out there, it may be some thousands of years from today. Until then, the only place in the Universe that will feel like home is Earth, unless *your* idea of home life could include setting up house on space platforms, or the Moon or taking your evening walk with oxygen helmet and space suit.

We haven't got used to thinking about it this way yet, but, as Astronaut Borman pointed out—for us people, Earth is a kind of inhabitable oasis in an unimaginably vast desert.

Also, Earth is a strange sort of oasis, in that quite apart from providing us what we need to live—water, air, sustenance, companionship—this oasis actually *grew* us and every other life form. We are all related.

Darwin, during his famous Galapagos journey, found all life on Earth—from plankton to people—to be part of an incredibly complex interwoven and interdependent blanket spread around the globe. There is no loosening one thread in the blanket without changing the stresses on every other thread, or worse, unraveling it.

So then, if it is life on Earth that most of us are stuck with for the next little while, we had better consider the consequences of what has recently been going on here.

II. TOWARD A MORE MOON-LIKE EARTH

There was not always enough oxygen to support the existence of Man. It wasn't until green plants and certain ocean plankton had evolved that the natural process was begun by which oxygen is maintained in the atmosphere: photosynthesis.

Man, one would think, has a stake in assuring that this process continues. Consider then, these bits of news:

In the U.S. alone, oxygen-producing greenery is being paved over at a rate of one million acres per year and the rate is increasing. Also, paving is contagious. Other countries are following suit.

The oceans have become the dumping ground for as many as a half million substances, few of which are tested to see if the plankton we need can survive them.

New factories, autos, homes, and jet airplanes have incredibly increased the rate at which combustion takes place—i.e., at which oxygen is used and replaced in our atmosphere by carbon dioxide and carbon monoxide.

The result is a kind of Russian roulette with the oxygen supply. Dr. Lamont C. Cole, ecologist, Cornell University, New York, has said this:

"When and if we reach the point where the rate of combustion exceeds the rate of photosynthesis, the oxygen content of the atmosphere will decrease. Indeed there is evidence that it may already have begun to decline around our largest cities."

There is a bright side: If we should continue what we're doing, overpopulation will cease to be a problem.

Sterile

In only 25 years, traces of DDT have found their way into the average American to the extent of 11 parts per million. They are also found in animals, birds, fish and recently, in notable quantity, in the fatty tissues of Antarctic penguins (If you wonder about the consequences, similar pesticides have already made sterile a species of hawk and owl in England. Here is the way it works: insects eat sprayed plants, small birds eat them, and then big birds eat *them*. By that time, the insecticide has been concentrated many-fold and the big birds are in big trouble. Now, if we humans were in the habit of eating owls and hawks . . .)

Aside from the toxic effects on Man and other animals, pesticides like DDT and newer more voguish chemicals eliminate whole populations of certain bacteria and pest organisms.

However, and here is the shocker, *no one in the world knows, when we aim at a particular pest, which other organisms may be eliminated by ricochet.* Someone had better find out.

If some pesticide, herbicide, or defoliant should by inadvertence kill too many of the "nitrogen-fixing" organisms—those organisms that enable living things *to make use of* the nitrogen in the atmosphere—*then life on Earth could end.*

It is that dependent and fragile.

Rampant technology

The Aswan High Dam was dreamed up to prevent the Nile from overflowing its banks as it had yearly throughout history. (It was thought such a great idea that counties vied for the honor of helping build it; the U.S. foremost among them.) The goals were electricity and year-round irrigation, thus greater productivity. No one, including the U.S., thought much about certain *side* effects, which may ultimately prove the most important:

Since the natural floods have been halted, life-giving nutrients that were formerly delivered to the land and the Mediterranean sea are now piling up in a reservoir above the dam, unusable.

As a result the Eastern Mediterranean sardine fishery is already doomed.

As for the land, the lack of nutrients, plus the water-logging caused by old

irrigation, plus salinization, *may actually decrease productivity*. Newly irrigated lands have the same fate in store.

A particular snail has begun to thrive in the warm irrigation canals. The snail hosts a worm which causes schistosomiasis, a debilitating, often fatal disease. In one region around the dam, the incidence of this disease used to be 2%. It has now risen to 75%.

At Aswan, we may also see repeated the awful developments at Kariba Dam, East Africa. At Kariba, rafts of hyacinths and reeds have spread over much of the reservoir's surface. It has been estimated that if this growth should cover just 10% of the reservoir at Aswan, the plants could actually transpire into the desert air enough water to stop *all* flow into the lower Nile.

Looking at the bright side again: In a few centuries, the dam will fill up with silt, and end its useful life. Then, the river will flow right over it, creating a huge, perhaps lovely, waterfall. Tourists will enjoy the view.

More improvements

Engineers are improving things everywhere:

In Alaska, a $2 billion dam is proposed—to bring power to non-existent industry—which would flood a wilderness and nesting region the size of Lake Erie.

In Brazil, engineers propose an Amazon dam that would flood a green area as big as Italy.

In Southeast Asia, a series of proposed Mekong River dams may do for Laos, Thailand, and Vietnam what Aswan is doing for Egypt. *Every* country should be spared such improvements.

III. A WILDLIFE PRESERVE WHERE WE ARE THE WILDLIFE

The speed with which our world is being altered is so rapid that there is no cataloguing it; it is everywhere . . . forests are gone, hillsides eroded and bulldozed, waters filled, and air and water polluted. The implicit assumption is that Man is the Master of Nature, and that losing a wild place or species or plant is of no great importance to us, and never mind the esthetics. But as we have shown, tinkering with the natural order of things can be a dangerous business, *for there is a need to think of the organic wholeness of nature, not man apart from that.* Man's vanity notwithstanding, he is irretrievably intertwined with everything on his planet and therefore must proceed with a degree of caution, until, at last, he has the option of actually leaving Earth.

If, before then, we should so alter our environment that we rid it of ingredients we need for life, then *we* will merely pass the way of other life forms that have become extinct for one reason or another. And, as humbling a thought as it may be, Nature might scarcely miss the people. Things might eventually get back into their own pattern, the natural order reviving. Plankton might evolve; oxygen might re-form in the atmosphere; grass might grow through the pavement and among tumbled columns as it has before.

With all this in mind, you may see that we, the 70,000 member Sierra Club, the groups we work with, and the critical publishing project you see outlined at right, are not so much proselytizing on behalf of Nature. In due course, Nature will take care of itself.

Our motives are more selfish, in fact. They are on behalf of our very own lives and the lives of our children who, we feel, have not only the right to live but also the right to live in a world that maintains the natural order enough to continue to feel like home.

We find therefore, that it is not tenable to confine our activities to local crises in the United States. The problems are everywhere and are doubling by the decade.

And so, we have embarked upon an anti-dotal new international publishing program to export the view that it is now the entire planet that must be viewed as a kind of conservation district within the Universe; a wildlife preserve of a sort, except we are the wildlife, together with all other life and environmental conditions that are necessary constituents of our survival and happiness.

If you wish to participate and support this approach, general means to do so are suggested at the right.

Thank you.

DAVID BROWER,
Executive Director, Sierra Club, Mills Tower.

How You Can Further the Idea of "Earth National Park"

1. Write Mr. Nixon

A new administration is coming to Washington, and with it the greatest opportunity in history for, on the one hand, far-ranging conservation programs, or, on the other hand, incredible, irreversible, and perhaps disastrous destruction of the environment. We urge you therefore to write Mr. Nixon or forward this coupon to him.

2. Write Your Congressmen

The most effective way to present your views is in your own words by personal letter. Or in lieu of that, send your senators and representatives the following message. It is vital that we all be heard from in some fashion:

Dear Sir: I urge you to support the view that if our environment is to be preserved in anything like its natural state, then all development projects—national and international—must be studied for ecological implications, not merely engineering and economic implications. The dangers to the environment and to all life on Earth—from plants to people—are now too great to ignore. (Your name and address.)

3. Support Those Few Organizations That Are Working Toward the International Goals Stated Herein

There are many organizations working constantly to stop the degradation of the Earth's environment. *All* are important. We urge you to write them and involve yourself in their programs. For a list of these national and international organizations, with details on their aims, mark the appropriate box in the coupon at right.

The Sierra Club itself has both national and international programs. We are a non-profit, primarily volunteer organization, founded in 1892 by John Muir and devoted to Thoreau's thesis that "In wildness is the preservation of the world."

The Club currently has 70,000 members around the world, and has offices in San Francisco, Albuquerque, Seattle, Washington, D.C., Los Angeles, New York, and now, London. In addition to such efforts at this, promoting conservation causes through advertisements, publications and films, the club has an extensive program of outdoor activities and wilderness trips.

If you wish to join the club, learn more about activities, purchase books (a major means of conservation support), or make a donation, kindly use the coupon at right.

The Sierra Club Foundation (see coupon below) is a separate organization devoted solely to scientific, literary, and educational work. Contributions to the foundation are tax-deductible.

Sierra Club Books

Sierra Club Exhibit Format publications have been called "the most beautiful books in the world" by several distinguished reviewers. They have received frequent honors for design and graphics, and also the 1964 Carey-Thomas Award, as "The outstanding achievement in creative publishing in the United States." (All the series is 10¼" by 13½", printed on high gloss paper, in gravure or full color lithography.)

International Series

The prologue publication in our anticipated international series on the Earth's Wild Places is called *Galapagos: The Flow of Wildness*. It is about the islands off the coast of Ecuador that revealed to Darwin, for the first time, an understanding of the flow of life.

Some one hundred books are planned in this series, all of them concerning Earth's still untouched places where there remains the possibility of learning about organic diversity, the genetic pool, the Earth's thin, miraculous biosphere—to learn enough about ntaural systems so that we may ultimately be able to educate even some benighted engineer friends and send them off to *good* works without fearing that they'll do us all in while they work.

Several organizations are cooperating in this series. The board of editors consists of representatives of four organizations in England, Switzerland and the United States, including the Sierra Club.

The CHAIRMAN. Thank you, Mr. Brower.

Any questions?

Senator STEVENS. Mr. Chairman, I have a series of questions, if I may.

The CHAIRMAN. Yes.

Senator STEVENS. I do not want to go out of my line in this business.

The CHAIRMAN. I gather none of the other gentlemen on this side have questions. Go ahead.

Senator STEVENS. If I may, Mr. Chairman, Mr. Brower, perhaps you will remember I am the solicitor of the Interior Department that approved the Arctic life withdrawal, the clearance of the withdrawal and the Kuskokwin withdrawal and worked with your people on that.

I am sure you remember those days when I was with Fred Seaton. Do you remember that, sir?

Mr. BROWER. Yes; I do. I remember there was a long struggle and we are grateful for your help.

Senator STEVENS. To begin my questions, would you tell us what has the Sierra Club done to help preserves the Arctic wildlife since we fought that battle?

Mr. BROWER. The principal point I think in preserving the Arctic Wildlife Range is to concede that God has some management ability on earth, and one of the things that needs to be understood and we have been trying to say as didactically as possible is that there are places where the hand of man is best left out, and in particular in the Arctic Wildlife Range where you have such an enormously fragile tundra ecology system. The less of man the better. We are planning and have underway now a major book on the Arctic Wildlife Range and the Brooks Range on the north slope. We have an extraordinary series of photographs already. We have had expeditions there and we have been rounding up the best advice we can and the best text we can to show the beauty of what is there, and needs no help of man. The best thing man can do is as I say let providence manage what providence did so well by in the first place.

Senator STEVENS. I have the honor to have had a slight visit with Secretary Udall whom I have known for years, today, and he told me unfortunately he did not get any appropriation to continue the program of the Arctic Wildlife Range. Did the Sierra Club support those appropriations when they were before Congress?

Mr. BROWER. I believe we supported the Interior Department appropriations most of the time, and we have had various exceptions. Mr. Tupling or Mr. McCloskey will be able to tell you what we have done specifically on that. We particularly support appropriations when the word gets to us that support is needed.

Senator STEVENS. Am I to understand though that as far as the Arctic Wildlife Range is concerned you would be happy if we left that 9 million acres completely locked up devoid of all humans in order to take care of the disease that the caribou have up there for instance from radiation or in order to take care of the native people that are in that area?

Mr. BROWER. Locked up is your word. That is not ours. And I still will defer to the people who are particularly knowledgeable in wildlife matters for recommendations on this, and I would refer this if you

would like a response to this, I would like to get it for you from Dr. Ira Gabrielson who is one of the most expert people on that subject, or Professor Leopold or Lowell Sumner, the people who are leading as you remember in getting it set aside.

Senator STEVENS. I am sure that the members want to proceed with the other witnesses but there are several statements you made concerning my Governor that I would like to explore if you will with me.

For instance, you stated that Governor Hickel was "bent on increasing commercial gear in Alaska to work over the already depleted salmon fishery."

Could you tell us where you got that information?

Mr. BROWER. I will pass this on to Mr. McCloskey, our conservation director, who has helped us gather this material together.

Senator STEVENS. I served in the legislature during that time. Three members are here who are very familiar with this. I will be glad to have you talk to them. The salmon gear was regulated by the Governor's new fish and game board rather severely this last year, did you know that?

Mr. BROWER. I will pass this on to Mr. McCloskey who has not answered your first question yet.

The CHAIRMAN. Mr. McCloskey, will you reply?

Mr. MCCLOSKEY. We have had this report come to us in general terms from a number of our Alaskan members. One of the statements that the Governor made that came to our attention was a speech he delivered to the Greater Anchorage Chamber of Commerce on July 19, 1967. In it he is pointing to the opportunities to increase the fish and sea catch in Alaska.

On page 4 it says:

> With proper gear and plants we will be able to realize annual ocean harvest that include 5 to 6 million cases of salmon, 200 million pounds of King Crab, 500 million pounds of shrimp and ocean perch and bottom fish such as flounder and cod totaling a staggering 2 billion pounds. In addition there are many other stocks including tanner crab, scollops, razor and hard-shell clams though we know less about them as yet. We have watched huge fleets of foreign fishing vessels that have traveled a third of the distance around the planet to come to harvest these riches of our Continental Shelf for years. With industry and government as partners in progress, we will be able to harvest these seas for the benefit of our own State and Nation and the underdeveloped nations of the world.

The general purpose of this quote as we read it was that there could be increase, and they needed new gear to be proper to avail themselves of those catches.

Senator STEVENS. Let me read to you the statement that Mr. Brower made. He said he advocated increasing commercial fishing gear in Alaska to work over an already depleted salmon fishery. Now, is that the source of the information that Mr. Brower provided this committee?

Mr. MCCLOSKEY. That is an example of the kind of reports that we had about fishing gear. On the salmon fishery we had a number of reports that it has not improved significantly since statehood. There is a statement to that effect in the December 15 issue of the Conservation Report issued by the National Wildlife Federation. We have also had reports of similar tenor from a number of biologists. We could attempt to furnish the committee with the names of those people after this hearing.

Senator STEVENS. Thank you. I am sure the chairman will permit that.

Mr. Brower, can you tell me, did you take the opportunity to discuss with the Governor his views before you made this statement to the committee?

Mr. BROWER. No; I did not.

Senator STEVENS. Did any member of your Sierra Club discuss with the Governor his own personal views before you made this statement to the committee?

Mr. MCCLOSKEY. I could answer part of that question, sir. Mr. Thomas Kelly, Alaska's Commissioner on Natural Resources has spoken over the phone to the president of the Sierra Club, Dr. Edgar Wayburn. They had a discussion about the Governor's views.

Senator STEVENS. My question was did any of you talk to the Governor personally before you made this request to withdraw his nomination?

Mr. MCCLOSKEY. Not to my knowledge.

Mr. TUPLING. Mr. Stevens——

Senator STEVENS. I think you are not identified for the record.

Mr. TUPLING. Yes; I am Lloyd Tupling, the Washington representative of the Sierra Club. A week ago arrangements were made for a meeting with Governor Hickel by representatives of conservation organizations. The meeting was to be held at 10 o'clock last Friday morning, and for reasons unknown to me, we received a call at 5 o'clock on Thursday canceling the session. So we have made an attempt to meet with the Governor, and we would still desire to meet with him and discuss his views.

Senator STEVENS. Mr. Brower, when did you form the Sierra Club, the Alaska chapter?

Mr. BROWER. It was formed this year. We have had members up there for many years.

Senator STEVENS. How many members do you have in Alaska?

Mr. BROWER. About 200 at this point.

Senator STEVENS. Does this point of view that you have expressed here—is this a collective viewpoint or the viewpoint of the directors? Where did it come from?

Mr. BROWER. The viewpoint is a development of the information we gather from all our club sources, and the opinion of our board of directors is as expressed by our executive committee just before I came east about a week ago and concurred in unanimously by our board of directors.

Senator STEVENS. I am talking about the Alaska chapter. You cite the Alaska chapter. I would like to know who in the Alaska chapter said they do not support our Governor?

Mr. BROWER. We can supply these names for the committee. I think that you can understand that this is a very eclectic matter and that we do not want to jeopardize anyone who could be ruined.

Senator STEVENS. People should stand up and be counted.

Mr. BROWER. They will stand up and be counted.

Senator STEVENS. Will you tell me the leader of the Izaak Walton League who made the statement, please?

Mr. BROWER. The committee has that in the files, in the supplementary documents.

Mr. McCloskey. The letter is from a Mr. Steven Pavish.

Senator Stevens. Where does he live, sir?

Mr. McCloskey. He lives in Anchorage.

Senator Stevens. Am I to take it, Mr. Brower, that you are opposed to the expansion of the Alaska railroad to the north country?

Mr. Brower. I myself am opposed to it. I do not present the Sierra Club's position on that. We have not discussed it.

Senator Stevens. That is the statement you presented on behalf of the Sierra Club, was it not, that you opposed the Governor's idea to open up the north country to the railroad up there?

Mr. Brower. Yes.

Senator Stevens. You linked it with the Kennecott, did you not?

Mr. Brower. That is what the statement said.

Senator Stevens. Do you know that the Kennecott is closed and the terminus is close to the Arctic slope and the oil range?

Mr. Brower. I don't know that. I have never been to Alaska myself.

Senator Stevens. Have any of your members who wrote this statement or who advised you been to Alaska since the Government has been in office?

Mr. Brower. Yes.

Senator Stevens. Which ones? Who?

Mr. McCloskey. I don't have the names. Is your question as to how many of our members have been to Alaska?

Senator Stevens. My question is the people who participated and assisted Mr. Brower in presenting this statement to this committee, who has been to Alaska since the Governor has been in office?

Mr. McCloskey. Oh, yes.

Senator Stevens. Who?

Mr. McCloskey. A good many. It is the current members of our chapter there.

Senator Stevens. That is not my question. You obviously prepared this statement. Which ones of you have been in Alaska since Governor Hickel has been in office?

Mr. Brower. Our vice president has been there and made quite a study and Rampart Dam, for example, and the operation Plowshare. Paul Brooks has been up there talking to a good many of the leaders there.

Senator Stevens. Do you know whether they stopped in and talked to our Governor about the conservationist activity?

Mr. McCloskey. Dr. Edward Wayburn, our president, dropped by and tried to arrange a visit last summer. As I recall from what he told us the Governor was not able to see him and he saw the man I understand who is now slated to become our Governor, the Lieutenant Governor. They had a visit.

Senator Stevens. In your statement you said that the Governor has not stood up to industry. Did anyone tell you about the seizure of the *Rebecca*?

Mr. Brower. I think you will find there was a qualification in that statement.

Senator Stevens. I am glad to listen to the qualification. I do not find the statement very qualified, Mr. Brower.

Mr. McCloskey. That was a quote from the man in the Izaak Walton League I believe. In essence we are passing on the judgments of knowledgeable conservationists in Alaska who have been advising us.

Senator STEVENS. I would like to have their names now if you have them. I think I know all the conservationists in Alaska. I am an honorary member of most of the groups you mention.

For instance, the Fairbanks Sportsmen's Association. Did you have a communication from the association itself?

Mr. MCCLOSKEY. Yes. The letter is dated December 29. It is addressed to Senator Jackson, and it is signed Harold Mathis, president; Joseph Nava, vice president; Tom Scarsborough, trustee; Carl Sundel, trustee. It is on their letterhead, and we are attaching it to our statement for the chairman.

Senator STEVENS. Tell me, Mr. Brower, since we fought the fight for the Arctic Wildlife Range and these other areas, to your knowledge has any of them been placed in jeopardy by actions of the State of Alaska?

Mr. BROWER. There is serious jeopardy; not to my direct knowledge.

Senator STEVENS. I am asking for your knowledge now. Do you know of anything that has placed any area in Alaska that was a wildlife refuge or range or park in jeopardy of any intrusion since we created those areas?

Mr. BROWER. I know in correspondence. I do not have the citation. I can supply it now but I have correspondence of fairly severe damage done, and I think you can get this from Mr. Gottschaul among others.

Senator STEVENS. What range was that?

Mr. BROWER. The Arctic Wildlife Range.

Senator STEVENS. There has been damage in there?

Mr. BROWER. Yes.

Senator STEVENS. By whom?

Mr. BROWER. I will supply that information because I do not have that.

Senator STEVENS. I will be very pleased to have it. You know there has been no leasing in there at all, no oil and gas leasing.

Mr. BROWER. I do not know that.

Senator STEVENS. You do not know that the area is absolutely closed to oil and gas leasing?

Mr. BROWER. I know that—Mr. McCloskey can answer that perhaps.

Mr. MCCLOSKEY. Our understanding is that it has been closed, but I seem to recall a report that I think Mr. Brower is adverting to, one of our expeditions that went up there, that as I recall it, said they had seen petroleum barrels and other junk relating to some exploratory work laying about, and some inquiries were set in motion following that report. I would have to review our files. That has been a couple of years ago.

Senator STEVENS. I could prolong this. I am sure the chairman does not want me to prolong it and I will cease, but I want to tell you, Mr. Brower, you had a real, real ally, for your organization until today.

Thank you very much, Mr. Chairman.

The CHAIRMAN. Any further questions?

Senator BIBLE. Mr. Chairman, might I ask Mr. Brower just two questions.

On page 6 of your statement, Mr. Brower, you mentioned the Governor's philosophy on the creation of new national parks. He puts emphasis and a great deal of soundness on creating them in the east. Then you add this one sentence: "But more classic national parks still await creation in the west."

The reason that I am highlighting this particular sentence in your statement is due to the fact that I am chairman of the Parks Subcommittee of the Senate Interior Committee, and I am wondering what parks you had in mind in the west?

Mr. BROWER. We have one in mind, Senator Bible, in your own State as I think you know. You have heard us before on this from time to time.

Senator BIBLE. I have heard you many times before my committee, yes, sir. This is one and I think it is a good one. I will go along with you on that.

Mr. BROWER. And we have been talking for quite a while and actually Senator Morse as you recall had a study for Volcanic Cascades National Park in Oregon.

Senator BIBLE. That is two.

Mr. BROWER. That is two and I can supply a further list if you would like me to because we still think that the park system needs to be completed, and there is not much more time to do that kind of reserving. We think that it is a kind of reserving we can afford because there is not enough wildness left to supply our industry at the old rate but there is enough to supply other needs of human beings and wildlife, if we concentrate on going over where man has already laid his hand and doing better there.

Senator BIBLE. I am sure there are areas still to be created and that remain to be created. I was just wondering what you specifically had in mind.

Mr. BROWER. We will be coming to you with our agenda shortly.

Senator BIBLE. You have at least partly answered the question. Now, on page 5——

Mr. BROWER. Pardon me, sir, Mr. McCloskey has some of the others here.

Senator BIBLE. Yes; you might develop them just quickly. I do not want to prolong the hearing.

Mr. MCCLOSKEY. Another one of great interest to us is the proposal for a Kuhaiau National Park in the Hawaiian Islands. Another is for Channel Islands National Park of the Santa Barbara Channel in California.

Senator BIBLE. I am familiar with that one.

Mr. MCCLOSKEY. We have long been interested in the creation not of a national park, but of a national seashore on the Oregon coast, the Oregon dunes area.

Senator BIBLE. I am very familiar with that one.

Mr. MCCLOSKEY. We are studying also proposals for a Sawtooth National Park and Sonora Desert National Park and we are interested in——

Senator BIBLE. Sawtooth National Park is in Senator Church's State, and we did pass a bill, I thought a good bill, at the last session of the Congress to make it a national recreation area, and I thought that that was a great step forward.

Sentor JORDAN. Will the Senator yield?

In my State, too.

Senator BIBLE. And Senator Jordan as well.

Senator JORDAN. A bill will be introduced in this session to activate that recreation area.

Senator BIBLE. Yes, I did not want to overlook the other distinguished author of this bill, the two distinguished Senators from Idaho, who have spent many months and even years working out an accord which I thought was a fine accord worked out on this area.

I think that leads into this next question I was going to ask you. You comment on some of the Governor's statements about the multiple use of land. Now, is it your philosophy, Mr. Brower, or the philosophy of the Sierra Club that multiple use of lands in national parks, recreation areas, and seashores and lake shores is a bad thing?

Mr. BROWER. Certainly in national parks and monuments some of the other reservations have been taken with minor impairment in this respect, and we do call them impairments because I think the best thing we can do in these areas that we have finally after much struggle set aside, the finest thing we can do is to again follow the admonition wherever possible of Theodore Roosevelt. I think Senator Fannin will remember, he has used that quote rather often in the Grand Canyon controversy where he said, "Leave it as it is. The ages have been at work on it and man can only mar it."

We think there are multiple uses of a nonimpairing kind, but this is not the ordinary concept, multiple use in the ordinary concept is log it or dig it or something of that sort that really impairs the ecology of the area. We like the multiple uses to come there that can go on in parpetuity such as good watershed protection, good wildlife protection, and good resources, the resources of aspiring man in days when it is a little bit rugged to get through from one day to the other. We do not necessarily want the Eskimos to be in our——

Senator BIBLE. Now, the point raised on the national seashore is just below where you have your headquarters just north of San Francisco, and if my memory serves me well, you were one of the witnesses on that area. Now, that permits the multiuse on the point raised as to the national seashore. Do you object to that type of adverse use?

Mr. BROWER. That is a combination where we did not take, the Governor did not take full title to the land.

Senator BIBLE. That is right.

Mr. BROWER. It took the fringe and left the inside land which was continued for dairying and kept over for that, for its rural value combined with the preservation value around it. That seems to be a good——

Senator BIBLE. Do you think that was good?

Mr. BROWER. That seems to be a good solution. I would myself rather see the area national and use just for its recreation and wildlife preservation.

Senator BIBLE. Would it meet the thinking of the Sierra Club if the Sawtooth National Recreation area was to move forward as a recreation area rather than as a pure park?

Mr. BROWER. Mr. McCloskey can comment on that. I can say that I would say I would rather see that happen than something else happen.

Senator BIBLE. I just wanted to develop your philsophy in view of the fact that you make something as to the Governor's statement on multiple use.

Mr. McCloskey. In that case, Senator, we did prefer the national park solution. We supported Senator Church's bills on that. We regard the national recreation area solution as an advance over the status quo, but not providing as firm a protection as the national park would.

We do realize in the Stanley Basin area and Sawtooth Valley area that the cattle grazing and ranching is a traditional type of activity, and we have no objection to it. A recreation area for that particular area might be the better solution with a national park for the surrounding mountains.

Senator Bible. Thank you very much, Mr. McCloskey, Mr. Brower.

Thank you, Mr. Chairman. I simply wanted to develop some of the philosophy of the Sierra Club on the multiple use.

The Chairman. Thank you, Senator Bible. Any further questions?

Senator Gravel?

Senator Gravel. Thank you, sir.

Sir, on page 3 of your statement, the first item, you make the statement. "He has seemed oriented toward quick solutions." You are making reference to a task force given 90 days with respect to our timber resource.

To my knowledge, this task force effected no legislation nor nothing of long-term implementation which would have altered policy for a long-term period of time. It was merely after some facts as to helping in an economic development sense. Here you place an inference that he makes quick solutions perhaps by nature. Can you amplify on this other than this simple statement, backing up that poropsal?

Mr. Brower. I think you underline our points in what you have just stated that he wanted facts in a hurry for economic development, and this is what we sometimes think is not what should happen to one of the most important scenic resources or, in this case, the timber resource in Alaska, where there is as yet no wilderness reservation approved by Congress in the national wilderness system.

Senator Gravel. You are using this to make a statement that he has disregarded the long-range consequences. Wouldn't you agree that you are mixing apples and oranges?

Mr. Brower. No. Would you respond to that?

Mr. McCloskey. As we understand it, the timber task force had 90 days to "get something going," and they came up with the construction of a lumber mill at, I am not sure how to pronounce it, Afognak Island. We were also informed through our membership in Alaska that some of the foresters felt that adequate surveys of the timber's effect on the ecology and so on were not available within that period. That they were pressed too hard to come up with an OK to get a mill established, that this is an artificial deadline that did not allow sound surveys to precede it.

Mr. Brower. It is our feeling that the exploitation of the timber resource in Alaska is going much too fast where there has been inadequate evaluation. We had hopes, for example, that there might be some kinds of reservation going on the inside passages, the tracing of territories, something more on the Admiralty. These are places that are going terribly fast with the idea that there is the timber and the concept that it is rotting if something does not happen to it. We are con-

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cerned that a forest be respected for what it is, for what it took to build the forest, and in some places it has taken a million years, just as in the case of the Redwoods, to build the whole system so that it looks like a forest. To find a tree that is dying and say that we must cut it because it is rotting is to completely misunderstand the purpose of forest ecology, what makes the forest work, what makes it a lasting thing, that you can use instead of just ripping up. Or as was described to me by some people who are working with us on the Tracy Arms territory proposal, that the mountains are being skinned alive. Draglines hauling the trees down, everything else that comes in. I have not seen it but I have heard much evidence from people who are horrified by what is happening to what could be a beautiful resource cropped in part but not everywhere and the destiny seems to be everywhere.

Senator GRAVEL. Have these gentlemen voiced their disapproval or concern to the Governor over the haste of this action? Was the Governor advised of this or is this the conclusion they arrive at now as a result?

Mr. BROWER. A lot of this haste I am speaking of antedates Governor Hickel's administration. It has been going on in the natioanl forests and we cannot hold Governor Hickel guilty for what we do not like in the national forests.

Senator GRAVEL. Thank you.

The CHAIRMAN. Thank you, gentlemen. We appreciate having your testimony.

Mr. BROWER. Thank you, Mr. Chairman.

The CHAIRMAN. The next witness—the Chair will state at this time that we hope you will stay here and hear all of the outside witnesses. We plan to meet tomorrow at 10 o'clock in the regular Senate Interior Committee executive room to go over the question of Governor Hickel's financial statement and then act on the nomination.

In the interests of trying to assist those who have come from out of the city, the Chair would next like to call John MacRae, president of E. P. Dutton, publishers, New York City.

Mr. MacRae, has he left? He will be granted permission, of course, to file his statement.

(The statement referred to follows:)

PALISADES, N. Y., *January 19, 1969.*

COMMITTEE OF INTERIOR AND INSULAR AFFAIRS,
New Senate Building,
Washington, D.C.:

I am familiar with testimony concerning Governor Hickel's nomination as Interior Secretary and speak for book publishers who support Senator Nelson's call for sound ecological planning. We believe Governor Hickel's record disqualifies him from becoming the guardian of our environment. Like you, publishers have constituents; ours are readers and they indicate an awareness of conservation that runs counter to Governor Hickel's expressed philosophy. At a time when our environment is daily becoming more synthetic, Governor Hickel's record speaks unrestrained development and suggests that economics, not natural science, determines land use, the frontier myth of superabundant resources dies hard, yet Governor Hickel displays little understanding of the cological consequences of our environmental manipulation. As the land master steward, the Secretary must look beyond short range economic advantages of mining, land reclamation and dam building to the larger need of guaranteeing the survival of our natural heritages, for its own sake and for the use of

unborn generations. Unfortunately Governor Hickel's record reveals a man more interested in consuming than conserving our resources.

It is for this reason we ask you to withhold confirmation of his nomination.

John Macrae, among the supporting publishers, Alfred Knopf, Kass Canfield Sr., Sydney Kramer, Thomas Guinzberg, Michael Bessie, Elizabeth Reily, Peter Mayer, Robert Gutwillig, Peter Schwed.

The CHAIRMAN. The next witness, John F. Laudadio, chairman of the Committee on Conservation and Natural Resources, Pennsylvania House of Representatives.

I understand that he is not able to appear in person and we have his statement, and it will be placed in the record at this point.

(The statement referred to follows:)

STATEMENT BY HON. JOHN F. LAUDADIO, A STATE REPRESENTATIVE OF THE STATE OF PENNSYLVANIA

I am John F. Laudadio and I appear here before you today in two capacities. I am chairman of the Conservation Committee of the Pennsylvania House of Representatives. And I am Secretary of the Pennsylvania Federation of Sportsmen's Clubs.

In both capacities I would like to respectfully request that the appointment of Gov. Walter J. Hickel as Secretary of the Interior not be confirmed.

As one who has fought for the best interests of conservation both as a private citizen and a legislator for many years, I say that satements made by Mr. Hickel show that he is fundamentally unqualified for the position because he does not understand the fundamentals of conservation.

His confirmation could mean a step back into the dark ages when unfettered private enterprise was permitted to rape our land and pollute our water and air.

Mr. Chairman, in Pennsylvania, both the Democratic and Republican parties have joined together in an attempt to end the days when our land could be blighted and our waterways ruined. We joined together in a common effort to pass far-reaching laws that have helped to restore Pennsylvania at least partly to its past beauty.

There are many other states that have not suffered the consequences of industrialization run rampant as Pennsylvania and other eastern states have. There has been land set aside in these states so that people can go into the forests where they can breathe the air the way God made it and their children can see the land the way it was before the white man came.

Even in Pennsylvania we have some of these areas; places set aside for hunting, fishing, camping, hiking and other healthy recreations.

There has been a great deal of cooperation between the federal government, under that great Secretary of Interior, Stewart L. Udall, and the Pennsylvania government.

If Mr. Hickel's appointment is confirmed, I see an end to this federal-state cooperation.

Mr. Hickel himself has told us what his qualifications for the job are when he said:

"I think we have had a policy of conservation for conservation's sake. Just to withdraw a large area for conservation purposes and lock it up for no reason doesn't have any merit."

This statement indicates that we are about to put the fox in charge of the chicken coop.

He equates the withdrawing of land for conservation purposes to doing nothing with it. This cave-man age type of thinking flies in the face of modern psychological and sociological thinking and just plain common sense. One of the most important things that can be done with land is to set it aside and use it for nothing—except for a youngster to dangle his feet in the water, or a place to pitch a pup tent, or a place to look at birds, or even just to sit and "watch trees grow."

It may be that in a huge place like Alaska, still blessed with unsettled land in abundance, that this policy would be right. But here on the continental United States, we must withdraw more land and lock it up for one good and sufficient reason—there just isn't enough of it to provide open spaces for our growing population.

Now, Mr. Chairman, one of our great problems in Pennsylvania is our polluted streams. No one except those who are close to the coal fields, like I am, and close to mills, like I am, knows what it is like to live in an area where the streams are dead, where the water is not only undrinkable but unusable, where it is so unhealthy that even wading is prohibited.

It has been like that in Pennsylvania in the past and it still is. We have good programs that have been advanced to clean up our streams. But these programs are costly and take a long time to complete. We have streams that are so polluted that even if we stopped the pollution today, it would take scores of years to clean up the streams.

But. Mr. Hickel indicates that the problem of clean streams just doesn't interest him. He said: "If you set water standards so high, you might really hinder industrial development."

Mr. Hickel seems unaware of the fact that high water standards attract, rather than repell, industries. We have known that in Pennsylvania for many years.

Since many of our streams, flowing as they do into such great rivers as the Ohio, Monongahela, Allegheny, Susquehanna and Delaware, are subject to federal regulations, we in Pennsylvania could face an impossible task of fighting pollution without federal aid. Mr. Hickel indicates that this aid will not be forthcoming.

In these two statements, Mr. Hickel has shown that he does not have the slightest idea of what a 20th Century Secretary of the Interior should be doing. Instead of being the protector of the land that is our birthright—or at least what is left of it—Mr. Hickel indicated that he is in favor of lowering our water pollution standards and withdrawing land that has been stockpiled for purposes of recreation and conservation.

How will he react if someone wants to buy a large part of Allegheny National Forest, strip the trees from it and then use it for some other purpose? Will the fact that it will be used for something instead of just conservation for conservation's sake cause him to go along with the idea?

Will Gettysburg National Park be put to use as the site of even more motels and frozen custard stands? Mr. Hickel might decide that this is better than just letting it stand there doing nothing—and serving as a memorial to our honored dead.

In Allegheny County, near my home, whe have just cleaned up Deer Creek. What if someone wants to build a factory on Deer Creek and pollute it, will Mr. Hickel permit this to be done in the name of industry?

We have a beautiful stream in Western Pennsylvania that was discovered by George Washington. It's called the Youghiogheny River. For years it was polluted by mines and mills and railroads. We have just started a survey that we hope will lead to the rehabilitation of the "Yough." What if polluting industry now wants to locate upon its banks? Will the Youghiogheny revert to its old polluted self? Under Mr. Hickel's theories it could.

Pennsylvania citizens recently approved the spending of $500 million over the next ten years to restore onr ravished land and polluted waters.

This program will depend heavily on Federal help. The State officials in charge of carrying out this work are very much concerned that Mr. Hickel's attitude will hamstring this program.

I would appreciate knowing whether Mr. Hickel will continue making Federal aid available to the states for programs such as this.

Now I have heard that Mr. Hickel will be a tool of the oil interests, but I don't know about such things.

All I know is that from his statements, he will not be a tool of conservation, nor conservationists, nor outdoorsmen, nor those who just like trees and streams, rocks and hills, mountains and rivers.

Therefore I would like to repeat my opening sentence: Nix Hickel and put a conservationist in the driver's seat of the Interior Department.

The CHAIRMAN. We have the Alaskan Federation of Natives who are here and who have come a long distance. I am advised that those present are Mr. Emil Notti, president, John Borbridge, first vice president, Eben Hopson, second vice president, Willie Hensley, board member, State representative. Gentlemen, do you have prepared statements?

STATEMENTS OF EMIL NOTTI, PRESIDENT, JOHN BORBRIDGE, FIRST VICE PRESIDENT, EBEN HOPSON, SECOND VICE PRESIDENT, WILLIE HENSLEY, BOARD MEMBER, STATE REPRESENTATIVE, MEMBERS OF THE ALASKAN FEDERATION OF NATIVES

Mr. NOTTI. No, sir; we do not have prepared statements.

The CHAIRMAN. Will each of you identify yourself. I take it that all four of you wish to comment?

Identify yourself for the record.

Mr. NOTTI. Emil Notti.

The CHAIRMAN. You are the president of the Alaskan Federation?

Mr. NOTTI. Yes.

Eben Hopson is on my left, second vice president of the Alaskan Federation of Natives.

John Borbridge is immediately on my right, first vice president, Alaskan Federation of Natives, and on my far right is Willie Hensley, board member and State representative.

The CHAIRMAN. All right. And then as you speak state your name for the record each time to assist the reporter.

Mr. NOTTI. Mr. Chairman, we appreciate the opportunity to appear here. In the interests of time we will be very brief. Before I start I would like to say that last February when you were in Anchorage, Senator Metcalf and Senator Fannin made a great impression on Alaskans and got some of us pretty early, as I recall, 6 o'clock in the morning for hearings.

The CHAIRMAN. We were there on eastern time, so at 6 o'clock we were a little late getting started. That is 11 o'clock here.

Mr. NOTTI. Our two able Senators from Alaska understand what we are saying.

I would like to try to summarize just briefly some of the things that were heard last year, and it will take a few minutes.

The CHAIRMAN. I would rather that we not get into a discussion, except as it bears on the qualifications of the nominee in one way or the other, as to the whole native land problem and the native claims. I should say if we do that we will be spending quite a bit of time, and we will get off into collateral matters. Except as it bears on the matter of interest, which is the matter of giving our advice and consent as to the nomination of Governor Hickel to be Secretary of the Interior.

Mr. NOTTI. We appreciate the Chair's remarks that you will move toward a solution of the land problem which is our major concern, and based on Governor Hickel's actions as Governor, where he has appointed native people to heads of departments in dealing with rural problems, and where he has gotten native people together to deal with the present Secretary of Interior and State people trying to solve the land problems, and because he has developed good relations between native people and Federal agencies, we favor the appointment of Governor Hickel as Secretary of Interior.

The CHAIRMAN. Thank you very much, Mr. Notti.

Now if you will call on your next witness.

Mr. NOTTI. John Borbridge.

Mr. BORBRIDGE. Mr. Chairman, members of the committee——

The CHAIRMAN. State your name.

Mr. BORBRIDGE. My name is John Borbridge, Jr. I am the first vice president of the Alaska Federation of Natives. I am also president of the Central Council of Klinkot Heidi Indians of Alaska. We thank the chairman and members of the Senate Interior and Insular Affairs Committee for this opportunity to present a statement on behalf of the Alaska Federation of Natives who collectively comprise the people who have been awaiting since 1884 when we have had the congressional assurances that the problem of Alaska native land claims would be dealt with.

I would ask the indulgence of the chairman in making a point which we consider to be very important, since the Secretary-designee has indicated on a number of occasions that the claims are founded on moral principle and not legal right.

I do not wish to go into great detail other than, Mr. Chairman, to establish the point.

Our ancestors were the original inhabitants of Alaska. Alaska is our landed heritage. Our ancestors had their villages and hunted and trapped and fished these lands for centuries before outsiders entered Alaska. We as their descendants have continued to live in our villages and to use our ancestral lands for hunting, fishing, trapping, and other purposes.

We believe and affirm that the rights of the Eskimos, Indians, and Aleuts to these ancestral lands in Alaska rest on principles of law which have been established by decisions of the U.S. Supreme Court, and are finally imbedded in a consistent series of acts of Congress.

We deny that our land claims are based merely on the appeals to morals and conscience.

The Supreme Court of the United States has declared that the original inhabitants are the rightful occupants of the soil with a legal as well as just claim to retain possession of it. This is a statement in the classic opinion of Chief Justice Marshall in the case of *Johnson* v. *McIntosh*.

The Supreme Court has affirmed this principle again and again. In *Mitchell* v. *The United States* the Supreme Court declared that "friendly Indians were protected in the possession of lands they occupied," and "that their right of occupancy is considered as sacred as the fee simple of the whites."

In *United States* v. *Shoshoni Tribe*, "The Tribe's right of occupancy was said to be as sacred and as securely safeguarded as is fee simple title."

Further, in *Cherokee* v. *Georgia*, the Supreme Court stated that Indians had the "unquestioned right to the lands they occupied until that right shall be extinguished by a voluntary cession to our Government."

And in an opinion issued in 1955 the Supreme Court declared that it had been the policy of the Congress throughout our history to extinguish Indian title through negotiation, that the Indians had a right of occupancy which the sovereign grants and protects against intrusion by third parties.

Congressional protection of Indian possessor rights may be traced from the first act of the United States on this subject in 1783 to current provisions of the United States Code. As early as 1783, the congress of the confederation issued a proclamation prohibiting all persons from

making settlement "on lands inhabited or claimed by Indians," and from "purchasing or receiving any gift or cession of such lands or claims without the express authority and direction of the United States in Congress assembled."

The ordinance for the Northwest Territory provided that the land and the property of the Indians, "shall never be taken from them without their consent and their property rights and liberties never shall be invaded or disturbed unless in just and lawful wars authorized by Congress."

And further, in getting to the Alaska situation, by a series of statutes specifically applicable to Alaska, including the Act of May 17, 1884 and the Act of June 6, 1900, Congress expressly prohibited any disturbance of the Alaska Indians, Eskimos and Aleuts in their possession of any lands "in their use or occupation or now claimed by them."

Despite the directions of Congress and despite the uniform decisions of the Supreme Court requiring protection of native rights of occupancy, events of the past eighty years have witnessed the dispossession of the Indians, Eskimos and Aleuts of some 10 million acres of occupied and claimed y them as well as the least of bills of additional acres of native lands without any provision for compenstion to the Indians, Eskimos and Aleuts, and without any protection of their rights.

Some 2 years ago the Eskimos, Indians and Aleuts took steps to form a state-wide organization for the purpose of fighting for the protection of their lands and their land rights. This organization is the Alaska Federation of Natives on whose behalf this statement is presented.

An additional 25 to 30 million acres of land in which the Eskimos, Indians and Aleuts——

The CHAIRMAN. Mr. Borbridge, I want to be fair but I think we are now trying the Native Claims problem, and a lot of people have been waiting al ong time. I want to be fair with you, but I think this is a matter that we are going to give the highest priority to as I announced here previously. We will get into that question, but I do not think it is relevant to the matter now before us. The Chair would observe that I believe the Supreme Court held in the Teaton case that whatever rights the natives have, would require an act of Congress to make those rights effective. You do not disagree with that?

Mr. BORBRIDGE. Yes; Mr. Chairman. As a matter of fact not only did Congress reserve to itself the right to extinguish Indian title but we are very happy with the fact that you yourself and members of the committee have indicated that by preserving the land freeze you will retain this right to yourself.

The CHAIRMAN. That is right, but you were referring to property rights and so on. The Chair merely makes the observation that whatever rights you may have they will have to be validated by the Congress. In the bsence of an action by the Congress those rights do not exist I believe.

They can be recognized, but as a matter of law the Court in the Teaton case, I think, held that it would take an Act of Congress to give recognition to those claims. That is what I am saying.

Mr. BORBRIDGE. Yes. This lay person would hardly debate with this distinguished Chairman of the committee.

The CHAIRMAN. Oh, I am no expert on this, but this is just the fundamental question that a lay person, I think, likewise needs to understand. There is no automatic right in connection with the claims that the natives have. That is a right that would have to be validated by the Congress, and the Congress would have to determine the extent of their rights. This is why the matter has to come to the Congress. The Supreme Court made that very clear, I think, in the Teaton case.

Mr. BORBRIDGE. Yes.

The CHAIRMAN. That is all I wanted to state.

Mr. BORBRIDGE. Thank you, Mr. Chairman, for the clarification. As we look at Indian title, and this is my last comment on it, Mr. Chairman, I think we can examine the technicalities in many different ways, but here in Alaska in over 150 villages we have people using, occupying and claiming these very same lands.

The CHAIRMAN. I understand that.

Mr. BORBRIDGE. I would like to conclude, then, Mr. Chairman, that it is our understanding that in response to questions put to him by Chairman Jackson during these hearings, Secretary of the Interior-designate Walter J. Hickel has pledged to maintain the land freeze which preserves the status quo in anticipation of legislation by the 91st Congress resolving the matter of land claims and native land rights.

It is further our understanding that Secretary-designate Hickel has agreed in the interim period while legislation is being considered to consult with this committee and the Alaska Natives and obtain the committee's agreement before releasing from the land freeze limited tracts of land for central public purposes such as roads. On this understanding the Alaska Federation of Natives endorses the confirmation of Governor Walter J. Hickel as Secretary of the Interior. We would state very briefly in conclusion we as native people embrace the concept of a politically negotiated settlement of the Alaska Native Land Claims through the Congress of the United States.

We thank this committee for making possible such a settlement by its action in retaining the land freeze and the statements by the Chairman and other distinguished Senators who regard this issue as being one of the most important to face the Secretary-designate and one that should be acted on by the 91st Congress.

Alaska natives, the first Alaskans, desire the development of their home State. They only ask that justice and equity be done and that in the future Alaska native peoples may be active participants in Alaska's development.

I thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Mr. Borbridge. We appreciate having your statement.

Mr. Hopson.

Mr. HOPSON. Thank you, Mr. Chairman.

My name is Eben Hopson. I come from Point Barrow, Alaska, from the great Arctic slope. Other than to say that it is the position of the Arctic Slope Native Association as has been expressed by the first

two speakers, I would like to put the committee on notice at this time that the Arctic Slope Native Association will have some specific suggestions for any future legislation for land claim settlements which I hope we will be able to put together in the very near future.

The CHAIRMAN. You will have a full opportunity to be heard I assure you. We are going to give it first priority.

Thank you for your statement.

Mr. Hensley.

Mr. HENSLEY. Mr. Chairman, I am Willie Hensley, a member of the Board of Directors of the Alaska Federation of Natives, and a State legislator.

I imagine we will be coming before the committee again as the committee discusses the legislation that will be coming up on the Native Lands problem.

I want the committee to know that we have been dealing with Governor Hickel over the last 2 years, and we have disagreed on many issues in regard to the land settlement, but we have also agreed on many issues in that we all feel that we need a resolution of the problem, and we feel that the decision to maintain the freeze until an equitable settlement can be reached is a very good decision.

We do not feel that this freeze is setting any class against class in Alaska, or one group of people against the other. It is simply a matter of maintain the status quo until we can work out a good settlement.

I think that we will do everything possible as a federation to work with the committee and with the Governor of Alaska in bringing this problem to a solution.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much, Mr. Hensley.

Thank you, Mr. Notti, and thank you Mr. Borbridge, and thank you Mr. Hopson for your statements. We appreciate having your comments.

Any questions?

Thank you, gentlemen.

The next witness is Mr. Lehman Brightman, president of the United Natives American and Representative of Land and Life Commission of California.

State your name and who you represent. You may be seated.

STATEMENT OF LEHMAN BRIGHTMAN, PRESIDENT OF THE UNITED NATIVES AMERICAN, AND REPRESENTATIVE OF LAND AND LIFE COMMISSION OF CALIFORNIA

Mr. BRIGHTMAN. My name is Lehman Brightman. I am a Sioux and Creek Indian from Cheyenne Agency, S.D.

The CHAIRMAN. Sioux and what?

Mr. BRIGHTMAN. Sioux and Creek. At present I am living in San Francisco, Calif. I am president of United Native Americans. This is a national Indian organization. We are a militant Indian organization.

The CHAIRMAN. You are a militant organization?

Mr. BRIGHTMAN. A militant Indian organization. At the present time I represent 5,000 members. I also speak for the Land and Life Commission of California, which has about 15,000 members, Indians.

The CHAIRMAN. What is the Land and Life Commission so we will know what that is?

Mr. BRIGHTMAN. It is an Indian organization.

The CHAIRMAN. In California?

Mr. BRIGHTMAN. Set up to help and preserve and protect American Indians. It is located in California; yes.

I came here to speak for the American Indian, not conservation. If we are going to have conservation, we should conserve the American Indians. That is all I have heard since I came here is conservation. Everybody is worried about the trees but nobody about Indians. I came here because I am worried about Indians.

Most Indians here in the United States are aware of Mr. Hickel's actions. They have read it in the newspapers and they have heard it on the news. Before I came here from San Francisco, I heard about Mr. Hickel's activities in Alaska after the news, the radio. I have read them ever since I got here, and all the time I was in San Francisco before I came here I was mad enough that I read everything I could find about this man and how he has treated our Eskimos in Alaska, and I have visions of what this man would do to the American Indians if he got in as Secretary of the Interior.

Indians are the only ones in the United States who will directly suffer if this man gets in as Secretary of the Interior. He has already destroyed private enterprise with Eskimos in Alaska when he killed this fishing contract between the Japanese and the Eskimos. So I just wonder what this man will do to American Indians when he gets over us down here and he is Secretary of the Interior, because as Secretary of the Interior he will be over the Bureau of Indian Affairs and he will be able to dictate legislation to them.

At the present time we have 56 million acres of land here in the United States. Recently, the Soil Conservation made a survey of this and they found out that 14 million acres were severely eroded, that 17 million acres were critically eroded, 25 million acres were slightly eroded. So we, the American Indians, are the proud owners of 56 million acres of erosion. That is what we have left after you people here, you non-Indians here in the United States took the rest away from us through either legislation, taxation, or one way or another. But we have 56 million acres of land left and with this man coming in as Secretary of Interior, the people who sent me here and paid my expenses here are worried, because we do not know what this man will do.

At the present time there is a new political football going around here where they are opening up dams on Indian reservations. For instance, they have opened up dams, two in Oklahoma. They put a couple in South Dakota, one in North Dakota, one in Montana, one in Idaho, Arizona, Washington, Oregon, New York. They plan to put one in in Round Valley, Calif., and they also have some plans for Alaska.

In other words, they are damming up all of our lands. Why don't they put dams on white people's land? Why do they always have to put them on Indian land? Because we do not have any politicians who are in our favor, because we are so few numerically that you pepole, you politicians, you don't care whether we are flooded out or not. Well, we Indians do, and that is why I came here, to speak out against some

of these injustices. Now I do not care about conservation. I should say I do. I care, but I am more interested in Indians. Nobody here has spoken out about how we will suffer.

You people, you non-Indians, do not seem to realize that land and religion are interwoven as one with us, the Indians. It is part of our history and culture. Our forefathers are buried there and the people before them who were here before you people got here.

And so land means an awful lot to us because we have so few acres left. And we are afraid that if this man, this incompetent got in there, that he might suddenly turn on us and give the rest of it away because, as I said, we only have 56 million acres of erosion left.

You know a man is only as good as his word, no matter who he is. Any time you give your word on something, you must stand by it. A country is the same way. If a country is going to give their word they must stand by that also, or they are not much of a country.

This country said they were going to take care of American Indians, their health, education, and welfare, and they have not lived up to this. Ask any Indian. This is common knowledge. You do not have to brief me on this afterward and ask me where I got my proof because I was born on a reservation and I just came from one last week and I saw the conditions that still exist.

What I am trying to say is you, the United States, made treaties and contracts with American Indians to take care of us, and if you appoint this man, Mr. Pickle Hickel, if you appoint him as a new Secretary of Interior, we are afraid he is going to give the rest of our country away, our land, and build dams on it, and open it up for settlement and drain all oil out of it. Well, you can have the oil but just leave us the land.

I have about two other things I would like to bring out. There are over 600,000 Indians here in the United States, and our very existence is at stake, not just conservation protecting the trees. As I said we need somebody to conserve the Indians. You have got the Labor Department to look after the unions. You have got the Department of Agriculture to protect the farmers, and you have got the Department of Commerce to protect the banks. Well, who is going to protect the American Indians if Mr. Hickel gets in as Secretary of the Interior?

We feel we are in danger, American Indians. We feel if this man gets in, by this outrageous appointment, that there is no telling what will happen.

I am stating part of this for my members and part for me. Mr. Hickel also said that you could improve on nature. This is a good one. I wonder what he is going to do with Brigette Bardot, and so forth. Also what is he going to do with Grand Canyon? Make another dam out of that. I have visions of him going up into Alaska and looking at these trees and saying yes, we will tear them all down and make skyscrapers out of them on Indian reservations. That way we can assimilate them into the city a little quicker.

Also Mr. Hickel said that we must take pride in ownership, and that is why he is going to issue out land or divide the land up between the Indians and take pride in ownership. He said this a month ago.

In 1887, Dawes, a Senator by the name of Dawes opened up the Dawes Act. They call it the Allotment Act whereby they opened up

our 160 million acres of land that we had left for allotment and they allotted each Indian 160 acres of land. After this allotment, they suddenly found out after allotting to all the Indians here in the United States 160 acres of land they had 90 million acres left. So they took this from us and opened it up for settlement. They bought it for a song and made millions on it. And it is called the Dawes Act or the Allotment Act. Every Indian here in the United States knows about this.

And Dawes made the statement that Indians would take pride in ownership and that is why he was opening up this land. He took 90 million from us at that time, whereas I said we have approximately 58 million acres left.

A good indication of the way they have taken our land after the Dawes Act, we lost most of it through taxes because our people could not pay the taxes on it. They don't work. There is no employment on reservations so they lost it through taxation, through land sales, they were forced to sell their land and dams that were put on it against their wishes. Incidentally all these dams that I named a while ago they are putting on inland reservations they are all putting them in against American Indian wishes because they voted on it and incidentally they flooded out my reservation called Cheyenne Reservation in South Dakota so I speak from facts.

Also they have taken land away from us at the discretion of the Federal Government either by rights of eminent domain or highways, to build highways or railroads and legislation where they, for instance, took the Black Hills away from the Sioux and we still have not been paid for it.

What we fear is that if Mr. Hickel gets in, that he is going to destroy the rest of the land that we have left. And so, Mr. Chairman, and members of the committee, I speak out in opposition against Mr. Hickel for myself and the organization I represent.

Thank you.

The CHAIRMAN. Thank you, Mr. Brightman. We appreciate your statement.

Any questions?

Thank you very much for your statement.

I have been advised by Mr. Dewey Anderson of the Citizens Committee on National Resources that Dr. Spencer Smith, the secretary, has been previously occupied with another meeting today, and he will present a statement to the committee on the nomination later.

The next witness Charles Edwardsen, Representative Eskimos of the North Slope, Alaska.

The Chair will announce that Mr. Edwardsen will be the last witness.

Is there anyone else who wants to be heard representing an organization?

State your name, please.

Mr. NORDWALL. Adam Nordwall. I did go upstairs and ask that I be permitted to appear as a witness.

The CHAIRMAN. Who do you represent?

Mr. NORDWALL. The California League for American Indians.

The CHAIRMAN. All right.

STATEMENT OF CHARLES EDWARDSEN, REPRESENTATIVE, ESKIMOS OF THE NORTH SLOPE, ALASKA

Mr. EDWARDSEN. I am Charles Edwardsen, Eskimo from Barrow, Alaska, and I wish to testify violently against the nomination of Walter J. Hickel as the Secretary of the Interior. For the purpose of the record, I would like to make a couple of qualifications. I would like to have the Kuskokwim Fishery Cooperative redefined. Is Kuskokwim Cooperate an American processor or not?

The other qualification that I would like to question is Mr. Kelley as Commissioner of National Resources. I would like to know when he bought his stock from British Petroleum, since we heard that he has access, the State of Alaska has access to all of the oil information within the Arctic Slope. If he has this information, when did he purchase his stock?

On top of that, when I was at Barrow, the activities of the oil companies—I would like to know, What are the oil companies going to do with the ecological control of the Arctic Slope?

We know that if you interrupt the ecology of the Arctic area, that it will take at least about 4,000 to 5,000 years to recover, and the encroachment of the State of Alaska within its Arctic lands is very questionable. Where did the State of Alaska select lands? They select the lands within the Arctic Slope area. Are they going to push us out to the Arctic Ocean?

There was one incident within the Arctic Slope where an oil company came and landed without consent on an aboriginal hunting ground, by an oil company. You have heard the rest of the Alaskan people testify, but also that Governor Hickel is going to have a lot to learn. We have heard that during these 3 days of hearings. Do you think that he is going to graduate until his term is over? I don't think that we have time to wait at all, and I hope that some consideration will be made against Walter J. Hickel, that is all.

The CHAIRMAN. Thank you, Mr. Edwards. You may not have been present, but the wire that Senator Stevens read from Thomas E. Kelley stated that the stock that Mr. Kelley has in the British Petroleum Co., British America Petroleum Co., I believe it is, was acquired after he became the director of Natural Resources.

Mr. EDWARDSEN. After?

The CHAIRMAN. I am referring to Mr. Kelley. Who are you referring to?

Mr. EDWARDSEN. Yes.

The CHAIRMAN. This stock was acquired according to his wire after he become the Director of the Department or whatever the official title is, Natural Resources. We are trying to find out if there were noncompetitive leases entered into between the State and the British American Petroleum Co. during this period. We do not have that information. We have telephoned and asked for it. We are trying to get it directly through the Department of the Interior. We will not have that information until tomorrow morning.

Any questions?

Thank you, Mr. Edwardsen. We appreciate having your statement.

The next witness is Mr. Adam Nordwall, representing the California League for American Indians.

Mr. Nordwall.

Is there anyone else who has not been heard who has asked to be heard and wishes to be heard representing a group or as an individual who has some important points to make?

All right, Mr. Nordwall.

STATEMENT OF ADAM NORDWALL, REPRESENTING THE CALIFORNIA LEAGUE FOR AMERICAN INDIANS

Mr. NORDWALL. Thank you.

The CHAIRMAN. Identify yourself for the record.

Mr. NORDWALL. Mr. Chairman, my name is Adam Nordwall from Santa Ana, Calif. I am a member of the Red Lake Band of Indians of the State of Minnesota. I am here today representing the California League for American Indians which opposes the confirmation of Mr. Hickel as Secretary of the Interior.

The executive board of the league held a meeting approximately 10 days ago and voted to oppose the appointment. A copy of the resolution will be sent to this committee by mail.

I do not have any copies or documents with me, as I did not know we would have an opportunity to appear before you, and I appreciate your letting me speak before you.

The reasons behind the league's opposition to Mr. Hickel is based on the responsibilities he will have for Indian affairs if he is confirmed.

1. As Governor of Alaska, Mr. Hickel used his office to prevent the sale of fish by native cooperative to Japanese fish buyers.

In doing this, Governor Hickel showed that he preferred the fish processors over and above an Eskimo organization that was trying to free itself from economic domination and get a better price for its fish.

We California Indians do not feel that a man that would do this will have the proper attitude toward Indian self-help organizations on and off the reservations. Besides the Eskimo cooperative was a part of the community action program of the Office of Economic Opportunity. Indians generally think very highly of community action programs. This is just starting in California, and we need assurances that the Secretary of the Interior will give his support. We do not believe Governor Hickel will do that.

In California we had a considerable withdrawal of Bureau of Indian Affairs programs, especially in the field of community services. This is why we look to community action for assistance.

2. The Indians of California have recently had a settlement of their longstanding claims with the Government. The basis for these claims was a group of treaties, approximately 16, that were agreed to by the Indian tribes, but were never ratified by the U.S. Senate. Why?

The history books do not tell us, but the Indian people of California think it is because gold was discovered. We see history about to be repeated in Alaska.

The Alaska native claims have not been settled, and oil, more valuable than the gold in California, has been discovered in the Arctic.

To protect the unsettled native claims, Secretary Udall froze the Alaskan State land selections. Governor Hickel says that he would undo what Mr. Udall had done. I have been attending these hearings

for the past few days. I heard the promises that were exacted from him by this committee, and I do not think they go far enough.

Governor Hickel did not give a straight "Yes" or "No" answer to the committee chairman and, in view of his earlier statements, I doubt that the freeze will remain very long without being modified. I think our Alaska brothers deserve better than that.

The California League for American Indians has been concerned for a long time about the failure of the State of California to provide—this is No. 3.

3. The California League for American Indians has been concerned for a long time about the failure of the State of California to provide for the special education and welfare needs of Indians both in the remote rural areas and cities where tens of thousands of them are now living. Consequently, when I heard that Governor Hickel said that he favored the transfer of education and welfare functions from the Bureau of Indian Affairs to the State of Alaska, and afterward to all the States, I did not think this was right.

I thought of all the beneficial programs administered by the Bureau of Indian Affairs, and the U.S. Public Health Service for years have been denied Indians of California, and have only recently been opened up. I refer to the Indian sanitation program, the Indian housing program, adult vocational training, and college scholarships for practical purposes not a value to California Indians because the community services staff was dropped following the transfer of welfare and education to the State of California.

4. Of major concern and of growing proportions of the problems of Indians living in urban centers across the country. Many agencies of government have developed urban programs. Some have been helpful to Indians. The Department of Interior is just beginning to get into this type of activity. The Secretary of Interior is one of the members of the National Council on Indian Opportunity. Here with the Vice President as chairman, Indian leaders and Cabinet officers have made a start of identifying the needs of urban Indians. Hearings were held in Los Angeles at the end of the year, and others are scheduled in the San Francisco Bay area.

Secretary Udall was a strong voice in the Council. The outspoken and vigorous Governor Hickel has had something to say about land freezes, native rights, welfare, and education, but he has yet to say word one about urban Indians or the National Council on Indian Opportunity. Perhaps these problems in the big city do not exist in Alaska.

We need a Secretary who knows something about them.

Mr. Chairman, for these reasons and on behalf of the California League for American Indians, I respectfully request that your committee does not recommend the confirmation of Governor Hickel as Secretary of the Interior.

The CHAIRMAN. Thank you, Mr. Norwall.

Any questions?

Thank you for your statement.

Mr. NORWALL. Thank you.

The CHAIRMAN. Any other witness that desires to be heard, who requested to be heard on this pending nomination?

Congressman Pollock, we are delighted to have you again before the committee.

STATEMENT OF HON. EDWARD W. POLLOCK, A REPRESENTATIVE AT LARGE IN CONGRESS FROM THE STATE OF ALASKA

Representative POLLOCK. Thank you, Mr. Chairman. I appreciate the opportunity of being here today and to you and the members of the committee.

I am here for the purpose of asking that you endorse the appointment of Walter J. Hickel as Secretary of the Interior.

I think that he is eminently qualified for this position. The actions of Governor Hickel since he became Alaska's Governor 2 years ago are the strongest possible reflections of the man's intent and ability. Since the Governor has been in office he has:

1. Fought oil pollution of Alaskan waterways.
2. By strict regulation, attempted to halt continuing depletion of the State's fisheries.
3. Strongly supported Alaska's native people in their efforts to obtain a just and equitable land claims settlement.
4. Initiated an inventory of the State's timber resources.
5. Obtained a resource tax on oil extracted in the State.
6. Fostered economic development to provide employment for Alaskans—the State's human resources.

For the past several days, this committee has conducted searching inquiry into the background of Walter J. Hickel and the attitudes he will bring to programs and policies of the Department of the Interior which he has been appointed to head.

This is only proper. Statements have been made questioning Mr. Hickel's suitability for this position which is of vital importance to the Nation as a whole, as well as the State I represent.

Some of these statements may have been politically motivated; some spring from a real concern for the well-being of the Nation's resources.

Governor Hickel has attempted to answer satisfactorily questions which have arisen. I personally feel he has done so honestly, forthrightly, and well.

It is true that the Governor is not always master of the perfectly polished phrase and the aptly chosen word. But this man is not being appointed because he is a silver-tongued orator, but because he is a dynamic, capable, outstanding administrator and public servant. Words alone do not give a complete and honest portrait of a man and his capabilities. Let me briefly attempt to fill out this portrait.

Alaskans, perhaps more so than other citizens of this country, live close to their land and appreciate its importance to the economic and spiritual well-being of themselves and their children and children's children, and—because most Alaskans have come late to their land and can profit from mistakes made elsewhere, not because they are any wiser than others—are keenly aware of the costs man must pay when he abuses and misuses his lands and waters.

They know that resources must be wisely managed and harvested if the Nation's lands and waters are to continue to support its people. They are aware that true conservation of a resource does not mean that resource is not to be used at all. They are aware—from harsh experience—that overprotection of moose or caribou, for example, can destroy the delicate balance of northern rangelands so that many caribou or moose will starve. They know the dreadful cost of contaminating once-pure streams and lakes.

Walter Hickel is a product of this environment. He knows the value of balancing conservation with resource development, and that wise resource management provides the greatest potential for well-being of this and future generations.

In the past, this balance often has suffered through blind conservation practices.

Let us look behind Walter Hickel's sometimes halting or apparently inadequate words in response to exceedingly difficult questions to some of his accomplishments as Governor of Alaska.

In past years, Cook Inlet—entrance to the Port of Anchorage and the Kenai Peninsular—experienced continuing problems of oil pollution, much of which was caused by careless practices of some oil tankers visiting Anchorage or the oil refinery on the Peninsula.

This problem has been virtually eliminated because Governor Hickel had the foresight, yes and courage to clamp down vigorously on offenders.

Many of Alaska's fisheries resources, salmon, king crab, shrimp—were experiencing a gradual decline because of overexploitation.

Although he faced substantial opposition from certain commercial interests, Governor Hickel instituted new regulations and catch limitations to safeguard the future of these resources. He has shown concern for human resources as well.

No one has been a stronger champion of the rights of Alaska's native people than he. He has given them a stronger voice in his administration than they ever enjoyed before. Because of his efforts, the State legislature last year authorized an appropriation of $50 million as the State's share of settlement of the native land claims problem.

He has fought to provide more jobs for Alaskans, native and nonnative alike.

These few examples underline the philosophy that Walter Hickel will bring to the Department of the Interior. He will, I am positive, manage and conserve the resources of the Nation wisely and well so that they will increasingly contribute to the well-being of all of the people.

In the Thursday, January 16, 1969, issue of the Washington Evening Star, columnist James J. Kilpatrick presents a strong argument in favor of the philosophy Walter J. Hickel represents. I request that this column, entitled "Education of Walter Hickel is Just Beginning" be filed with this committee.

The CHAIRMAN. Without objection it is so ordered.

Representative POLLOCK. Thank you, Mr. Chairman.

The Secretary of the Interior must balance the need to preserve the natural riches of this land for the benefit of today's citizens and the advantage of posterity against the necessity to strengthen a viable Nation through imaginative development of our natural resources.

Compassion for the disadvantaged natives and Indians of America and sympathy toward the problems of the Nation's urban people and the necessities of urban accomplishment also is a fine line of compromise the Secretary must be able to affect.

Alaska—with its native problems, its oil boom, its gigantic size, its emergency as a political and economic entity—make it an ideal training ground for a man who must assume responsibility for the vital concerns of this Nation's interior.

Walter Hickel has not only dealt with the problems of his unique State. He has created solutions, and they have been acecptable and workable solutions, Mr. Chairman.

The most valuable evaluation of a prospective employee is the simple phrase "he gets things done."

This phrase, more than any other, has been applied to Hickel even during these days of national controversy. I offer it to you as a final statement of encouragement to confirm the President-elect's appointment of Governor Walter J. Hickel as Secretary of the Interior.

I appreciate very much the opportunity and I appreciate the patience of the committee in taking the time to hear me, Mr. Chairman.

The CHAIRMAN. Thank you, Congressman. I appreciate having your statement.

Any questions?

Thank you very much.

Senator ALLOTT. Thank you very much.

(Two further statments have been supplied to the committee. One is from the Colorado Space Coordinating Council and Adam Nordwall, a member of the Red Lake Band of Indians:)

STATEMENT OF THE COLORADO OPEN SPACE COORDINATING COUNCIL

The Colorado Open Space Coordinating Council (COSCC) is a coordinating structure for 25 recreational conservation organizations in Colorado representing approximately 25,000 citizens who are dedicated to the conservation of scenic, historic, open space, wildlife, and outdoor recreation resources, as related to the total environment. The Council is concerned about the recent public statements of Governor Walter J. Hickel of Alaska which reflect his attitudes and conservation philosophy as the prospective Secretary of the Interior.

In an interview with the Washington Post on December 19, 1968, Governor Hickel said: "I think we have had a policy of conservation for conservation's sake. Just to withdraw a large area for conservation purposes and lock it up for no reason doesn't have any merit." The accusation of "lockup of natural resources" has been the battle cry of opponents of the National Wilderness Preservation System since 1957, when the first Wilderness Preservation Bill was introduced in Congress. Governor Hickel's unfortunate statement can serve no purpose perhaps, except to indicate his philosophical differences with the Wilderness Act. The National Park System and National Wildlife Refuge System contain considerable land to be reviewed in the near future for possible inclusion under this Act. Are we to infer from Governor Hickel's statement that he is opposed to such inclusions?

Governor Hickel has indicated that he favors multiple use management of public lands over single-use management. As Secretary of the Interior, he will have jurisdiction over much land which is *not* administered under a multiple-use concept—the land in the National Park, Monument, Seashore and Wildlife Refuge System. Consumptive use of resources is prohibited in these lands under present law and administration, and in some cases recreational development is severly limited in order to preserve the ecology, in consonance with the purpose of the National Parks Act. Governor Hickel's statements on development and multiple use raise questions about his attitude in administering this entire system, aside from that part of it protected by the Wilderness Preservation Act.

The State of Alaska is very large and thinly populated, and popular demand there is for rapid economic development and exploitation of natural resources. The Department of the Interior, on the other hand, has enormous responsibilities on a national scale. The quality of our environment is a major problem, ranking with the issues of poverty, race, and peace. Environmental protection and restoration has become a major concern of the federal government, through a nationwide, "grass-roots", bipartisan effort. Any Secretary of the Interior must accept the fact that environmental quality is not always easily reconciled with exploitation of resources, and must be able to assign those priorities most in the national public interest. Governor Hickel's statements on water quality control, *his favor-*

ing the proposed Ramparts Dam and his efforts to permit exploratory oil drilling in the Arctic Wildlife Range appear to indicate a philosophy of resource development without adequate regard *for* other environmental values.

The man chosen for Secretary of the Interior should, have an understanding of the complexity and national scope of his position, a knowledge of current national environmental problems, and some record of constructive work with these problems. We feel that Governor Hickel must demonstrate, and soon, that he has a perceptive and judicious concern for the broad mandates of his office, and that he will not be unduly influenced by traditional and parochail attitudes toward natural resources and conservation. The breadth of his view is more important than his region of residence. COSCC asks that his views be examined closely.

STATEMENT OF ADAM NORDWALL

My name is Adam Nordwall of San Leandro, California.

I am a member of the Red Lake Band of Indians of the State of Minnesota.

I am here today representing the California League for American Indians which opposes the confirmation of Mr. Hickel as Secretary of the Interior.

The executive board of the league held a meeting approximately 10 days ago and voted to oppose the appointment. A copy of the resolution has been sent to this committee by mail. I do not have any copies or documents with me as I did not know that we would have an opportunity to appear before you, and I appreciate your letting me speak before you.

The reasoning behind the leagues opposition to Mr. Hickel is based on the responsibilities he will have for Indian Affairs if he is confirmed.

As Governor of Alaska, Mr. Hickel used his office to prevent the sale of fish by a native cooperative to Japanese fish buyers. In doing this Gov. Hickel showed that he preferred the fish processors over and above an Eskimo organization that was trying to free itself from economic domination and get a better price for its fish.

We California Indians do not feel that a man that would do this will have the proper attitude towards Indian self help organizations on and off the reservations, besides, the Eskimo cooperative was a part of the community action program of the office of economic opportunity. Indians generally think very highly of community action programs. This is just starting in California and we need assurances that the Secretary of the Interior will give his support. We do not believe Gov. Hickel will do that. In California we had a considerable withdrawal of Bureau of Indian Affairs programs, especially in the field of community services. This is why we look to community action for assistance.

2. The Indians of California have recently had a settlement of their long standing claims with the Government. The bases for those claims was a group of treaties, approximately 16, that were agreed to by the Indian tribes but were never ratified by the United States Senate. Why? The history books don't tell us but the Indian people of California think it is because gold was discovered.

We see history about to be repeated in Alaska. The Alaska native claims have not been settled, oil, more valuable than the gold in California, has been discovered in the Arctic.

To protect the unsettled native claims, Secretary Udall froze the Alaska State lands selections.

Governor Hickel said that he would undo what Mr. Udall had done . . . I have been attending these hearings for the past few days, I heard the promises that were exacted from him by this committee and I do not think they go far enough. Governor Hickel did not give a straight yes or no answer to the committee chairman and in view of his earlier statements, I doubt that the freeze will remain very long without being modified. I think our Alaska brothers deserve better than that.

3. The California League for American Indians has been concerned for a long time about the failure of the State of California to provide for the special education and welfare needs of Indians, both in the remote rural area and in the cities where tens of thousands of them are now living. Conservently, when I heard Gov. Hickel say that he favored the transfer of education & welfare functions from the Bureau of Indian Affairs to the State of Alaska and afterward to all the States.

I thought of all the beneficial programs administered by the B.I.A. and the United States Public Health Service, which for years have been denied Indians of California and have only recently been opened up. I refer to the Indian sanitation program, the Indian housing program, adult vocational training and college scholarships. For practical purposes not available to California Indians because the community services staff was dropped following the transfer of welfare & education to the State of Calif.

4. Of major concern and of growing proportions is the problems of Indians living in the urban centers across the country. Many agencies of government have developed urban programs, some have been helpful to Indians. The Dept. of Interior is just beginning to get into this type of activity. The Sec. of Interior is one of the members of the National Council on Indian opportunity, here, with the vice president as chairman, Indian leaders & cabinet officers have made a start on identifying the needs of urban Indians. Hearings were held in Los Angeles at the end of the year and others are scheduled in the San Francisco Bay area. Secretary Udall was a strong voice on the council. The outspoken and vigorous Gov. Hickel has had something to say about land freezes, native rights, welfare & education but he has yet to say one word about urban Indians or the National Council on Indian Opportunity. Perhaps these problems of the big city don't exist in Alaska. We need a Secretary who knows something about them.

Mr. Chairman, for these reasons, and on behalf of the California League for American Indians I respectfully request that your committee do not recommend the confirmation of Gov. Hickel as Secretary of the Interior.

The CHAIRMAN. The Chair wishes to make a statement.

The many letters and statements which the committee received on this nomination will be made a part of the committee's official file as an exhibit to this hearing record. The statements of organizations which represent a portion of the public will be received by the committee's staff and where appropriate made a part of the hearing record or an exhibit in the committee files.

Is there any other person desiring to be heard at this time in connection with the pending nomination?

If not, the committee will stand adjourned until 10 o'clock tomorrow morning when the committee will meet in executive session to consider the financial statement presented by Governor Hickel and we will also at the conclusion of that matter vote on the question of confirmation.

The Chair will give the press an accounting of the decision in connection with the financial statement. In addition there will be a record released probably on Monday in connection with the hearing. We will not be able to have the transcript ready of course on Saturday. The Chair, however, will be able to give a public summary at that time of the disposition of the assets held by Governor Hickel and his wife and family, and the decision of the committee in that regard.

We will stand in recess or adjournment until 10 a.m. tomorrow morning.

(Whereupon, at 5:10 p.m. the committee was recessed, to reconvene at 10 a.m. Saturday, January 18, 1969.)

NOMINATION OF GOV. WALTER J. HICKEL, OF ALASKA, TO BE SECRETARY OF THE INTERIOR

SATURDAY, JANUARY 18, 1969

U.S. SENATE,
COMMITTEE ON INTERIOR AND INSULAR AFFAIRS,
Washington, D.C.

The committee reconvened at 11:30 a.m., in room 3110, New Senate Office Building, Senator Henry M. Jackson, chairman, presiding.

Present: Senators Jackson, Anderson, Bible, Church, Moss, Burdick, McGovern, Nelson, Metcalf, Gravel, Allott, Jordan of Idaho, Fannin, Hansen, Hatfield, Stevens, and Bellmon.

Also present: Jerry T. Verkler, staff director; Stewart French, chief counsel; Bill Van Ness, Jr., special counsel; Charles Cook, minority counsel; Dan Dreyfus, Jim Gamble, Denny Miller, Porter Ward, and Roy Whitacre, professional staff members.

The CHAIRMAN. The committee will come to order.

Governor, about 6:30 last night, my staff was advised that you filed and were granted a lease in 1953, involving 2,560 acres. That is No. 1.

No. 2, in October and November of 1963, you had made a number of filings, referred to as top filings, that is, a filing on an existing lease. The filings were somewhere between 40 and 50 and the total acreage amounted to 90 thousand to 100 thousand acres.

At my direction, when I found out about this matter a half hour later at about 7 o'clock, the staff got in touch with the Bureau of Land Management in Anchorage and checked this out. We were advised that the application for lease, which you made in 1953 involving 2,560 acres, was in existence for 10 years and then expired by operation of law; that nothing was done in connection with that lease; and that the applications for top filing had all expired by operation of law. We do not have information regarding when they expired.

All of this information that we received was by telephone and we have not—although we are informed a wire is en route—we have not received a confirmation in writing.

You did advise the committee at the time I asked the following question, and I quote:

> The CHAIRMAN. The second source, Governor, of concern relates to the widely circulated press report that you have personal ties with the oil industry. It has been alleged that some of your financial affairs are involved in the current oil development in Alaska and that you have close association with members of the oil industry. You have, I believe appointed oil men to some high positions in your State administration.
>
> Governor, would you please clarify for the committee your relationship, if any, with Alaska's emerging oil industry or with other oil interests?

Governor HICKEL. Yes, Mr. Chairman. Senator Jackson, I am not in the oil business. I own no oil leases. I own no oil royalties. We just are not in what is known as the oil business.

The CHAIRMAN. Right at that point, you do not have any interest, financial interest, in anything connected with the oil industry?

Governor HICKEL. Not directly. I would like to explain that, if I could.

Then you go on and explain the franchise with the City of Anchorage in connection with an arrangement to distribute natural gas in that area.

Now, I think it is quite clear from the questioning that you were referring to any interests that you might now have. You did not, of course, state that you had not had any interest in the past in the oil area.

Now, having said all this, would you wish to comment on this matter, and I will ask you to so respond.

Governor HICKEL. Thank you, Senator.

I think you well covered the area. We are not in the oil and gas business. It was stated that I had one oil lease from 1953, as I recall, to 1963. I was not aware of that. It is not on our financial statement and, obviously we do not have it any more.

Nothing happened with the lease. I could not tell you with all sincerity, why we bought the lease in 1953, whether it was some emerging group in Anchorage that was trying to get an industry started—I am sure the public record will show where it was, and—

The CHAIRMAN. We will take these matters up one at a time.

Governor HICKEL. Yes.

The CHAIRMAN. Did you make any attempt to develop or start development proceedings on that?

Governor HICKEL. Not that I know of. I think, Senator, that this can be all a matter of public record. I say that because I know of no investment we had in it. I do not know what the lease cost in 1953. I think, as I recall, it was about 25 cents an acre at that time, and we must have paid—according to the record—we must have renewed that lease until it ran out in 1963.

That is my full recollection of it, and I could check back.

The CHAIRMAN. That would be about $640 a year rental that you would have paid?

Governor HICKEL. Yes; it must have been that.

The CHAIRMAN. So you must have paid it; it was in effect for 10 years.

Governor HICKEL. 10 years. And I think it was 25 cents an acre then.

The CHAIRMAN. We do not have all of this information, as yet, confirmed in writing, but our information is that the lease was valid for 10 years, and the lease expires by operation of law at the end of 10 years if no development takes place.

Governor HICKEL. Yes, and the only thing I can say, evidently I lost $600 a year.

The CHAIRMAN. But you do not have any recollection of that?

Governor HICKEL. None whatsoever. I am trying to put together—I asked my attorney out there, I said to go back and see whether it was carried on the financial statement, and he said he knew nothing of it at that time.

I am not evading it at all. But in 1953, one lease, for what reason, it could have been with a group of people trying to develop some area and nothing happened, but we are not in the business.

The CHAIRMAN. Would this help any? This is what Mr. Van Ness and my staff obtained over the telephone: The leases issued were to W. J. Hickel, care of the Yakutat Development Co., 439 Wyatt Building, Washington, D.C.

Governor HICKEL. That rings a bell. It was a person by the name, as I recall, Herb Hitchler, that put together a group of people. Yakutat—I do not know whether Yakutat Development Co., or whatever it was.

The CHAIRMAN. It says the Yakutat Development Co.

Governor HICKEL. Yes, that rings a bell. That is down in what we call the northern part of southeast Alaska, on the coast.

The CHAIRMAN. That is Yakutat right out on the coast?

Governor HICKEL. Yes. They were probably trying to put together some development to get something going, and I obviously, one lease, you would not put a development together for one lease, you would have to have a combined big area. Yes, I remember that.

The CHAIRMAN. There were a number of them?

Governor HICKEL. There were a number of people that would have to be involved to get a section together to try to do something.

The CHAIRMAN. That is the only recollection you have?

Governor HICKEL. That is my recollection. The name Yakutat rings a bell real well now.

The CHAIRMAN. Now, return to the top filings. Let me ask you, did you ever file on a public domain for an oil lease, or mineral lease, on which there was no top filing beyond this one?

Governor HICKEL. Not to my recollection at all. I would like to say emphatically though, that at this point, every once in a while something might come up in 1953 or something, but not to my recollection.

I would like to talk about the top filing, if I may.

The CHAIRMAN. You may. Go right ahead.

Governor HICKEL. That was a legal case, and as I stated, we are not in the oil and gas business. A fellow by the name of Tallman, as I recall the case, not being an attorney, he was questioning the right of whether the Secretary of the Interior could issue leases on the Moose Range. It went back to 1957 or 1956, or some period, and so they wanted to top file the whole area when they took this case to court.

So they came to me. And they are limited, I think, in Alaska, by so many acres. I said fine, I will help you. There were many, many people involved in that, and this was just to get this case going. Eventually, the case was thrown out, I think, or ruled on by the Supreme Court, and nothing happened. We got our money back, and that was it. No leases were ever issued.

It was a legal case and they asked me to get into it. I was a businessman in Alaska, and would I lend my name. I was glad to do that. It was one of those things, and many, many people involved. I do not know, a public record will show how many acres was covered by everybody.

But there were no leases issued, and that was the reason that the top filing was put on there.

The CHAIRMAN. When did you get word, if you know, when the top filings became invalid?

Governor HICKEL. The attorney, when he lost the case—I do not remember the time——

The CHAIRMAN. I think the Court decision was 1965, the fall of 1964——

I am advised by staff that the Court handed down the decision in 1965, the Supreme Court of the United States.

Now, of course, even under that decision, if the prior applicant moved out, you would then move up to first place, if you were in the second place.

Governor HICKEL. I think that was the position that Tallman was I got my money back, would be a matter of public record. But I think within 30 or 60 days after that, they refunded the money.

taking, and the exact time when I found out the Court decision, when

The CHAIRMAN. They refunded the money on all of your applications?

Governor HICKEL. Yes.

The CHAIRMAN. So that nothing ever came of these top filings?

Governor HICKEL. No.

The CHAIRMAN. Nothing?

Governor HICKEL. No, nothing. And no leases were ever issued.

The CHAIRMAN. Now, have you ever filed on State lands for oil, gas, or mineral lease?

Governor HICKEL. Senator, no, not to my recollection. My statement does not show it, but I know of none whatsoever.

The CHAIRMAN. You have never filed?

Governor HICKEL. No; I know in that one case at one time, I do not know whether I ever filed for a lease or not, a fellow was going to look for some iron ore sands, but I do not think he ever got a lease.

I am trying to be helpful. I really do not know.

The CHAIRMAN. I guess half of the people in Alaska were filing on oil leases and all that.

Governor HICKEL. I never got into that.

The CHAIRMAN. Especially when they made the first strike down in the Kenai Peninsula in 1958 or 1959.

Governor HICKEL. Yes.

The CHAIRMAN. So, I am just trying to make the record clear.

Have you had, or do you now have, any kind of an oil lease or mineral lease, relating either to Federal or State lands, or any public lands?

Governor HICKEL. No, I do not. That would be a matter of public record.

The CHAIRMAN. You had one lease?

Governor HICKEL. Yes, that 1953 one.

The CHAIRMAN. 1953 to 1963 one. But other than that, have you ever had an oil, gas, mineral lease of any kind, involving Federal lands, State lands, or any publicly owned lands?

Governor HICKEL. No, Senator. I do not want to qualify that, but if they would find one like 1953 again, it would make me look like I was lying, but I do not have any to my knowledge. We own none now.

Senator METCALF. He keeps saying "we," Mr. Chairman.

Are you referring not only to your own personal self——

Governor HICKEL. My wife.

Senator METCALF. Your family?

Governor HICKEL. Yes, my family; companies.

Senator METCALF. And, do you have any corporations?

Governor HICKEL. The companies; yes.

The CHAIRMAN. Yes, any company, that is what I was coming to next. Whether any company, you have an interest—a substantial interest—it owns any oil, gas, or mineral lease of any kind, involving either the Federal lands or State lands?

Governor HICKEL. No, none that I know of.

The CHAIRMAN. Listed in your financial statement there was a defunct mineral lease, I think, or a mining lease involved in Mountain Mining Corp.

Governor HICKEL. Yes, Senator, that is the one I was just referring to. It was a number of years ago, a young geologist, graduated from the University of Alaska—I knew his family—he thought there might be some iron ore right out of Anchorage, and on low tide, you can see the sand. So he wanted to go out and check the sands.

He did not have any money. I said fine, I will put up, I think, $5,000, and he would work for nothing. Like a grubstake, he went out and worked this sand. Nothing ever came of it.

It was difficult thing to do, he could only do it in between tides, and that is the extent of it. The money got spent for trying to find out what was there. That was the total thing. Mountain Mining Corp. It sounds like a great company, but it never did do anything. It never hired any people.

The CHAIRMAN. It was mostly on paper.

Governor HICKEL. It was all on paper. I do not know why it is even defunct. I did not know I had it until I saw the list when they brought it down the other day.

The CHAIRMAN. Now, to go back to the lease that was in fact issued in 1953, there is an additional assignment. So we get it all in the record here, the lease was issued, as previously indicated, to W. J. Hickel, care of the Yakutat Development Co., 439 Wyatt Building, Washington, D.C. Then there was a partial assignment of 640 acres on June 12, 1962, to the Colorado Oil & Gas Corp., Denver Club, Denver,Colo.

Do you recall that?

Governor HICKEL. Partial assignment—was it 60 acres?

The CHAIRMAN. 640. That would be one-fourth, I guess.

Governor HICKEL. Is that land, does it say I owned land, or what?

The CHAIRMAN. I am referring to your 2,560-acre lease.

Governor HICKEL. I see.

The CHAIRMAN. Which was issued in 1953. And which expired by operation of law in 1963.

I will repeat, on June 12, 1962, you made a partial assignment of this lease to the extent of 640 acres. That was assigned, it says, the new lease to Walter J. Hickel, Colorado Oil & Gas Corp., Denver Club Building, Denver 2, Colo. Do you recall that?

Governor HICKEL. I can remember something about that. At that time, as I recall, it must have been close to the end of the lease, and they were trying to get someone to go and do something; does the record show that we assigned it? That is what happened.

The CHAIRMAN. Was this a part of a development effort?

Governor HICKEL. It probably was, yes; I do not know whether they went ahead or not.

The CHAIRMAN. We have been informally advised it was part of a development effort to put together 100,000 acres on the cape.

Governor HICKEL. That could have been.

The CHAIRMAN. That is all I have right now. Senator Allott.

Senator ALLOTT. Governor, I have just two or three questions, and probably a short statement.

First of all, I would like to say I cannot see the materiality, but because of some newspaper article of this morning, which has been so maliciously attacking you for some time, raised it in such a way to imply there was something wrong, I think it is very vital that we clear this up by public hearing.

Now, the chairman of the committee has just pointed out that the Supreme Court case, the Supreme Court decision in the *Tallman* case, Mr. Tallman was attacking the validity of the then existing leases in the Kenai area, as I recall. The Supreme Court case, in effect, said "Mr. Tallman, you are wrong, and these leases were valid."

And, of course, when the Supreme Court decided that, your rights on your top filings and top lease—which I might say is very common all over the West, and whatever areas they are—were immediately terminated by that Supreme Court decision; were they not?

Governor HICKEL. That is right, Senator.

Senator ALLOTT. So, that at least a year or approximately a year before you became Governor, any rights you may have had by the virtue of this filing were terminated by the Supreme Court.

Governor HICKEL. That is absolutely right.

Senator ALLOTT. Now, just so that we cover all possible implications of the question, you became Governor on December 20, 1966?

Governor HICKEL. Senator, just for the record, I think it is December 5.

Senator ALLOTT. Someone said December 20.

December 5, 1966?

Governor HICKEL. Yes.

Senator ALLOTT. I want to ask you this one broad question, but before I do, I want to define the term that I am talking about. You used the term "oil royalties" in answering the chairman's question the other day.

Now, this is a very loose term that is used in the West, particularly. You understand that the term "mineral rights" includes not only—it includes all subsurface rights—coal, iron, copper, lead, zinc—but it also includes oil and gas. You understand that?

Governor HICKEL. Yes.

Senator ALLOTT. I am simply trying to define these things, what we are talking about.

When you used the term "oil royalties" were you talking about the ownership of oil or gas, or oil and gas, mineral rights, under land?

Governor HICKEL. I was talking about—Senator, thank you, I am glad you clarified that—I was talking about any kind of minerals, in reality. The question seemed to be oil, but I do not know—copper, or coal, or any of the things you have mentioned, or any of the things you did not mention. I do not have any mineral rights or own any mineral rights, if that answers your question.

Senator ALLOTT. So the term, in the sense in which you used the term——

Governor HICKEL. With the exception of that Mountain Mining one that came up.

Senator ALLOTT. That "productive" corporation you had?

Governor HICKEL. Yes.

Senator ALLOTT. In the contest of the statement that the chairman asked you, you used the term "oil royalties" to include the ownership of any mineral rights at all?

Governor HICKEL. That is right. I have no mineral rights.

Senator ALLOTT. Now, since you became Governor on December 5, 1966, the lease which you owned from 1953 to 1963 obviously had expired 3 years before you became Governor—in round figures.

Governor HICKEL. That is right, Senator.

Senator ALLOTT. I want to ask you this broad question. Since you became Governor, have you or your family, or your companies, dealt in any leases, production, mineral rights, of any description, with relation to either State land or public lands, that is to say, Federal lands?

Governor HICKEL. No, we have not.

Senator ALLOTT. I think that is all I have.

The CHAIRMAN. Senator Anderson.

Senator ANDERSON. You testified you had this mining lease for 10 years.

The CHAIRMAN. 1953 to 1963.

Governor HICKEL. I had one lease in 1953, to 1963, as defined.

Senator ANDERSON. You paid rentals right along?

Governor HICKEL. Paid the rentals, evidently, for 10 years.

Senator ANDERSON. Did you sell a portion of it before 1962?

Governor HICKEL. When we assigned that Colorado Oil & Gas, the 640 acres, Senator——

Senator ANDERSON. That was in 1962.

Governor HICKEL. Yes, 1962.

Senator ANDERSON. Do you have any others?

The CHAIRMAN. Any other assignments?

Governor HICKEL. None that I know of, no.

Senator ANDERSON. How did you pay; by check?

Governor HICKEL. Yes, I must have paid by check to the Federal Government. I would assume so.

Senator ANDERSON. You said you got some money back. How did you get it back?

Governor HICKEL. Senator, not on that one. It was on the top filings that we got the money back.

The CHAIRMAN. As I understand it, Senator Anderson, in connection with top filings, the top filing is an application for a lease where someone has previously applied for a lease on the same land. When you are in that category you are second or third or whatever the lineup may be, but not first. You pay the application fee, and you pay the first year's rental. Then if the applicant who first filed gets the lease, the one who filed after that gets a refund on the 1-year's rental, but not the application fee, and the check is given back. But you only have to pay for the 1 year.

I believe I have stated it correctly.

Senator ANDERSON. The $640, then, you did pay?

Governor HICKEL. Yes.

Senator ANDERSON. Year after year?

Governor HICKEL. Year after year.

Senator ANDERSON. Did you claim a deduction for that?

Governor HICKEL. I am trying to think? Is that legal?

My assistant mentioned I probably paid that for 10 years, and I think that is a deduction; I do not know for sure. I am not an accountant.

Senator ANDERSON. Did he say it was a deduction?

Governor HICKEL. He is not an accountant, he is my administrative assistant. I think lease moneys are deductible. Does anyone know?

Senator ALLOTT. I do not.

The CHAIRMAN. If you are in the business, I suppose they are deductible. But I do not know what the situation is where you are acting as an individual.

Senator ANDERSON. It depends on how he paid it.

Governor HICKEL. I paid it out of other income, I just paid it out of income we got in the construction business, or whatever business we were in.

Senator ANDERSON. I have no other questions.

The CHAIRMAN. Senator Church?

Senator CHURCH. No questions.

The CHAIRMAN. Senator Moss.

Senator MOSS. On the oil matter, no, I have no questions.

The CHAIRMAN. Senator Burdick.

Senator BURDICK. Just to further the question of the Senator from Colorado, you do not have any mineral interests anywhere?

Governor HICKEL. No. You mean outside of Alaska?

Senator BURDICK. Yes.

Governor HICKEL. No.

The CHAIRMAN. And none in Alaska, except that one?

Governor HICKEL. That is right.

The CHAIRMAN. The defunct mining operation that you mentioned; is that right?

Governor HICKEL. That is right, Senator.

Senator MCGOVERN. No questions.

The CHAIRMAN. Senator Nelson?

Senator NELSON. No questions.

The CHAIRMAN. Senator Metcalf?

Senator METCALF. No questions.

The CHAIRMAN. Senator Gravel?

Senator GRAVEL. No questions.

The CHAIRMAN. Any further questions on this point?

Senator STEVENS. May I clarify this one point?

The CHAIRMAN. Yes.

Senator STEVENS. Governor, it is my memory that Herb Hilcher put together a series of leases to try and get a new company into that area; is that what happened?

Governor HICKEL. I think that was the reason for it, as I recall it, the Yakutat.

Senator STEVENS. Did Herb Hilcher continue to manage that area? You did not have any direct negotiations with any companies, did you?

Governor HICKEL. No, I had do direct negotiations, none whatsoever.

Senator STEVENS. So, in effect, it was an investment as far as you are concerned, rather than getting into the oil business?

Governor HICKEL. Just really trying to help a guy out, really.

Senator STEVENS. That is all.

The CHAIRMAN. Any further questions on this point?

The Chair wishes to place in the record a wire that he received from Thomas E. Kelly, the director of the natural resources in Alaska. It is addressed to the Chair, as follows:

Senator HENRY M. JACKSON,
Old Senate Office Building,
Washington, D.C.:

Information requested by Mr. Van Ness received data in Division of Lands unavailable until Monday a.m. Will be happy to provide complete facts then to expeditiously obtain info suggest you contact B. P. USA LD 620 5th Ave. New York, N.Y. Attention Mr. C. P. B. Hardcastle, president.

THOMAS E. KELLY.

I will say for the benefit of the public, that this wire comes as a result of a request that we made, you will recall, yesterday, or the day before, to determine whether or not any leases were negotiated with British Petroleum while Mr. Kelly has been in office.

We do not have all the data, except this wire, and we will not have until we are able to obtain that information on Monday. I assume the British Petroleum Office is not open today.

Senator Allott.

Senator ALLOTT. I have one question on this matter.

Governor, going back to the mining company, is that company actually defunct at the present time?

Governor HICKEL. Yes.

Senator ALLOTT. Has it been dissolved, do you know?

Governor HICKEL. That is the problem. Evidently, they just carried it on and on and never liquidated whatever papers they had. It is not operating. It is nothing. It has never hired a man, it is defunct. It never had any money.

(Conferring with assistant.)

Governor HICKEL. It has not been dissolved, but it sure will be, because it is not doing anything.

Senator ALLOTT. You just never took the trouble to formally and legally dissolve it?

Governor HICKEL. No.

Senator ALLOTT. Has the annual corporation tax been paid, or is there such a thing in Alaska?

Governor HICKEL. Yes. I cannot answer that, but I would assume it has been. I do not know.

Senator ALLOTT. In many States, including my own, people form corporations and they do not want to go to the expense of dissolving them, and they just quit paying the corporation tax, and the corporation just becomes defunct. I did not know which situation existed here.

Governor HICKEL. That could be the situation, but I do not know.

Senator ALLOTT. Now, do you know whether or not a filing for a patent was made, a mining patent?

Governor HICKEL. I was told one filing had been made trying to find this iron ore, and he says it is still current.

Senator ALLOTT. The filing is still current, but no patent has ever been issued?

Governor HICKEL. No.

Senator ALLOTT. I think this question has been answered, but has the annual assessment work been kept up on it?

Governor HICKEL. No, it is one of those things——

(Conferring with assistant.)

Governor HICKEL. He says the fellow has kept it up.

Senator ANDERSON. It had to be, did it not?

Governor HICKEL. Yes.

Senator ALLOTT. No, it does not have to be, under the Baker case, I think in 1936, the Supreme Court did some funny things with that assessment work; you recall that?

Governor HICKEL. I do not know exactly. There is some sand out in Cook Inlet, and I know after the earthquake, the water came up higher over it and I just do not know what has been done about it. But whatever it is, we will get rid of it. I do not know what it is.

Senator ALLOTT. Well, just so that we cover every eventuality in this matter, although you think it impossible or improbable that that could ever be proved up, and a filing has been made, you would be perfectly willing, if there is any property right of any nature left there, to divest yourself of this wholly so that you would have none?

Governor HICKEL. I would be glad to get rid of it, Senator, because it is just a liability.

Senator ALLOTT. If it does exist.

Governor HICKEL. If it does exist, no problem.

The CHAIRMAN. I want to say that the Governor, in his letter to me, in connection with a Mountain Mining Co., stated:

> The sole present property of this corporation, one unpatented mining claim, will be disposed of and this corporation will be dissolved.

Senator ALLOTT. I thank the Chair for that. I think that is all I have.

The CHAIRMAN. That is part of the things he is to dispose of.

Any further questions on this pending point? If not, Senator Moss has a question on another matter.

Senator Moss. Governor, I have two or three questions dealing with the trust which you had during the time you were Governor, and will expire, according to your letter, when you terminate your period of Governor. I think it is relevant, because you have also indicated to this committee that you will put in trust all of your assets during the time that you serve as Secretary of the Interior, if you are confirmed. And that your business affairs will be managed, I think you said, that:

> The trustees will be prohibited from divulging to me in any way information concerning the activities of the trust, except to provide me with information needed for income tax purposes, and I will be prohibited from divulging knowledge to the trustees in any way, information concerning the activities of the Department of the Interior.

Now, my questions have to do really with the trust that was in existence during your period as Governor.

Was this also a trust in which you were prohibited in any way from becoming involved with the activities of the trustee in managing your property?

Governor HICKEL. Senator, it was not really that kind of a trust. I think a copy can be made available. It was more of one to keep me from having to run the various companies that I had before I was Governor, and so they could sign papers so I would not be bothered as Governor.

Basically, it was that kind of a managerial type of trust.

Senator Moss. Who is the administrator or manager?

Governor HICKEL. The trustee?

Senator Moss. Yes.

Governor HICKEL. Roger Cremo.

Senator Moss. Is that trust terminated now, or is it in effect?

Governor HICKEL. Senator, it will be terminated, I think, by the time that I am no longer Governor.

Senator Moss. I see. You do remain Governor up to this point, and until you assume another office, you will be Governor, I take it.

Governor HICKEL. That is right.

Senator Moss. I see. Well, if the trust was not exclusive from your control, then it was not what we think of as a full trust; is that right?

Governor HICKEL. Senator, I do not know what a blind trust is, but I was told this was not a blind trust. But whatever we do for this position, we do. And whatever has to be formed, we will do.

Senator Moss. But the trust that is in existence now enabled you at various times to consult with Mr. Cremo and suggest certain actions and perhaps take some actions yourself; did it not?

Governor HICKEL. I would like to answer this by saying that first, it was not mandatory that I had to put anything in trust. This was the first time it was ever done as a public official in Alaska. No one had ever done it before. I did it so I could be freed to be Governor the way I wanted to, and to allow them to run the businesses because they were basically family owned, without bothering me about it.

I recall so well, once my brother said, "You know, I have not talked to you for over a year. It would be nice to sit down and talk to you."

I am making this a sideline. But the reason for the trust was for that reason, so I did not have to do—I used to have to sign all of the paychecks, and do all of the things a guy will do when he runs his own business. And I wanted to get rid of all of those problems. So I gave somebody a power of attorney, really, to do this for me.

Senator Moss. I was going to ask you then, was not Mr. Cremo really more of a manager and attorney in fact?

Governor HICKEL. I trusted him.

Senator Moss. To act for you on your business matters?

Governor HICKEL. I guess I called it a trust because I trusted him. He could get me in trouble, or whatever he had to do.

Senator Moss. Well, if he had the power of attorney, I think he could get you in trouble.

Governor HICKEL. Whatever he had, why I gave him that. Just so I did not have any problems in running the business.

Senator Moss. Getting back to the trust that you proposed to set up, if confirmed as the Secretary of the Interior, is it your understanding that this would be a genuine trust, in which you would really have no power at all to intervene in any of the affairs of the trust?

Governor HICKEL. I understand.

Senator Moss. It is irrevocable during the period that you hold office, and that your trustee makes all of the decisions without any reference to you?

Governor HICKEL. Yes; I understand that. Sure, if it is the wish of the committee for me to sell whatever they want me to sell, or make the kind of a trust that is going to have to be acceptable to you, and whatever that is, I will do it.

The CHAIRMAN. Migh I just interrupt here to say that we have—when we go into executive session—a copy of the proposed trust. The Chair just speaks for himself in this matter. I am not so sure that a trust is the solution to the problem. I have suggested that there be an agreement, contractual agreement, in which these wholly owned companies shall not engage in any business with the Federal Government.

I thought it would be best to have a contractual agreement covering this problem, in connection with his own going businesses, that he and his wife own in their entirety. Then in connection with the other matters, which we will again go into when we go into executive session, the stock assets he is going to sell, we will go through the list, where those stock holdings are incompatible with his duties as a Federal official.

Senator Moss. Thank you, Mr. Chairman. One reason I thought it was important to interrogate the Governor, and have this on the record, is that what he had as Governor was described as a trust, and there are many instances where he became directly involved in the business. It was not a trust in the sense that the trustees were left to manage it and he was excluded from it.

Now, I am trying to find out his understanding of a trust and his distinction between what he had as Governor, as to what he proposes to set up as Secretary of the Interior.

I think the Governor has answered that. I do not think it will be necessary for me to go through these particular episodes, but there were a number of times during the time when he was Governor, when he directly intervened in the business and gave advice and made decisions and things of that sort.

I ask you again, and I believe you answered it, but your understanding is if you set up the kind of trust you have described here for the committee, you understand you will not be able to operate in any of your business affairs at all during the time of the existence of the trust, and besides that, of course, the trust may be required to divest iself of all business matters that involve the Federal Government, in any way.

Governor HICKEL. I well understand that, but I would like to also, for the record, say I did very little managerial things, as you said, while I was Governor.

Senator Moss. Well, we will not go through them, but there were enough to raise in my mind the question as to whether or not you had a trust while you were Governor.

That is all.

The CHAIRMAN. Any further questions?

Senator ALLOTT. Just one, Mr. Chairman.

Roger Cremo is in the room, is he not?

Governor HICKEL. I do not know if he is in the room or not.

Senator ALLOTT. Is he here with you this morning?

Governor HICKEL. He is here some place.

Senator ALLOTT. The reason I ask, I wonder if you want to advise him on any of the answers on this trust.

Governor HICKEL. I have been told that you have a copy of the trust, I think.

The CHAIRMAN. We have it.

Governor HICKEL. They have that already.

The CHAIRMAN. Or the proposed agreement.

Senator ALLOTT. I just want to say one thing, Mr. Chairman. This whole question, of course, has arisen in innumerable instances where men have been successful in private life, it has arisen in every administration that I can recall. During the last 8 years, trusts have been employed by many people in the Federal Government, including the President himself. And Senator Jackson, I think, has some suggestions about the way to handle this, which we will take up in executive session.

But one thing is clear, and you made it perfectly clear, that you understand, No. 1, that you indicated your willingness to set up any kind of an organization where the trust is irrevocable or otherwise, if the committee decides, and that you will not be doing any business with the Federal Government in any degree.

Governor HICKEL. That is absolutely right. I agree to that, whatever the chairman does about it. No problem.

Senator ALLOTT. Thank you.

Senator JORDAN. Mr. Chairman.

The CHAIRMAN. Senator Jordan.

Senator JORDAN. Is it not true, Governor, and I wish you would repeat it again, because some of us are a little confused, that the trust, of whatever nature it is that presently is in effect while you are Governor, is purely voluntary?

Governor HICKEL. Purely voluntary.

Senator JORDAN. It is in no sense required by the statute, it was a matter of convenience for you to be divested of some of the responsibilities you had as a businessman, so you could devote your whole time and attention to your job as Governor?

Governor HICKEL. That is totally right, Senator, that is exactly right.

Senator JORDAN. You anticipate, as you said here, that any new trusts under a new job that you might undertake, the Secretary of the Interior, is something to talk about in private session.

Governor HICKEL. That will be whatever the committee wants to do.

Senator JORDAN. Thank you.

The CHAIRMAN. I just wanted to say that the Governor, in my brief conversation with him, has made it clear that he is willing to abide by any divestiture arrangement, contractual arrangement, that the committee may suggest to him. I believe I am stating it correctly.

Governor HICKEL. That is right.

The CHAIRMAN. What we are trying to do here, is go beyond this ordinary trust concept, because in most of these trust proposals, where there has been a blind trust, the trustee could be investing in a lot of different things. It could run into a certain incompatible situation. I think it is important that there be a specific understanding that there be no involvement on the part of any of the firms in which Governor Hickel owns, with the Federal Government, by any manner, shape, or form.

He has agreed to that.

Senator MCGOVERN. Mr. Chairman.

Governor Hickel, I confined my earlier questions largely to the matter of Indian affairs, and the native claims. There was another matter that I have thought some other members of the committee would raise

with you, but no one has. I would like to just have you clarify one matter that I think can be handled rather briefly.

It is my understanding that shortly after you became Governor, that on January 31, 1967, you negotiated an arrangement with the New York Life Insurance Co., whereby they increased a loan to one of your companies, the Northern Lights Shopping Center, in the amount of $2.7 million. To the best of your recollection, is that correct?

Governor HICKEL. This shopping center was built many years ago, well, 1959 or 1960. There was a loan on that. They expanded the shopping center during the time when I was running for Governor, and finally I became elected.

My companies completed the loan after the shopping center was completed at the end of 1966. It was completed basically, just about double the size of the center, so they increased the loan to take care of increasing the shopping center.

Senator MCGOVERN. The second part of the question, it is my further understanding that the same insurance company, the New York Life, was the company that held the contract for health benefits for the State employees of Alaska, and that spring, I believe in May of 1967, without any consultation with the State employees or their representatives, you agreed to an arrangement with the life insurance company that had the effect of reducing the benefits of the employees by 24 percent, which indirectly had the effect of increasing their premiums in terms of the coverage they were getting; is that substantially correct?

Governor HICKEL. It is substantially correct. I have written this down, No. 1, the department of administration is the one that does this, and the New York Life contract was awarded by the previous administration, many years before. The contract had been put up for bid, and I think in 1960 or 1961, by the previous administration. It was not the low bidder, so the previous administration awarded to them the contract on the fact that they could give the best service. They had the most agents, and I think it was a reasonable thing.

Then, on a yearly basis, and this went on all of the time before and during my administration, it reviewed the premium structure; and the State of Alaska paid the employee's portion of their contribution to that fund.

So, in 1967, whenever they reviewed that again, there was no more money appropriated for additional premiums. So there was nothing you could do, but they just got the same premium and the only way they could make it work until they got another legislature in session, was to cut the benefits from $50 deductible to $100 deductible. There was no cost to the employee.

Then, consequently, we put it out for bid again, and they never got the bid. This was, I think, the Travelers Insurance Co. got the bid. But this was all part of a continuing thing many years before that.

Senator MCGOVERN. Governor, in view of your own personal involvement with this company, and I mean by that, the fact that they had made a substantial loan to one of your companies and also, because of the interests of the employees, would it not be more prudent to put that contract out for bid, right after your inauguration, instead of negotiating an agreement with New York Life that had the effect of reducing the benefits of the employees?

As I understand it, it was handled under a noncompetitive basis.

Governor HICKEL. Senator, they had a contract which I could not break. They had a contract to run fiscal year to fiscal year. I took office in 1966, and the contract went to the next fiscal year.

Senator MCGOVERN. Was not that contract changed in terms of payments in the benefits?

Governor HICKEL. There was no increased payment to New York Life.

Senator MCGOVERN. But a reduction in benefits?

Governor HICKEL. But, see, the premium in effect was going up. They reviewed it year after year. So whatever their premium was, there was no way they could get any more premium, because there was no money appropriated. So at that point, they negotiated just the same amount of premium and after that, it was put out for bid and I do not know how many months, or how much time later, and we put it out for bid and got a substantial reduction.

Senator MCGOVERN. Are you saying though, the legal situation was such that at the time the New York Life Insurance Co. came to you, and said they could not provide the present level of benefits at that premium, that you were not then in a position to open it up for bid, you had to negotiate an agreement with that company, which had the effect of reducing the benefits?

Governor HICKEL. I had been only Governor just a few months when we finally ran to the end of the contract. This basically is not even handled within the Governor's office. The department of administration handles this. There was absolutely no wrongdoing, or anything like that. There was not enough money there, there was not any appropriated to increase the freezing. They were annually reviewed.

This goes back long before my administration. They reviewed them annually.

At this point, when the premium went up, there was not any money. So we put it out for bid later.

At that time, they negotiated it for the simple reason that just by seeking the $50 to $100 until they did get the bid, did not cost the State any more money. There was no more increase in premium, and there was no more increase in premium to the employee, because the State paid that.

Senator MCGOVERN. I appreciate that, Governor, but what the thrust of the question was, in reducing the benefits, in effect, you are providing a better arrangement for the company at the expense of those who were insured.

Governor HICKEL. As my administrative assistant said—he is well aware of this—the only alternative was to ask State employees to contribute more dollarwise. At that point, we thought it was better to do it this way. So it did not cost them any money.

I think it was a fair thing, and, when we finally got up to bid, it was the only way it should have been. I had been only Governor a few months. It went back many years.

Senator MCGOVERN. I am trying to get at whether the company's contract had expired. Generally, you agreed to a certain premium rate and general level in the previous administration. Had that contract expired so that you found it necessary to negotiate a different benefit level in the spring of 1967, when this new arrangement was contracted?

Governor HICKEL. As I stated before, the contract called for re-evaluation every fiscal year. From the time it started, not just that year. Every year. So we just did the same thing that was going on before.

And getting back to the loan on the shopping center, that was all consummated long before I was Governor.

Senator MCGOVERN. Except that the increase in the loan was consummated after you became Governor, was it not?

Governor HICKEL. But as a practical thing, you get a standby commitment when you start to construct. So when you do get it all built, they finally close out the loan. This is all done approximately a year ahead of time. When you negotiate, how you are going to finance, how you are going to pay for the increased size of whatever building you are building. So that is all done ahead of time.

There is no tie-in here at all. I wish I could explain it in clearer language; I just do not know how to do it.

Senator STEVENS. Senator, will you yield?

Senator MCGOVERN. Yes.

Senator STEVENS. Governor, since I was part of the legislature that objected to the New York Life coverage, maybe I could recall for you some facts.

The appropriation was continued pursuant to the request, as I recall, of the previous administration, in 1967; is that not correct? I will just state that is my memory.

Governor HICKEL. OK.

Senator STEVENS. But in 1968, we increased the appropriations so there could be a more beneficial plan put out to bid; is that right?

Governor HICKEL. We did that.

Senator STEVENS. There were a group of legislators, Senator McGovern, who asked the Governor to see to it, not actually the Governor's office, to see to it this was extended so we could put the matter out to bid, and it was put out to bid the next year.

I would like to ask the Governor one question.

It was in 1967 that the appropriation was too low to cover the program. In 1968, when we increased the appropriation, we increased the contribution per employee, so the plan now in existence is a better plan and New York Life was actually terminated by virtue of the action you took; is that not correct?

Governor HICKEL. That is absolutely correct.

Senator MCGOVERN. Senator Stevens, the point I was trying to get at, why was it not put out for bid at the outset? Why was a different benefit level negotiated on a noncompetitive basis with New York Life, and nothing done in the way of putting it out on competitive bid until after there was a loud outcry from the State employees, about having their benefits reduced? That is the point I was getting at.

Senator STEVENS. Senator, there was an outcry from the employees when the contributions were not increased, so that the existing plan could be continued at the present level, without some change. There was not a negotiation of a new agreement with New York Life. There was an extension, as the previous administration had done, of the existing plan that went out to bid some time in the early 1960's.

Mr. Bell was there with me the year before, and I am sure the Senator will recall the problem we had to work out increased benefits

for State employees at State expense. We were unable to do it until 1968, when we increased the contribution by the legislature, by the State, and then it was put out to bid in 1968.

Senator McGovern. I think, Governor, it is not correct to say this, to leave the impression a contract was simply continued. It was not continued on the basis that existed with the previous administration. The benefits were chopped by 24 percent. Now, I realize that was because you did not have the money to pay the existing premium. But it is not correct to say that the contract continued in its previous form. It had the effect of reducing by some nearly one-fourth the benefits of the employees.

The question I have been asking is why at the time the State discovered it could not continue on that prior basis, this matter was not put out for competitive bid?

Governor Hickel. Well, Senator, year after year the contract would be changed. Every year they had a reevaluation. In fact, from the time it started. I do not know why they did not put it out for the bid the year before that.

Here is a telegram from the legislative audit committee. I am sure most of us are aware of the legislative audit committee, and I will just read it:

The following report was made at the request of the legislative audit committee—if there was any possible conflict between U.S. Governor and loans made by New York Life Insurance Co. This will again show that charges made against you are absolutely false. The following three paragraphs of the seven paragraphs in the report clearly indicates the results of the legislative report.

W. L. Kubley,
Office of the Governor.

November 22, 1967.

Legislative Audit Committee.

Gentlemen: In response to your request of June 15, 1967, we have prepared this letter report regarding the renegotiation of the New York Life Insurance Co. group health insurance policy with the State of Alaska, with a view toward any possible relationship to any loan or loans made by New York Life Insurance Co. to Hickel Investment Co. In reviewing the files of the department of administration we found no reference to any existing or contemplated loans to the Hickel Investment Co.

In a letter dated October 3, 1966, from New York Life a meeting with the then commissioner of administration Mr. Floyd Guertin was requested for October 25, 26, or 27 the request was granted. At this meeting certain facts and information were presented to justify an increase in rates and/or a cutback in benefits.

Respectfully submitted.

Robert L. Dyer,
CPA, Legislative Audit Division.

It is a watchdog committee over Government basically, and it is a committee formed of both sides, both parties. That is about it. It is a watchdog committee to be sure that all facts get out to the public, of any public interest, and they meet and call whenever they get together.

But this is the first time I have seen this. Apparently, it was agreed on before I was Governor, this would have to happen.

Senator McGovern. Thank you.

Senator Anderson. Will the Senator yield?

Senator McGovern. Yes.

Senator ANDERSON. I want to say something about the New York Life. It has always had honorable dealings. They are fine people.

Governor HICKEL. I thank you, Senator.

Senator ALLOTT. I want to be sure I understand this. As I understand that wire—and I want to be sure I understand it—that on October 25, 26, 27, prior to the time that you became Governor, the previous administration had been notified there would either have to be an increase in the rate or a cut in the benefits?

Governor HICKEL. That is right.

I would make that a part of the record.

Senator ALLOTT. Yes, I ask the chairman it be made a part of the record.

The CHAIRMAN. Without objection, it will be so ordered.

(The telegram follows:)

JUNEAU, ALASKA, *January 15, 1969.*

Hon. WALTER J. HICKEL,
Secretary of the Interior-designate,
Washington, D.C.:

The following report was made at the request of the legislative audit committee—if there was any possible conflict between U.S. Governor and loans made by New York Life Insurance Co. This will again show that charges made against you are absolutely false. The following three pargaraphs of the seven paragraphs in the report clearly indicates the results of the legislative report.

W. L. KUBLEY, *Office of the Governor.*

NOVEMBER 22, 1967.

LEGISLATIVE AUDIT COMMITTEE.

GENTLEMEN: In response to your request of June 15, 1967, we have prepared this letter report regarding the renegotiation of the New York Life Insurance Co., group health insurance policy with the State of Alaska, with a view toward any possible relationship to any loan or loans made by New York Life Insurance Co. to Hickel Investment Co. In reviewing the files of the department of administration we found no reference to any existing or contemplated loans to the Hickel Investment Co.

In a letter dated October 3, 1966, from New York Life a meeting with the then commissioner of administration Mr. Floyd Guertin was requested for October 25, 26, 27 the request was granted. At this meeting certain facts and information were presented to justify an increase in rates and/or a cutback in benefits.

Respectfully submitted.

ROBERT L. DYER, CPA, *Legislative Audit Division.*

Senator ALLOTT. As a result of that wire, or this information, when you became Governor, there was not money appropriated by the legislature to increase the rates, but only at the existing level, and that therefore there was no other choice but to negotiate a decrease , corresponding decrease in the benefits; is that correct?

Governor HICKEL. That is right.

Senator ALLOTT. Thank you.

The CHAIRMAN. Any further questions at this time?

I announced at the close of Friday's hearings the procedures that would govern concerning letters and statements which the committee has received on this nomination. For purposes of the record, letters and statements from national organizations will be incorporated in the record. These statements will be reviewed by the committee staff.

We will go into executive session very briefly, to consider what our procedure will be.

(Whereupon, at 12:35 o'clock p.m., the committee went into executive session.)

APPENDIX

The following materials were inserted in the transcript for the committee executive sessions on January 18 and 20, 1969:

JANUARY 12, 1969.

Hon. HENRY M. JACKSON,
Chairman, Interior and Insular Affairs Committee,
U.S. Senate, Washington, D.C.

DEAR SENATOR JACKSON: As requested by you for your committee, a confidential statement of my business affairs is submitted herewith.

The statement is accompanied by financial statements prepared by my accountants for:

Walter J. and Ermalee Hickel.
Hickel Investment Company.
Alaskan Plumbing and Heating Co., Inc.
Northland Pipe and Supply Co., Inc.
Traveler's Inn of Fairbanks, Inc.
Northern Lights Shopping Center, Inc.
The Captain Cook Hotel.
Traveler's Inn of Anchorage.
Clark's Painting and Decorating.

Respectfully,

WALTER J. HICKEL.

STATEMENT BY GOV. WALTER J. HICKEL, SECRETARY OF THE INTERIOR-DESIGNATE, TO SENATE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

This statement is submitted for the purpose of providing information about my business affairs.

Presently my affairs are the subject of a trust which was instituted when I became Governor of Alaska and which expires when I cease holding that office. Under the trust arrangement, various corporations and partnerships are engaged in the following businesses: hotel and motel, general contracting, mechanical contracting, paint contracting, shopping center development, wholesale plumbing supply, and residential construction.

A study has been made to determine whether there are any conflicts between the public interest and my private interests. Although there seem to be no conflicts, the following will be done to avoid any such possibility:

A. All of my business affairs will be conducted by a trustee in accordance with a trust agreement which I will enter into immediately upon taking office. The trust instrument will be filed with this committee. The trust, which will be irrevocable during my term of office, will require that all my businesses refrain entirely from doing any business with the Department of the Interior and with any industry regulated by the Secretary of the Interior. Furthermore, no investments will be made in the securities of companies which might have any dealings with the Department of the Interior and which might be regulated by the Secretary of the Interior. In addition my trustee will be prohibited from divulging to me in any way information concerning the activities of the trust except to provide me with information needed for income tax return purposes; and I will be prohibited from divulging to the trustee in any way information concerning the activities of the Department of the Interior.

B. My stock interest in Alaska Interstate Company, Transamerica Corporation and Wakefield Seafoods, Inc. will be sold promptly upon my taking office.

C. Hickel Investment Company, my wife, and I are engaged in an Internal Revenue Service proceeding involving only the technical question as to how

casualty losses caused by an earthquake should be treated. I propose to continue with the proceeding.

The following will further describe my business assets and activities.

Specific details as to amounts of stock owned by me and the dollar volume of business in each of the enterprises mentioned below can be obtained from a complete set of financial statements for the period ending December 31, 1967, which has been filed with the Chairman of the Senate Interior Committee. Since the accounting is on a calendar year basis, no current financial statements are available. These are in the process of preparation and can be furnished to the Chairman within a few weeks.

(1) Hickel Investment Company is a corporation wholly owned by my wife and me. It is in the general construction business in Alaska, but does not do any work for the federal government. Also, it builds and operates shopping centers in Alaska.

(2) Alaskan Plumbing and Heating Co., Inc. is a corporation and a wholly owned subsidiary of Hickel Investment Company. Its principal business is mechanical contracting and it operates a retail plumbing supply store. It does business with the federal government and in the past occasionally may have done a small amount of business with some agency of the Department of the Interior.

(3) Northland Pipe and Supply Co., Inc. is a corporation and a wholly owned subsidiary of Hickel Investment Company. It is in the wholesale plumbing supply business. It does very little business with the federal government and I know of none with the Department of the Interior.

(4) Traveler's Inn of Fairbanks, Inc. is a corporation and a wholly owned subsidiary of Hickel Investment Company. It is engaged in the motel business at Fairbanks, Alaska.

(5) Northern Lights Shopping Center, Inc. is a corporation and one-half of its stock is owned by Hickel Investment Company. Other shareholders are Milton W. Odom and Robert Winslow, of Anchorage. The corporation owns and operates a shopping center in Anchorage, Alaska.

(6) The Captain Cook Hotel is a partnership, one-half of which is owned by Hickel Investment Company. Reed and Martin, Inc. and Odom Co., in which I have no interest, are the other partners. The partnership owns and operates a hotel in Anchorage.

(7) Hickel Investment Company owns and operates the Parsons Hotel in Anchorage.

(8) Hickel Investment Company owns undeveloped residential and business property in Anchorage.

(9) Traveler's Inn of Anchorage is a partnership engaged in the motel business in Anchorage. My wife and I are the partners.

(10) Clark's Painting and Decorating is a partnership engaged in the paint contracting business in Anchorage. George Muir, of Anchorage, and I are the partners. Although work is done for the federal government, I know of none that has been done for the Department of the Interior.

(11) Mountain Mining Co. is inactive. Its former activities consisted of a minor prospecting effort for minerals. A prospecting permit acquired for the purpose of discovering magnetite deposits expired over three years ago. The sole present property of this corporation, one unpatented mining claim, will be disposed of and this corporation will be dissolved.

(12) Life Insurance Company of Alaska is a domestic life insurance company in which I own an insignificant amount of stock. Also, I own a small amount of stock in Alaska Pacific Corporation which is a holding company for Life Insurance Company of Alaska, its only subsidiary.

(13) I own a very small amount of the stock of Transamerica Corp. I had previously disposed of most of the Transamerica Corp. stock listed in the financial statement.

(14) Alaska Interstate Company is a conglomerate. I own approximately 2% of its stock.

(15) Barrow Realty Corp. is a corporation which owns a commercial building in Anchorage. I own one-third of its stock. The other shareholders are Messrs. Odom and Winslow, mentioned above.

(16) Wakefield Seafoods, Inc. is a corporation in which I own a small amount of stocks. It processes crab and halibut.

(17) Valley Development Corporation is a corporation in which I own a small amount of stock. It owns some undeveloped real estate in the Matanuska Valley near Anchorage.

(18) Presbyterian Community Hospital Association, Inc. is a corporation engaged in the hospital business in Anchorage. I am one of its bondholders.

(19) Alaska Horsebreeders Association is a corporation in which I own stock together with several other persons. The corporation operates a small horse barn (Essentially, this is not a business but a recreational activity.)

(20) In my individual capacity I own undeveloped residential and business property in Anchorage and Fairbanks.

(21) Matanuska Valley Bank is a state bank with offices in Anchorage and Palmer, Alaska. My children own an insignificant amount of its stock.

Neither my wife nor my children has any business affairs except as mentioned above.

My wife and I also own non-business property such as our home in Anchorage, furniture, automobile, and boat.

Respectfully submitted.

WALTER J. HICKEL.

REPORT ON EXAMINATION OF BALANCE SHEET, DECEMBER 31, 1967, OF WALTER J. AND ERMALEE HICKEL

MOLITOR, DOREMUS & HANLIN,
Anchorage, Alaska, July 2, 1968.

WALTER J. and ERMALEE HICKEL,
Anchorage, Alaska:

We have examined the balance sheet of Walter J. and Ermalee Hickel as of December 31, 1967. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Investments are stated at values which reflect the increase in appraised values over cost of land and buildings owned by Walter J. and Ermalee Hickel and by their wholly-owned corporations. The investment in Hickel Investment Company and its subsidiaries also is adjusted to give effect to the consolidated retained earnings of the companies at December 31, 1967.

In our opinion, subject to the foregoing comments relating to the valuation of investments as explained in notes to the balance sheet and supporting schedules, the accompanying balance sheet presents fairly the financial position of Walter J. and Ermalee Hickel at December 31, 1967, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

REPORT ON EXAMINATION OF CONSOLIDATED FINANCIAL STATEMENTS, YEAR ENDED DECEMBER 31, 1967, OF HICKEL INVESTMENT CO. AND SUBSIDIARIES

MOLITOR, DOREMUS & HANLIN,
Anchorage, Alaska, June 4, 1968.

HICKEL INVESTMENT CO.,
Anchorage, Alaska:

We have examined the consolidated balance sheet of Hickel Investment Company and subsidiaries as of December 31, 1967, and the related statement of consolidated income and retained earnings for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we consider necessary in the circumstances.

We did not examine the financial statements of The Hotel Captain Cook, a joint venture in which Hickel Investment Company owns a 50% interest, but we were furnished with the report of other certified public accountants on their examination of the financial statements of the joint venture for the year. Our opinion expressed herein, insofar as it relates to the amounts included for The Hotel Captain Cook, is based solely upon such report.

In our opinion, the accompanying consolidated balance sheet and statement of consolidated income and retained earnings present fairly the financial position

of Hickel Investment Company and subsidiaries at December 31, 1967, and the results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

REPORT ON EXAMINATION OF FINANCIAL STATEMENTS, YEAR ENDED DECEMBER 31, 1967, OF NORTHLAND PIPE AND SUPPLY CO., INC.

MOLITOR, DOREMUS & HANLIN,
Anchorage, Alaska, June 4, 1968.

NORTHLAND PIPE & SUPPLY CO., INC.,
Anchorage, Alaska:

We have examined the balance sheet of Northland Pipe and Supply Company, Inc., as of December 31, 1967, and the related statement of income and retained earnings for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statement of income and retained earnings present fairly the financial position of Northland Pipe and Supply Company, Inc., at December 31, 1967, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

REPORT ON EXAMINATION OF FINANCIAL STATEMENTS, YEAR ENDED DECEMBER 31, 1967, OF NORTHERN LIGHTS SHOPPING CENTER, INC.

MOLITOR, DOREMUS & HANLIN,
Anchorage, Alaska, May 24, 1968.

NORTHERN LIGHTS SHOPPING CENTER, INC.,
Anchorage, Alaska:

We have examined the balance sheet of Northern Lights Shopping Center, Inc., as of December 31, 1967 and the related statement of income and retained earnings for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statement of income and retained earnings present fairly the financial position of Northern Lights Shopping Center, Inc., at December 31, 1967, and the results of its operations for the year then ended in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

REPORT ON EXAMINATION OF FINANCIAL STATEMENTS, YEAR ENDED DECEMBER 31, 1967, OF ALASKAN PLUMBING & HEATING CO., INC.

MOLITOR, DOREMUS & HANLIN,
Anchorage, Alaska, June 4, 1968.

ALASKAN PLUMBING & HEATING CO., INC.,
Anchorage, Alaska:

We have examined the balance sheet of Alaskan Plumbing and Heating Company, Inc., as of December 31, 1967, and the related statement of income and retained earnings for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statement of income and retained earnings present fairly the financial position of Alaskan Plumbing and

Heating Company, Inc., at December 31, 1967, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

REPORT ON EXAMINATION OF FINANCIAL STATEMENTS, YEAR ENDED DECEMBER 31, 1967, OF TRAVELERS INN OF ANCHORAGE (A PARTNERSHIP OF WALTER J. AND ERMALEE HICKEL)

MOLITOR, DOREMUS & HANLIN,
Anchorage, Alaska, April 20, 1968.

WALTER J. and ERMALEE HICKEL,
Anchorage, Alaska:

We have examined the financial statements of Travelers Inn of Anchorage (a partnership of Walter J. and Ermalee Hickel), as listed in the accompanying index, for the year 1967. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying financial statements present fairly the financial position of Travelers Inn of Anchorage at December 31, 1967, and the results of operation for the year then ended in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

REPORT ON EXAMINATION OF FINANCIAL STATEMENTS, YEAR ENDED DECEMBER 31, 1967, CLARK'S PAINTING & DECORATING (A PARTNERSHIP)

MOLITOR, DOREMUS & HANLIN,
Anchorage, Alaska, February 28, 1968.

CLARK'S PAINTING & DECORATING,
Anchorage, Alaska:

We have examined the balance sheet of Clark's Painting and Decorating, a partnership, as of December 31, 1967, and the related statements of partners' capital and income for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet, statement of partners' capital and statement of income present fairly the financial position of the partnership at December 31, 1967, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

REPORT ON EXAMINATION OF FINANCIAL STATEMENTS, YEAR ENDED DECEMBER 31, 1967, OF TRAVELERS INN OF FAIRBANKS, INC.

MOLITOR, DOREMUS & HANLIN,
Anchorage, Alaska, June 4, 1968.

TRAVELERS INN OF FAIRBANKS, INC.,
Anchorage, Alaska:

We have examined the balance sheet of Travelers Inn of Fairbanks, Inc., as of December 31, 1967 and the related statement of income and retained earnings for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statement of income and retained earnings present fairly the financial position of Travelers Inn of Fairbanks, Inc., at December 31, 1967, and the results of its operations for the year then ended in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

FINANCIAL STATEMENTS OF THE HOTEL CAPTAIN COOK (A JOINT VENTURE), AT OCTOBER 31, 1967

YERION & GRUNDHAUSER,
Anchorage, Alaska.

HOTEL CAPTAIN COOK,
(A joint-venture)
Anchorage, Alaska:

The accompanying balance sheet of The Hotel Captain Cook, a joint-venture, as of October 31, 1967, and the related statement of income and joint venturers' equity for the ten months then ended, were not audited by us and we therefore are unable to express an opinion on the overall fairness of the accompanying financial statement.

The balance sheet reflects only those assets and liabilities of the joint-venture in its operations of the Hotel Captain Cook. The statements do not reflect any Federal or State income taxes due thereon of each individual joint-venturer.

DECEMBER 1, 1967.

JUNEAU, ALASKA, *January 18, 1969.*

Senator HENRY M. JACKSON,
Old Senate Office Building,
Washington, D.C.:

Information requested by Mr. Van Ness received data in division of lands unavailable until Monday a.m. Will be happy to provide complete facts then to expeditiously obtain info. Suggest you contact B.P. USA LD 620 Fifth Avenue, New York, N.Y., attention of Mr. C. P. B. Hardcastle, president.

THOMAS E. KELLY.

MEMORANDUM ON CONFLICT-OF-INTEREST LAW

There are a number of provisions of law which are relevant to any potential conflict of interest questions or question of management of personal assets which normally face persons nominated or appointed to positions in the Federal government. The major provisions of this body of Federal law are set out below:

H. Con. Res. 175, passed July 11, 1958:

"CODE OF ETHICS FOR GOVERNMENT SERVICE

"The code applies to all government employees, including office holders.

"Subsection 7 provides:

"Any person in government service should:

"7. Engage in no business with the government, either directly or indirectly, which is inconsistent with the conscientious performance of his government duties."

18 U.S.C. 208(a) provides as follows:

"§ 208. Acts affecting a personal financial interest.

"(a) Except as permitted by subsection (b) hereof, whoever, being an officer or employee of the executive branch of the United States Government, of any independent agency of the United States, or of the District of Columbia, including a special Government employee, participates personally and substantially as a Government officer or employee, through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise, in a judicial or other proceeding, application, request for a ruling or other determination, contract, claim, controversy, charge, accusation, arrest, or other particular matter in which, to his knowledge, he, his spouse, minor child, partner, organization in which he is serving as officer, director, trustee, partner or employee, or any person or organization with whom he is negotiating or has any arrangement concerning prospective employment, has a financial interest—"

Subsection (a) is discussed in a Memorandum of the Attorney General Regarding Conflict of Interest Provisions of Public Law 87-849, February 1, 1963, 28 F.R. 985. The memorandum is printed following 18 U.S.C. 201.

Ex. Ord. No. 11222, May 8, 1965, 30 F.R 6469, Standards of Ethical Conduct for Government Officers and Employees sets out the Federal Government's current requirements for Federal employees

While all of the Executive Order is relevant, the portions of particular concern are set out below (the Executive Order is printed following 18 U.S.C. 201 (1964 Supp. III)):

Subsection 201(c):

"(c) It is the intent of this section that employees avoid any action, whether or not specifically prohibited by subsection (a), which might result in, or create the appearance of—

"1. Using public office for private gain;

"2. Giving preferential treatment to any organization or person;

"3. Impeding government efficiency or economy;

"4. Losing complete independence or impartiality of action;

"5. Making a government decision outside official channels; or

"6. Affecting adversely the confidence of the public in the integrity of the Government."

Section 203:

"Employees may not (a) have direct or indirect financial interests that conflict substantially, or appear to conflict substantially, with their responsibilities and duties as Federal employees, or (b) engage in, directly or indirectly, financial transactions as a result of, or primarily relying upon, information obtained through their employment. Aside from these restrictions, employees are free to engage in lawful financial transactions to the same extent as private citizens. Agencies may, however, further restrict such transactions in the light of the special circumstances of their individual missions."

There are, of course, other provisions of law which are relevant to potential conflict of interest questions or questions involving the management of assets owned by employees of the Federal government. The major provisions are codified in 18 U.S.C. 201 through 219.

JANUARY 18.

BURT SILCOCK,
Department of Interior, Anchorage Alaska:

This wire confirms our telephone conversations of yesterday January 17 concerning a check of all BLM files and information on any oil leases or oil applications held or in the past held by Walter J. Hickel and a number of related business interests.

This information was requested under the direction of Senator Henry M. Jackson, Chairman, Senate Interior Committee. Want full report by wire to Senator Jackson. Want detailed background report by airmain special delivery letter at earliest date.

WILLIAM J. VAN NESS,
Special Counsel, Senate Interior Committee.

NEW YORK LIFE INSURANCE COMPANY

MORTGAGE LOAN COMMITMENT

AUGUST 16, 1966.

NORTHERN LIGHTS SHOPPING CENTER, INC.,
Anchorage, Alaska.

New York Life Insurance Company will make the first mortgage loan, identified below and herein referred to as the "Loan," based on the representations made in your mortgage loan application, subject, however, to your compliance with each of the terms and conditions set forth herein prior to date of closing of the Loan.

THE LOAN

Mortgagor: Northern Lights Shopping Center, Inc.

Loan Amt.: $2,535,000 (to be made in two advances—first advance of $1,740,000 to be made not later than October 1, 1966—final advance of $795,000 to be made not later than March 1, 1967). Int. Rate: 6½% per annum. Term: 18 years 0 months.

Repayable: Monthly installments of $19,940 including interest, the balance of principal, if any, to be paid on maturity of the Loan. Monthly installments shall be due and payable on the first day of each month.

Required Deposits: Monthly deposits of 1/12th of the annual taxes and hazard insurance premiums as estimated by us to accumulate for such charges when due. No interest shall be payable on such deposits.

Prepayment Privilege: No privilege is reserved to prepay principal in whole or in part, during the first nine (9) loans years. Beginning with the tenth (10th) loan year, and upon sixty (60) days written notice, privilege is reserved to pay up to twenty per cent (20%) of the original indebtedness on any interest date in any one loan year; and to pay the loan in full on any interest date, upon payment of a prepayment charge of three per cent (3%) if the loan is paid in full during the tenth (10th) and eleventh (11th) loan year, such prepayment charge to decline one-half of one per cent (½ of 1%) per year beginning with the twelfth (12th) loan year through the fourteenth (14th) loan year with a prepayment charge of one per cent (1%) thereafter. The prepayment charges are to be computed on the sum of (1) the unpaid principal balance at the time of any such prepayment and (2) any other prepayment or prepayments of principal made during the loan year in which payment in full is made.

THE SECURITY

The evidence of indebtedness shall be secured by a mortgage or deed of trust which shall be a first lien on the marketable fee simple absolute title to the real property, the appurtenances thereto, and the improvements to the property described herein and in the mortgage loan application (herein collectively called the "Real Property") and such other security as is hereinafter described, subject only to such encumbrances as shall be acceptable to us and free of the possibility of any prior mechanics' or materialmen's liens or special assessment for work completed or under construction on the date of closing.

The Real Property

Location: 1200 Northern Lights Boulevard, Anchorage, Alaska.

Plot Size: Irregular, containing approximately 463,167 sq. ft. (10.63 acres).

General Description of Improvements: Existing one and two-story, masonry and frame Shopping Center containing 6 stores with an approximate rentable area of 61,136 sq. ft. Entire 61,136 sq. ft. to be remodeled to accommodate Caribou-Montgomery Ward. New 1 sty. masonry supermarket containing 34,231 sq. ft. and proposed 1 sty. and unfinished 2 sty. building containing 5 stores to contain 36,346 sq. ft. plus a tire, battery and accessory store of approximately 14,644 sq. ft. Paved parking area (ratio 2.4 to 1). Total rentable area 146,357 sq. ft.

Occupancy Leases.—Each lease of any part of the Real Property shall be executed in form satisfactory to our Office of the General Counsel and assigned to us as additional security for the Loan. The assignment shall be recorded and notice thereof served on the tenants. As to each lease to be assigned, the lease shall be in full force and effect, there shall be no rental offsets or claims or defenses to enforcement of the lease, the tenant shall have accepted its premises, confirmed commencement of the lease term, and shall have acknowledged that it is in occupancy and paying rent on a current basis. Evidence to that effect satisfactory to us shall be furnished us. The substance of all leases affecting any part of the Real Property shall be satisfactory to us, including the term, the tenants, and the rent payable. Within a reasonable time prior to date of closing, you shall meet our requirements as to which leases, if any, shall be made superior and which shall be made subordinate to the mortgage.

GENERAL CONDITIONS

1. *Approval of General Counsel.*—The form and substance of each and every document evidencing the Loan and the security therefor or incident thereto, and any proceedings incident thereto, and the title and evidence thereof must be satisfactory to our Office of the General Counsel.

2. *Hazard Insurance.*—Policies, in form and issued by companies satisfactory to us, of fire and extended coverage as we may require, are to be delivered to us (and maintained during the term of the Loan) with acceptable mortgagee clauses in our favor and, where required by us, waiver of subrogation clauses attached, in the amount of at least $2,300,000, together with evidence of payment of premiums thereon. An insurance schedule for our approval must be submitted at least 15 days prior to closing.

* * * * * * *

4. *Commencement and Completion of Construction.*—Construction of 1 and 2 story building containing 5 stores and 2 story T. B. Store shall be completed on or before January 1, 1967, subject to unavoidable delays as herein defined. Failure so to do, unless time for commencement and/or completion is extended by us in writing, shall be deemed a default hereunder. If by reason of unavoidable delays

construction shall not be completed prior to January 1, 1967, the time for such completion shall be extended by a period equal to the period of such delays, but in no event for a period in excess of six months unless we shall have otherwise agreed in writing. The term "unavoidable delays" shall mean only delays due to strikes, acts of God, inability to obtain labor or materials, governmental restrictions, enemy action, civil commotion, fire or similar causes provided such similar causes are beyond your control. A report from our appraiser, confirming compliance with the condition of completion in accordance with the plans and specifications as appraised, must be furnished us prior to date of closing.

5. *Changes in Final Plans and Specifications.*—No change of any substance shall be made in the final plans and specifications approved by us pursuant to General Condition 4 without prior written approval by us. The making of such change without our prior written approval and its incorporation into the structure shall be deemed a default hereunder. Two copies of final plans and specifications and any changes thereto shall be furnished us.

6. *Standard of Construction.*—The buildings and all other improvements contemplated by this commitment, including grading, landscaping, and all other on- and off-site improvements, shall be made and completed of first-class materials and in a good, substantial and workmanlike manner in accordance with the plans and specifications approved by us and shall be fully equipped with first-class equipment, and we shall be furnished with evidence satisfactory to us that all of the aforesaid are paid for or that adequate provision is made therefor. Any work or materials not directly noted in the plans and specifications but necessary for the proper carrying out of the intention thereof are to be implied and are to be provided for as if specifically described. Incorporation into the improvements of any work or materials or equipment which do not conform to such standards at any time during the course of the work shall be deemed an immediate default hereunder.

7. *Architect's Certificate.*—Prior to date of closing a final certificate of completion by the mortgagor's architect Crittenden, Cassetta, Wirun & Jacobs shall be delivered to us certifying that the buildings and improvements have been completed in accordance with the final plans and specifications approved by us and in accordance with applicable law, on a form of architect's certificate furnished by us.

8. *Audit.*—The mortgage documents shall contain a covenant requiring the mortgagor, without expense to us, to furnish an annual audit of the operation of the Real Property, showing in reasonable detail total rents received and total expenses together with annual balance sheets and profit and loss statements, prepared and certified by a certified public accountant, within 120 days after the close of each fiscal year, and such interim balance sheets and profit and loss statements as may be required by us.

9. *Waiver of Redemption.*—If the statutes of the state in which the Real Property is located provide a right of redemption but permit the mortgagor to waive that right, such provision shall be incorporated in the mortgage documents.

10. *No Material Change.*—Except as may be otherwise provided herein, the Loan, the income and expenses of the Real Property, the occupancy leases, and all other features of the transaction shall be as represented in the mortgage loan application without material change.

Prior to date of closing no part of the Real Property shall have been damaged and not repaired to our satisfaction, nor taken in condemnation or other similar proceeding, nor shall any such proceeding be pending. Neither the mortgagor nor any tenant under any lease to be assigned as security nor any guarantor of the Loan or any such lease shall be the subject of any bankruptcy, reorganization, or insolvency proceeding. No default shall have occurred and be continuing in the performance of any obligation in the instruments evidencing or securing the Loan or incidental thereto.

11. *Title Insurance.*—Title insurance, in form and issued by title company(ies) satisfactory to us, in the amount of the Loan shall be delivered to us, insuring us as a holder of the indebtedness secured by the first mortgage or deed of trust provided for herein, subject only to such exceptions as shall be approved by our Office of the General Counsel. The title policy shall show no delinquent taxes and assessments affecting the Real Property or any part thereof on the date of closing.

12. *Compliance with Law.*—Evidence satisfactory to us shall be furnished certifying that all improvements and their use comply fully with all applicable zoning and building laws, ordinances and regulations, and all other applicable

federal, state and municipal laws and requirements. The Loan and our making or purchase thereof shall be in all respects legal and shall not violate any applicable law or other requirement of any governmental authority.

13. *Survey.*—Within a reasonable time prior to date of closing a survey of a licensed surveyor satisfactory to us and the title company prepared after completion of improvements and dated not more than 30 days prior to closing shall be furnished us. The survey shall show dimensions and total square foot area of the Real Property; interior lot lines, if any; dimensions and location of improvements; parking areas; easements, if any; location of adjoining streets; and the distance to and names of nearest intersecting streets; and such other details as to the Real Property as may be requested by us.

14. *Estoppel.*—If we are to acquire the Loan by assignment, we must be furnished with estoppel affidavit of the mortgagor or interim mortgagee stating the amount then unpaid on the evidence of indebtedness and that no defenses or setoffs exist with respect thereto. A certificate as to disbursement of the full amount of our Loan and such other documents and certificates as we shall require shall also be furnished.

15. *Street Dedication.*—All streets necessary for access to the Real Property must be completed, dedicated, and accepted for maintenance and public use by the appropriate governmental authorities and satisfactory evidence thereof submitted to us.

16. *Assignability.*—Neither this commitment nor the Loan proceeds shall be assignable without our prior written consent and without such consetn there shall be no right to designate a payee of such Loan proceeds. Any attempt at assignable without our prior written consent and without such consent there consent will not be withheld to assignment of the commitment to a bank or other financial institution for the purpose of obtaining interim financing. This commitment cannot be changed, discharged, or terminated orally but only by an instrument in writing signed by the party against whom enforcement of any change, discharge, or termination is sought.

17. *Expenses.*—Your acceptance of this commitment shall constitute your unconditional agreement to pay all fees, expenses, and charges in respect to the Loan, or its making or transfer to us or in any way connected therewith including, without limiting the generality thereof, the fees and expenses of local counsel should local counsel be employed by us in connection with this transaction, title insurance and survey costs, recording and filing fees, mortgage taxes, documentary stamps, and any other taxes, fees and expenses payable in connection with this transaction. We shall not be required to pay any premium or other charge or any brokerage fee or commission or similar compensation in connection with this transaction, and by your acceptance of this commitment you agree to defend, indemnify, and hold us harmless against and from any and all claims for any fees, charges, commissions, taxes, and compensation in connection with the Loan or its making or transfer to us or in any way connected therewith. Your obligation for such expenses, fees, charges, compensation, and taxes shall be in addition to your obligation to pay the amount of liquidated damages, if any, hereinafter referred to.

18. *Liquidated Damages.*—In consideration of our making this commitment and holding ourselves willing and ready to acquire the Loan within the time hereinafter stated, and in further consideration of the substantial services which we as prospective mortgagee have rendered and will be required to render and incur in preparation for the closing, and in view of the difficulty of ascertaining the amount of damages which would be sustained by us should this Loan not be acquired by us, your acceptance of this commitment shall constitute your unconditional obligation to pay New York Life Insurance Company as liquidated damages the sum of $25,350 on our demand if the Loan has not been acquired by us on or before the expiration date of the commitment as herein set forth in full compliance with the conditions of this commitment. If the Loan has not been acquired by us by the said expiration date or if you have defaulted prior to said date in any of the terms or conditions of this commitment, unless we have waived such default in writing, our obligations hereunder shall cease as of said expiration date or as of such earlier date but your obligation for the payment of damages by reason of such default shall survive until fully paid and satisfied. Your acceptance of any other loan commitment with respect to the Real Property except for said interim financing shall be deemed a default hereunder.

19. *Security Deposit.*—Concurrently with your acceptance hereof, and so long as this commitment shall remain in effect, you shall maintain on deposit with us as security for the performance of your obligations hereunder $25,350 in cash,

which we shall hold but not in trust and without interest. If for any reason the transaction contemplated hereby is not consummated and the Loan is not acquired by us within the time herein set forth for such consummation and acquisition by us, we shall have the right, in our absolute discretion, and without the requirement of any notice to you, to apply said amount in payment of the liquidated damages provided for in the preceding paragraph. It is further understood that if the Loan herein contemplated shall have been acquired by us as herein provided, we shall return the aforesaid deposit to you.

20. *Expiration Date—Date of Closing.*—The acquisition of the Loan by us shall take place as soon as all of the conditions of this commitment have been met but in no event later than March 1, 1967 unless this commitment is extended by us in writing.

Your acceptance of this commitment must be indicated by your signing and returning to us the enclosed counterpart within 10 days from the date hereof. Until receipt thereof by us, we will have no obligation hereunder. This commitment supersedes any and all previous commitments with respect to this transaction and may be modified only in writing signed by the parties hereto.

NEW YORK LIFE INSURANCE COMPANY,
By A. H. ATTLEREY, *Assistant Manager.*

To New York Life Insurance Company:

The undersigned hereby unconditionally accepts the foregoing commitment in accordance with the terms and conditions therein contained and agrees to be bound thereby, and in accordance therewith agrees that the mortgage loan which you have agreed to make (or purchase) will be accepted (or sold) by the undersigned on the terms and conditions set forth herein.

Date: Aug. 22, 1966.

NORTHERN LIGHTS SHOPPING CENTER, INC.
By WALTER J. HICKEL.

SUPPLEMENTARY CONDITIONS

21. A first advance of $1,740,000. shall be made not later than October 1, 1966 subject to the following:

(A) There shall be leases in existence with the following tenants on the following terms:

Tenant	Term of lease	Square feet area	Annual rent
Safeway	15	34,231	$110,000
Caribou-Ward [1]	10	49,525	138,000
Rexall	4	7,197	25,909
Jewelry	2	1,680	7,056
Giftshop		1,661	6,976
Total		94,294	287,941

[1] Guaranteed by Montgomery Ward & Co.

22. A second and final advance of $795,000. shall be made not later than March 1, 1967 subject to the following:

(A) Compliance with Conditions 4, 5, 6 and 7 of the General Conditions.

(B) There shall be leases in existence with the following tenants on the following terms:

Tenant	Term of lease	Square feet area	Annual rent
Safeway	15	34,231	$110,000
Caribou-Ward [1]	10	75,780	180,000
Rexall Drug (franchise)	5	18,204	65,000
Gift Shop	5	2,870	12,054
Jewelry	1	2,050	8,610
Total		133,135	375,664

[1] Guaranteed by Montgomery Ward & Co.

NEW YORK LIFE INSURANCE COMPANY

MORTGAGE LOAN COMMITMENT

December 12, 1966.

NORTHERN LIGHTS SHOPPING CENTER, INC.
Box 1700, Anchorage, Aalska.

New York Life Insurance Company will make the first mortgage loan, identified below and herein referred to as the "Loan," based on the representations made in your mortgage loan application, subject, however, to your compliance with each of the terms and conditions set forth herein prior to the date of closing of the Loan.

THE LOAN

Mortgagor: Northern Lights Shopping Center, Inc.
Loan Amt.: $2,740,000; Int. Rate 6⅝% per annum Term: 18 years.
Repayable: Monthly installments of $21,749.16 including interest, the balance of principal, if any, to be paid on maturity of the Loan. Monthly installments shall be due and payable on the first day of each month.
Required Deposits: Monthly deposits of 1/12th of the annual taxes and hazard insurance premiums as estimated by us to accumulate for such charges when due. No interest shall be payable on such deposits.
Prepayment Privilege: No privilege is reserved to prepay principal in whole or in part, during the first nine (9) loan years. Beginning with the tenth (10th) loan year, and upon sixty (60) days written notice, privilege is reserved to pay up to twenty per cent (20%) of the original indebtedness on any interest date in any one loan year; and to pay the loan in full on any interest date, upon payment of a prepayment charge of three per cent (3%) if the loan is paid in full during the tenth (10th) and eleventh (11th) loan year, such prepayment charge to decline one-half of one per cent (½ of 1%) per year beginning with the twelfth (12th) loan year through the fourteenth (14th) loan year a prepayment charge of one per cent (1%) thereafter. The prepayment charges are to be computed on the sum of (1) the unpaid principal balance at the time of any such prepayment and (2) any other prepayment or prepayments of principal made during the loan year in which payment in full is made. It is understood and agreed that the tenth (10th) loan year stated herein commences on the expiration of nine (9) years from the date of the first required amortization payment.

THE SECURITY

The evidence of indebtedness shall be secured by a mortgage or deed of trust which shall be a first lien on the marketable fee simple absolute title to the real property, the appurtenances thereto, and the improvements to the property described herein and in the mortgage loan application (herein collectively called the "Real Property") and such other security as is hereinafter described, subject only to such encumbrances as shall be acceptable to us and free of the possibility of any prior mechanics' or materialmen's liens or special assessments for work completed or under construction on the date of closing.

The Real Property

Location: 1200 Northern Lights Boulevard, Anchorage, Alaska
Plot Size: Irregular, containing approximately 420,539 s.f. (9.65 acres).
General Description of Improvements: Existing one and two-story, masonry and frame Shopping Center containing six stores with an approximate rentable area of 61,136 sq.ft.—entire 61,136 sq.ft. remodeled to accommodate Caribou-Wards, Inc.
New one story, masonry Supermarket containing 34,231 sq.ft. and proposed one-story and part two-story building containing six stores with approximately 36,646 sq.ft. plus 3,000 sq.ft. semi-finished second floor storage area, and a Tire, Battery and Accessory Store of approximately 14,644 sq. ft. Paved parking area (ratio 2.1—1). Total rentable area 149,657 sq.ft.
Occupancy Leases.—Each lease of any part of the Real Property shall be executed in form satisfactory to our Office of the General Counsel and assigned to us as additional security for the Loan. The assignment shall be recorded and notice thereof served on the tenants. As to each lease to be assigned, the lease shall be in full force and effect, there shall be no rental offsets or claims or defenses to enforcement of the lease, the tenant shall have accepted its premises, confirmed commencement of the lease term, and shall have acknowledged that it is

in occupancy and paying rent on a current basis. Evidence to that effect satisfactory to us shall be furnished us. The substance of all leases affecting any part of the Real Property shall be satisfactory to us, including the term, the tenants, and the rent payable. Within a reasonable time prior to date of closing, you shall meet our requirements as to which leases, if any, shall be made superior and which shall be made subordinate to the mortgage.

GENERAL CONDITIONS

1. *Approval of General Counsel.*—The form and substance of each and every document evidencing the Loan and the security therefore or incident thereto, and any proceedings incident thereto, and the title and evidence thereof must be satisfactory to our Office of the General Counsel.

2. *Hazard Insurance.* Policies, in form and issued by companies satisfactory to us, of fire and extended coverage and such other hazard insurance (including war damage insurance, if available, from the U.S. Government or any agency thereof) as we may require, are to be delivered to us and (and maintained during the term of the Loan) with acceptable mortgagee clauses in our favor and, where required by us, waiver of subrogation clauses attached, in the amount of at least $2,300,000, together with evidence of payment of premiums thereon. An insurance schedule for our approval must be submitted at least 15 days prior to closing.

* * * * * * *

4. *Commencement and Completion of Construction.*—Construction shall be diligently prosecuted, and shall be completed on or before January 1, 1967, subject to unavoidable delays as herein defined. Failure so to do, unless time for commencement and/or completion is extended by us in writing, shall be deemed a default hereunder. If by reason of unavoidable delays construction shall not be completed prior to January 1, 1967, the time for such completion shall be extended by a period equal to the period of such delays, but in no event for a period in excess of six months unless we shall have otherwise agreed in writing. The term "unavoidable delay" shall mean only delays due to strikes, acts of God, inability to obtain labor or materials, governmental restrictions, enemy action, civil commotion, fire or similar causes provided such causes are beyond your control. A report from our appraiser, confirming with the condition of completion in accordance with the plans and specifications as appraised, must be furnished us prior to date of closing.

5. *Change in Final Plans and Specifications.*—No change of any substance shall be made in the final plans and specifications approved by us pursuant to General Condition 4 without prior written approval by us. The making of such change without our prior written approval and its incorporation into the structure shall be deemed a default hereunder. Two copies of final plans and specifications and any changes thereto shall be furnished us.

6. *Standard of Construction.*—The buildings and all other improvements contemplated by this commitment, including grading, landscaping, and all other on- and off-site improvements, shall be made and completed of first-class materials and in a good, substantial and workmanlike manner in accordance with the plans and specifications approved by us and shall be fully equipped with first-class equipment, and we shall furnish with evidence satisfactory to us that all the aforesaid are paid for or that adequate provision is made therefor. Any work or materials not directly noted in the plans and specifications but necessary for the proper carrying out of the intention thereof are to be implied and are to be provided for as if specifically described. Incorporation into the improvements of any work or materials or equipment which do not conform to such standards at any time during the course of the work shall be deemed an immediate default hereunder.

7. *Architect's Certificate.*—Prior to date of closing a final certificate of completion by the mortgagor's architect Crittenden, Cassetta, Wirun & Jacobs shall be delivered to us certifying that the buildings and improvements have been completed in accordance with the final plans and specifications approved by us and in accordance with applicable law, on a form of architect's certificate furnished by us.

8. *Audit.*—The mortgage documents shall contain a covenant requiring the mortgagor, without expense to us, to furnish an annual audit of the operation of the Real Property, showing in reasonable detail total rents received and total expenses together with annual balance sheets and profit and loss statements, prepared and certified by a certified public accountant, within 120 days after

the close of each fiscal year, and such interim balance sheets and profit and loss statements as may be required by us.

9. *Waiver of Redemption.*—If the status of the state in which the Real Property is located provided a right of redemption but permit the mortgagor to waive that right, such provision shall be incorporated in the mortgage documents.

10. *No Material Change.*—Except as may be otherwise provided herein, the Loan, the income and expenses of the Real Property, the occupancy leases, and all other features of the transaction shall be represented in the mortgage loan application without material change.

Prior to date of closing no part of the Real Property shall have been damaged and not repaired to our satisfaction, nor taken in condemnation or other similar proceeding, nor shall any such proceeding be pending. Neither the mortgagor or any tenant under any lease to be assigned as security nor any guarantor of the Loan or any such lease shall be the subject of any bankruptcy reorganization, or insolvency proceeding. No default shall have occurred and be continuing in the performance of any obligation in the instruments evidencing or securing the Loan or incidental thereto.

11. *Title Insurance.*—Title insurance, in form and issued by title company(ies) satisfactory to us, in the amount of the Loan shall be delivered to us, insuring us as a holder of the indebtedness secured by the first mortgage or deed of trust provided for herein, subject only to such exceptions as shall be approved by our Office of the General Counsel. The title policy shall show no delinquent taxes and assessments affecting the Real Property or any part thereof on the date of closing.

12. *Compliance with Law.*—Evidence satisfactory to us shall be furnished certifying that all improvements and their use comply fully with all applicable zoning and building laws, ordinances and regulations, and all other applicable federal, state and municipal laws and requirements. The Loan and our making or purchase thereof shall be in all respects legal and shall not violate any applicable law or other requirement of any governmental authority.

13. *Survey.*—Within a reasonable time prior to date of closing a survey of a licensed surveyor satisfactory to us and the title company prepared after completion of improvements and dated not more than 30 days prior to closing shall be furnished us. The survey shall show dimensions and total square foot area of the Real Property; interior lot lines, if any; dimensions and location of improvements; parking areas; easements, if any; location of adjoining streets; and the distance to and names of nearest intersecting streets; and such other details as to the Real Property as may be requested by us.

14. *Estoppel.*—If we are to acquire the Loan by assignment, we must be furnished with estopped affidavit of the mortgagor or interim mortgagee stating the amount then unpaid on the evidence of indebtedness and that no defenses or set-offs exist with respect thereto. A certificate as to disbursement of the full amount of our Loan and such other documents and certificates as we shall require shall also be furnished.

15. *Street Dedication.*—All streets necessary for access to the Real Property must be completed, dedicated, and accepted for maintenance and public use by the appropriate governmental authorities and satisfactory evidence thereof submitted to us.

16. *Assignability*—Neither this commitment nor the Loan proceeds shall be assignable without our prior written consent and without such consent there shall be no right to designate a payee of such Loan proceeds. Any attempt at assignment without such consent shall be void. It is understood, however, that consent will not be withheld to assignment of the commitment to a bank or other financial institution for the purpose of obtaining interim financing. This commitment cannot be changed, discharged, or terminated orally but only by an instrument in writing signed by the party against whom enforcement of any change, discharge, or termination is sought.

17. *Expenses.*—Your acceptance of this commitment shall constitute your unconditional agreement to pay all fees, expenses, and charges in respect to the Loan, or its making or transfer to us or in any way connected therewith including, without limiting the generality thereof, the fees and expenses of local counsel should local counsel be employed by us in connection with this transaction, title insurance and survey costs, recording and filing fees, mortgage taxes, documentary stamps, and any other taxes, fees and expenses payable in connection with this transaction. We shall not be required to pay any premium or other charge or any brokerage fee or commission or similar compensation in connection with this

transaction, and by your acceptance of this commitment you agree to defend, indemnify, and hold us harmless against and from any and all claims for any fees, charges, commissions, taxes, and compensation in connection with the Loan or its making or transfer to us or in any way connected therewith. Your obligation for such expenses, fees, charges, compensation, and taxes shall be in addition to your obligation to pay the amount of liquidated damages, if any, hereinafter referred to.

18. *Liquidated Damages.*—In consideration of our making this commitment and holding ourselves willing and ready to acquire the Loan within the time hereinafter stated, and in further consideration of the substantial services which we as prospective mortgagee have rendered and will be required to render and incur in preparation for the closing, and in view of the difficulty of ascertaining the amount of damages which would be sustained by us should this Loan not be acquired by us, your acceptance of this commitment shall constitute your unconditional obligation to pay New York Life Insurance Company as liquidated damages the sum of $25,350. on our demand if the Loan has not been acquired by us on or before the expiration date of the commitment as herein set forth in full compliance with the conditions of this commitment. If the Loan has not been acquired by us by the said expiration date or if you have defaulted prior to said date in any of the terms or conditions of this commitment, unless we have waived such default in writing, our obligations hereunder shall cease as of said expiration date or as of such earlier date but your obligation for the payment of damages by reason of such default shall survive until fully paid and satisfied. Your acceptance of any other loan commitment with respect to the Real Property except for said interim financing shall be deemed a default hereunder.

19. *Security Deposit.*—Concurrently with your acceptance hereof, and so long as this commitment shall remain in effect, you shall maintain on deposit with us as security for the performance of your obligations hereunder $25,350 (we have received your check for such deposit) in cash, which we shall hold but not in trust and without interest. If for any reason the transaction contemplated hereby is not consummated and the Loan is not acquired by us within the time herein set forth for such consummation and acquisition by us, we shall have the right, in our absolute discretion, and without the requirement of any notice to you, to apply said amount in payment of the liquidated damages provided for in the preceding paragraph. It is further understood that if the Loan herein contemplated shall have been acquired by us as herein provided, we shall return the aforesaid deposit to you.

20. *Expiration Date—Date of Closing.*—The acquisition of the Loan by us shall take place as soon as all of the conditions of this commitment have been met but not earlier than January 15, 1967 and not later than March 1, 1967. Our obligation under this commitment to make (or purchase) this mortgage loan and your obligation to accept (or sell) may be extended by us beyond the last mentioned date in writing, from time to time, in our sole discretion, if the conditions of this commitment have not been met by said date.

Your acceptance of this commitment must be indicated by your signing and returning to us the enclosed counterpart within 10 days from the date hereof. Until receipt thereof by us, we will have no obligation hereunder. This commitment supersedes any and all previous commitments with respect to this transaction and may be modified only in writing signed by the parties hereto. See page 4 for supplementary conditions which are incorporated herein and made a part hereof.

NEW YORK LIFE INSURANCE COMPANY,
By R. H. ATTLESEY, *Assistant Manager.*

To New York Life Insurance Company:

The undersigned hereby unconditionally accepts the foregoing commitment in accordance with the terms and conditions therein contained and agrees to be bound thereby, and in accordance therewith agrees that the mortgage loan which you have agreed to make (or purchase) will be accepted (or sold) by the undersigned on the terms and conditions set forth herein.

Date: DECEMBER 22, 1966.

NORTHERN LIGHTS SHOPPING CENTER, INC.,
By VERNON W. HICKEL, *President.*

Attest:

R. M. WINSLOW,
Secretary.

SUPPLEMENTARY CONDITIONS

21. There shall be leases in existence with the following tenants on the following terms:

Tenant	Term of lease	Square feet, area	Annual rental
Safeway Stores, Inc	15	34,231	$110,000
Caribou-Wards, Inc	10	75,780	180,000
Pay'n Save Corp	10	22,000	87,000
Apparel Shop	5	4,500	24,300
Shoe Store	5	3,240	17,496
Gift Shop (Burt's)	5	3,150	17,010
Jewelry	2	2,025	10,935
Total		144,926	446,741

JANUARY 19, 1969.

HON. HENRY M. JACKSON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR JACKSON: This is to supplement the statement transmitted to you by my letter of January 12, 1969. In a continuing effort to determine whether I own anything, regardless of its size, that might cause a conflict of interest, I have had my assistants scouring every available record. This search will continue, even beyond my taking office, to insure that nothing is missed. Particularly, the specific information which you have requested, including year-end financial statements, will be furnished. If any divestiture or other remedy is indicated, appropriate steps will be taken.

Referring to the item numbered (15) in the above-mentioned statement, it has been learned that Barrow Realty Corporation owns two, rather than one, commercial buildings in Anchorage. Neither of these is occupied by a federal agency.

The information you requested with respect to the statement of assets contained in the Consolidated balance sheet of Hickel Investment Company and subsidiaries has been furnished to you by telegram from my accountants. It reads:

Hickel Investment Company and subsidiaries, report on examination of consolidated financial statements, year ended December 31, 1967, prepared by Molitor, Doremus and Hanlin, Certified Public Accountants. The "other common stocks" in the amount of $16,091.47 listed in the balance sheet under investments at cost is comprised of the following:

Alaska Pacific Corp	$10,000.00
Northern Plaza Development	4,754.86
Bush Lanes, Inc	1,336.61
Total	16,091.47

You will note that the $10,000 common stock in Alaska Pacific Corporation is in addition to the $10,000 common stock owned by Walter J. and Ermalee Hickel in the same corporation. The investment in Northern Plaza Development has been returned because a proposed project was discontinued. The Bush Lanes, Inc. stock was received by the subsidiary, Alaskan Plumbing & Heating Company, Inc., in payment of an account.

With respect to the stateuent of investments in securities contained in the financial statement for Walter J. and Ermalee Hickel:

Walter J. and Ermalee Hickel, Report on Examination on Balance Sheet, dated December 31, 1967, prepared by Molitor, Doremus and Hanlin, Certified Public Accountants. Investments in securities, common stock, at cost—the miscellaneous item of $2,794.50 is comprised of the following:

Mountain Mining Co	$1,837.50
Captain Cook Hotel, Inc	40.00
Life Insurance Co. of Alaska	17.00
Cordova Investment Corp	900.00
Total	2,794.50

Other, at cost—The miscellaneous item of $1,201.00 is comprised of the following:

Presbyterian Community Hospital Association, Inc	$1,000.00
Fairview Mines	200.00
American Roofing	1.00
Total	1,201.00

The $1,000 amount in securities of Presbyterian Community Hospital Association, Inc., refers to a bond previously mentioned. I understand that the $200 amount represents an investment in one or two gold placer mining claims located west of Talkeetna, Alaska. The claims were not located by me but for me by one Frank Brink or one Ann Van Dolah of Anchorage, probably more than ten years ago. This claim, together with adjacent claims, owned by eighty (80) other persons, are leased to Ann Van Dolah who, reportedly, has failed to perform annual assessment work, causing a forfeiture of the claims. The $1 stock amount represents a written-down investment of $100 in American Roofing, an Anchorage roofing company. A copy of this telegram has been sent you.

Valley Development Corporation, mentioned in item numbered (17), of my statement transmitted to you on January 12, is not the owner of undeveloped real estate in the Matanuska Valley but a local development corporation formed to cooperate with federal agencies in providing funds for business development in the Matanuska Valley.

It appears that I am one of 78 persons who have equal interests in a 1¼ percent royalty in oil leases owned by Pure Oil Company or its successor, Union Oil Company. The leases were obtained in approximately 1958 and were to expire in 1968. Apparently, because of a two year extension, they have not yet expired. Although originally there was a greater number of acres involved, I understand that the present acreage is either 60,000 acres or 78,000 acres. My interest, which is 1/78 of the 1¼ percent royalty probably has no value.

There has been some confusion concerning the trust arrangement which I made when I became Governor of Alaska. Enclosed is a copy of the trust agreement. At the same time that the agreement was made, I resigned in writing as an officer and director of all corporations. By the trust arrangement my trustee, Roger Cremo, in effect replaced my wife and me as shareholders. By voting the corporate stock, providing my personal guarantee in connection with financing, and otherwise, the trustee caused the business to continue.

Your patience and understanding are appreciated.

Sincerely yours,

WALTER J. HICKEL.

(Enclosures.)

JANUARY 19, 1969.

Hon. HENRY M. JACKSON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR JACKSON: Based on the decision of your Committee, I have agreed to do the following:

(1) Dispose of assets in accordance with my letter to you of even date.

(2) Refrain entirely from doing any business with, and from making any investment in the securities of any company that does business with the Federal Government.

(3) Execute and deliver such other instruments as may be necessary to effect the purposes of this agreement.

(4) Refrain from divulging to managers, officers, employees, attorneys, and accountants, information concerning the activities of the Department of the Interior.

(5) Provide the persons mentioned in the previous paragraph with instructions to abide by this agreement.

I will be pleased to comply with any further suggestions or requirements that you may have.

Sincerely yours,

WALTER J. HICKEL.

JANUARY 19, 1969.

Hon. HENRY M. JACKSON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR JACKSON: Based on the decision of your Committee, I will accomplish the following within a reasonable time and not later than six months after taking office:

(1) My stock in Transamerica Corporation, Alaska Interstate Company, and Wakefield Seafoods, Inc., will be sold.

(2) To the extent that I may have an interest in the placer mining claims and Koslosky Development Company, referred to in my letter to you of January 19, I will sell, quit-claim, or relinquish the same.

(3) Mountain Mining Company will be dissolved and its sole asset distributed to the shareholder, La Vake Renshaw.

In addition to the above, I have under active consideration the divestiture of all assets except undeveloped real estate and those relating to the hotel, motel, and shopping center business.

Any assets located through the continuing efforts of my counsel and accountants will be reported to you and, where appropriate, promptly divested.

Sincerely yours,

WALTER J. HICKEL.

ANCHORAGE ALASKA, *January 18, 1969.*

Senator HENRY M. JACKSON,
Chairman Interior and Insular Affairs Committee,
U.S. Senate Office Building,
Washington, D.C.

Alaska law does not permit a negotiated oil or gas lease. All leases are issued on a competitive or noncompetitive basis. Records indicate that Walter J. Hickel had one noncompetitive lease which was dropped in 1965. Records further reveal that no leases now exist in the name of Walter J. Hickel or Thomas E. Kelly.

British petroleum leases on North Slope acquired only by competitive bid.

F. J. KEENAN,
Director of State Division of Lands.

ANCHORAGE ALASKA, *January 19, 1969.*

Senator HENRY M. JACKSON,
Old Senate Office Building,
Washington, D.C.

Pursuant to request of Mr. Van Ness, counsel for Interior Committee, you are advised that the Alaska law does not permit a negotiated oil or gas lease. All oil and gas leases are issued on a competitive or noncompetitive basis. Records show that Walter J. Hickel acquired a noncompetitive or lottery type lease on April 1, 1962, covering sections 5, 6, 7 and 8 TWP 25N R6W SM pursuant on application signed by Walter J. Hickel. The lease was issued on May 1, 1962 and terminated on May 1, 1965 due to nonpayment of rental.

Exploration in this area indicated no potential thus no drilling was undertaken. British petroleum leases in Alaska total approximately 420,000 acres. British petroleum has acquired no leases since the January 1967 competitive sale at which time fifteen thousand two hundred and fifty nine acres of the total was acquired on the North Slope. Therefore no leases have been issued to British petroleum since Thomas E. Kelly has been commissioner of natural resources division of lands. Records reveal that no other lease has been issued to Walter J. Hickel and that no leases have been issued to the following: Ermalee Hickel, Hickel Investment Company, Hickel Enterprises, Alaska Plumbing and Heating, Northland Pipe and Supply Company, Inc., Travelers Inn of Fairbanks, Inc., Northern Lights Shopping Center, Inc., Captain Cook Hotel, Travelers Inn of Anchorage, Clarks Painting and Decorating, Thomas E. Kelly.

F. J. KEENAN,
Director, State Division of Lands.

BUREAU OF LAND MANAGEMENT,
Anchorage, Alaska, January 17, 1969.

Senator HENRY M. JACKSON,
Chairman, Interior and Insular Affairs Committee,
Washington, D.C.

(Attention: William J. Vanness, Jr.):

This acknowledges receipt of verbal request received at approximately 2:30 p.m. A.S.T. this date from William J. Van Ness, Jr., special counsel for the Senate Interior and Insular Affairs Committee acting under the direction of Senator Jackson, chairman. The following information is supplied pursuant to Mr. Van Ness' request:

1. Of the 27 companies discussed in the phone conversation we did not find any oil and gas lease applications or leases in our active files.

2. There was only one instance where lease had been issued in the name of Hickel as follows: Walter J. Hickel, care of Yakutat Development Co., 439 Wyatt Building, Washington, D.C. serial No. A-025122. Application filed on August 3, 1953, lease issued April 11, 1956.

Portion of this lease was later segregated and a new lease issued in the name of Walter J. Hickel, care of Colorado Oil & Gas Corp., Denver Club Building, Denver, Colo. Serial No. A-058593 effective June 12, 1962. Both of the above leases were closed on March 31, 1963. Copies of serial pages being airmailed. Colorado Oil & Gas Corp. has oil and gas leases in Alaska and is actively exploring on the north slope.

3. Roger Cremo. We were unable to find any oil and gas leases in his name.

4. We are sending airmail copies of the serial pages purchased by Ken Smith on January 17, 1969 from the Anchorage Land Office. These offers in connection with these serial pages involving Hickel Investment Co. and Walter J. Hickel were withdrawn and no leases issued.

BURTON W. SILCOCK,
State Director,
Bureau of Land Management.

ANCHORAGE, ALASKA, *January 20, 1969.*

Senator HENRY M. JACKSON,
Chairman, Senate Interior Committee,
New Senate Office Building, Washington, D.C.:

In addition to the information wired to you yesterday, we submit the following which was inadvertently overlooked. Re: Hickel Investment Co. and Subsidiaries, report on examination of consolidated financial statements, year ended December 31, 1967.

The "joint ventures other" in the amount of $6,061.38 listed in the balance sheet under "investments at cost", represents Alaskan Plumbing & Heating Co., Inc.'s equity in David Kyzer & Associates of which they have a 75 percent interest.

MOLITOR, DOREMUS & HANLIN S. H. MOLITOR, *Partner.*

JUNEAU, ALASKA.

Senator HENRY M. JACKSON,
Old Senate Office Building,
Washington, D.C.:

Information requested by Mr. Van Ness received. Data in division of lands unavailable until Monday a.m. Will be happy to provide complete facts then to expeditiously obtain information. Suggest you contact B. P. USA LD 620 5th Aveune, New York, N.Y., attention Mr. C. P. B. Hardcastle, president.

THOMAS E. KELLY.

JUNEAU, ALASKA, *January 16, 1969.*

Senator TED STEVENS,
Old Senate Office Building,
Washington, D.C.:

Van Ness called this a.m. representing council for Senate committee calling to obtain my personnel portfolio. Thought interrogation by phone improper but his insistence that facts were necessary to clarify questions and show true Hickel

record devoid of conflict. Therefore acquiesced. Advised him I do not now or have ever owned any oil leases. Was previously employee of Halbouty, Alaska. Have no financial connection with company or Michel T. Halbouty. Interest relationship is personal. Mrs. Halbouty is my mother. Advised current stock ownership of resource companies in Alaska is as follows: Standard, New Jersey, one share 215,121M. Outstanding British Petroleum 1,400 shares, 356,760M, outstanding reserve O. & G. 532 shares, 74,111M outstanding, Anaconda 400 shares 21,871M outstanding, Cerro 111 shares 7,357M outstanding; no involvement in Alaska to my knowledge of. Those mining companies total investment approximately 60M; ownership in all companies acquired prior to State employment except BPT; never considered my job in conflict with investments nor discussed ownership with W. J. H. as believed inconsequential. Advise anything I own is open book. My record will speak for itself and I welcome any further inquires.

THOMAS E. KELLY.

ANCHORAGE, ALASKA, *January 18, 1969.*

Senator TED STEVENS,
Washington, D.C.:

Confirming our telephone conversation regarding Governor Hickel's service on Anchorage City Planning Commission. No recall petition was ever filed. A petition was talked about and may have ben circulated; however, it never was successful. The issue involved was an open space in downtown core open block versus parking structure on same site. Governor Hickel supported open-space concept. Several factions were opposed to his petition.

The matter was resolved by city of Anchorage voters at a general and open-space concept won out.

V. GILL, *Member.*
FRANCES MAYER, *Member.*
DONALD K. HILL,
Past Chairman.
WILLIAM J. SHEFFIELD,
Past Chairman.

SEATTLE, WASH., *Jan. 14, 1969.*

Hon. THEODORE STEVENS,
U.S. Senate, Washington, D.C.:

We are the prime contractor on the airport terminal expansion at Anchorage, Alaska. Mr. Drew Pearson has stated that the Hickel company, Alaskan Plumbing & Heating Co., Inc., was awarded a subcontract despite the fact it was not originally the low bidder. I wish to advise you and your committees that this statement is absolutely incorrect.

We received mechanical bids from several contractors, including C. R. Lewis, prior to submitting our bid to the State of Alaska. Alaskan Plumbing & Heating Co., Inc., was the lowest of the bids we received. We used their figure in preparing our bid to the State and, subsequently, we awarded the mechanical subcontract to Alaskan Plumbing & Heating for only one reason, they were the low bidder. Mr. Lewis' bid was not thrown out for any technicality, he simply was not low. Any inference that you or your committee may draw from Pearson's column that the State of Alaska, Governor Hickel, or anyone else applied any pressure on me or our company is unfounded. I personally made the award to Alaskan Plumbing & Heating based on their low bid.

M–B CONTRACTING CO., INC.
JOHN I. MILLER, *President.*

ANCHORAGE, ALASKA, *Jan. 19, 1969.*

Senator HENRY M. JACKSON,
Chairman, Senate Interior Committee,
New Senate Office Building, Washington, D.C.:

We submit the following information as requested by Gov. Walter J. Hickel.

Re Walter J. and Ermalee Hickel, report on examination of balance sheet, dated December 31, 1967, prepared by Molitor, Doremus & Hanlin, certified public accountants.

Page 5, investments in securities: Common stocks, at cost, the miscellaneous item of $2,794.50 is comprised of the following:

Mountain Mining Co	$1,837.50
Captain Cook Hotel, Inc	40.00
Life Insurance Co. of Alaska	17.00
Cordova Investment Corp	900.00
Total	2,794.50

Other, at cost, the miscellaneous item of $1,201 is comprised of the following:

Presbyterian Community Hospital Association, Inc	$1,000
Fairview Mines	200
American Roofing	1
Total	1,201

Re Hickel Investment Co. and subsidiaries, report on examination of consolidated financial statements, year ended December 31, 1967, prepared by Molitor, Doremus & Hanlin, certified public accountants.

Balance sheet: The "other common stocks" in the amount of $16,091.47 listed in the balance sheet under investments at cost is comprised of the following:

Alaska Pacific Corp	$10,000.00
Northern Plaza Development	4,754.86
Bush Lanes, Inc	1,336.61
Total	16,091.47

MOLITOR, DOREMUS & HANLIN,
S. H. MOLITOR, *Partner.*

HOW GOVERNOR HICKEL HELPED HIS BANKER

(By Frank Mankiewicz and Tom Braden)

WASHINGTON.—Members of the Senate will doubtless want to know more about a curious sequence of events involving the business interests of Walter J. Hickel, Richard Nixon's nominee as Secretary of the Interior, and the New York Life Insurance Co.

On Jan. 31, 1967, shortly after Hickel took office as Governor of Alaska, New York Life loaned one of Hickel's businesses, the Northern Lights Shopping Center, the sum of $2.74 million in return for a mortgage on the property and an assignment of its shopping center leases.

Company officials claim that the loan was approved in June, 1966, as Hickel was running for Governor. The original amount was for $2.535 million. But that December, after Hickel had been elected, an additional loan of $205,000 was approved.

The proceeds of the loan were not paid and the loan did not become effective, however, until Hickel had taken office.

Possibly, the Governor did not know that the New York Life Insurance Co. held a contract with the state of Alaska covering all state employes for group health. Possibly, he also did not know that the company was complaining about losses under the contract.

If so, the dilemma which confronted him after his inauguration must have worried him considerably during the long Alaskan nights. The dilemma was as follows: He could terminate the agreement with New York Life—by now his banker—and put the contract out for competitive bidding. He could ask the Legislature to raise the state contribution so as to stabilize the benefits and premiums charges to employes. Or he could renegotiate the contracts so as to reduce the benefits available to employes.

He chose the last named course. On May 25, without advance warning or consultation, all employes of the state of Alaska were notified that their insurance benefits had been sliced by 24%. The deductible amount of their health insurance was increased from $50 to $100. The family deductible went up to $300. In addition, the charges for room and board were cut to $45 per day for all types of accommodations, save intensive care. All this without reducing the premiums. In fact, reductions in benefits were equivalent to a 32% increase in employe premiums.

Naturally, Alaska state employes were up in arms. Members of the State Legislature declared that if the Legislature had been advised it would have appropriated extra money. The Alaska State Employes Assn. called the decision "arbitrary."

It affected approximately 5,500 employes and resulted in a reduction of benefits, without any consideration of either the effect or the wishes of those concerned, the association said.

Whatever else that episode demonstrates, it shows an appalling insensitivity to what is meant by conflict-of-interest. A man who will borrow nearly $3 million in a business venture after he has assumed public office, and then use the power of that office to benefit his creditor, is one who is bound to raise questions about his fitness to administer the public lands of the United States.

Hickel's own comments since his nomination for the Interior Department post have worried those who care about the public lands. "If we set antipollution standards too high," he has said, "we might even hinder industrial development." And again he has opposed what he called "a policy of conservation for conservation's sake."

When Gov. Hickel was about to be nominated as a favorite-son candidate for President at the Republican National Convention last year, CBS' Walter Cronkite turned to no one in particular and remarked, "I think we're about to hear more about Alaska than we want to know." When hearings on his nominee for interion secretary begin, Nixon may hear more about Gov. Hickel than *he* wants to know.

[On Sunday, January 19, 1969, Mr. Van Nes reported to Governor Hickel's staff and attorney that a review of the hearing record to date disclosed that there were a number of unsupported, undocumented allegations and rumors which had been repeated in the press in some form or another, but which had not been dealt with or discussed in the hearing record. It was suggested that these matters be stated as questions and that Governor Hickel be prepared to respond to each.

The Committee, meeting in Executive Session on January 20th reviewed the questions and to insure as complete a record as possible on all related matters, directed that the Governor's responses be incorporated into the hearing record. In addition, a question to clarify the record as to Governor Hickel's interest in Anchorage Natural Gas prior to its merger with Alaska Interstate is included as the first question.]

ANCHORAGE, ALASKA, *January 18, 1969.*

Senator TED STEVENS,
Washington, D.C.:

Confirming our telephone conversation regarding Governor Hickel's service on Anchorage city planning commission. No recall petition was ever filed. A petition was talked about and may have been circulated; however, it never was successful. The issue involved was an open space in downtown core open block versus parking structure on same site. Governor Hickel supported open space concept. Several factions were opposed to his position.

The matter was resolved by city of Anchorage voters at a general election and the open space concept won out.

V. GILL, *Member.*
FRANCES MAYER, *Member.*
DONALD K. HILL, *Past Chairman.*
WILLIAM J. SHEFFIELD, *Past Chairman.*

SEATTLE, WASH., *January 14, 1969.*

Hon. THEODORE STEVENS,
U.S. Senate, Washington, D.C.:

We are the prime contractor on the airport terminal expansion at Anchorage, Alaska. Mr. Drew Pearson has stated that the Hickel Co., Alaskan Plumbing & Heating Co., Inc. was awarded a subcontract despite the fact it was not originally the low bidder. I wish to advise you and your committee that this statement is absolutely incorrect.

We received mechanical bids from several contractors, including C. R. Lewis, prior to submitting our bid to the State of Alaska. Alaskan Plumbing & Heating

Co., Inc. was the lowest of the bids we received. We used their figure in preparing our bid to the State and, subsequently, we awarded the mechanical subcontract to Alaskan Plumbing & Heating for only one reason; they were the low bidder. Mr. Lewis' bid was not thrown out for any technicality; he simply was not low. Any inference that you or your committee may draw from Pearson's column that the State of Alaska, Governor Hickel, or anyone else applied any pressure on me or our company is unfounded. I personally made the award to Alaskan Plumbing & Heating based on their low bid.

M–B Contracting Co., Inc.,
John I. Miller, *President.*

Question 1. What percentage of Anchorage Natural Gas Company did you own before that company was merged with Alaska Interstate?

Answer. About two percent.

Question 2. It is alleged that you tried to have Representative Clem Tillion removed from the American representation to the International North Pacific Treaty Commission because he favored an increase in the severance tax.

Answer. During the legislative session of 1967, I asked for, and the legislature created, the position of Director of International Fisheries in the Office of the Governor. As I recall it, I requested that Mr. Clarence Pautzke, Commissioner of Commercial Fisheries, Department of the Interior, who I understood made the appointments to the Treaty Commission, replace one of the two Republican legislators I had recommended a year earlier—with the Director of International Fisheries. I recommended that Mr. Tillion be replaced because I believe the other incumbent representative, Senator Jay Hammond, was more knowledgeable about our North Pacific fisheries. I did not take this action on the basis of Mr. Tillion's stand on the severance tax. In fact, Mr. Tillion's voting record in support of my programs was, I believe, substantially better than Senator Hammond's.

Question 3. It is alleged that you authorized the construction of an ice road to the North Slope oil fields without legislative authorization to spend the funds.

Answer. In 1967, the legislature appropriated $750,000 to be used for the development, construction, and planning for the transportation needs of the far north. The appropriation was a continuing one and the funds did not lapse at the end of fiscal year 1968. Since this money was available, there were some contentions that I might use these funds for construction of a winter trail, in fact, the legislature had recommended this use at one time. I did not follow that course. In order to determine the support for the winter road among the legislators, I sent each of them a telegram asking if they would support the road by approving a supplemental appropriation to cover the cost of constructing the road. I did not authorize construction until a substantial majority of them informed me they would support the program.

Question 4. It is alleged that the Wickersham was offered at a lower price than was paid by the State.

Answer. It is my recollection that the State offered a lower price than that listed by the Swedish owner of the ferry now known as the Wickersham. The final agreed price was, I believe, between the two and closer to the price set by the Swedish owner. I know of no basis, in fact, for this allegation.

Question 5. It is alleged you have done little to help the unemployment situation among Eskimos and Indians in Alaska.

Answer. Nothing could be further from the truth. I created a Rural Labor Task Force with predominantly native members to assist the Governor's Economic Advisory Committee in the development of new programs to assist the unemployed native Alaskan. You may recall that all but one of the members of the latter committee were killed in a plane crash a few weeks ago at Barrow, Alaska, while reviewing employment problems among the Arctic natives. I requested, and received, state funds to train Indian workers for jobs in the lumber industry after a federally funded program was terminated. In this next session, a bill will be submitted that allows entry into certain state civil service positions by persons who lack the necessary educational and experience requirements, but show promise that they can learn while on the job.

Question 6. It is alleged that you opposed the two percent severance tax passed by the Alaska legislature in 1968.

Answer. I believe that the best evidence that I did not disapprove the increase in principle is the fact that I signed the bill into law. My objection to the specific

legislation as passed was that it was based on conflicting and inadequate data about the oil industry in Alaska, and its capacity to assume its share of the tax burden in the state. I did believe, and still believe that some tax structure should be devised that would provide for a substantially higher severance tax on unprocessed crude shipped out of Alaska. I asked for, and received, funds from the legislature to conduct a tax study of all taxable resources to determine what would be a fair and equitable distribution of the tax load in the state. I was afraid that any finding calling for a severance tax rate in excess of four percent would enable the oil companies to call "foul" at another increase—a third in three sessions. I had previously requested an increase from one to two percent in the severance tax at a special session in 1967.

Question 7. What was the nature of your past business relationship with Michael T. Halbouty? Did you ever own stock in Halbouty Alaska Oil Co.? Do you have any present business relationship with him?

Answer. I was associated in business with Mr. Halbouty in the late 1950's. Our principle venture was the construction of a proposed twin tower hotel and office building in downtown Anchorage. Land was acquired for the site but the structure was not built. In addition, we had an interest in a radio communications business in Anchorage. When we severed our business connection in about 1960, I kept the real estate and Mr. Halbouty the communication firm.

Neither during our business connection nor since have I had any interest in the oil side of Mr. Halbouty's business activities. His oil company is Halbouty-Alaska.

Despite our business disconnection, Mike Halbouty and I continue to be good friends.

POSSIBLE QUESTIONS FOR MONDAY MORNING SESSION

1. It is alleged that you mis-used your position on the city council of Anchorage, Alaska to secure a favorable zoning that would allow you to construct a hotel.

(Ted's telegram.)

2. What percentage of Anchorage Natural Gas Company did you own before that company was merged with Alaska Interstate?

Answer. About two percent.

3. What was the nature of your past business relationship with Mike Halbouty? Did you ever own stock in Halbouty Alaska?

4. It is alleged that you tried to have Representative Clem Tillion removed from the American representation to the International North Pacific Treaty Commission because he favored an increase in the severance tax.

Answer. During the legislative session of 1967, I asked for, and the legislature created, the position of Director of International Fisheries in the Office of the Governor. I requested that Mr. Clarence Pautzke, Commissioner of Commercial Fisheries, Department of the Interior, who made the appointments to the Treaty Commission to replace one of the two Republican legislators—put on at my recommendation a year earlier—with the Director of International Fisheries. I recommended Mr. Tillion for replacement because I believed the other individual, Senator Jay Hammond, was more knowledgeable about our North Pacific fisheries. I did not take this action on the basis of Mr. Tillion's stand on the severance tax. In fact, Mr. Tillion's voting record in support of my programs was, I believe, substantially better than Senator Hammond's.

5. It is alleged that you opposed the two percent severance tax passed by the Alaska legislature in 1968.

Answer. I believe that the best evidence that I did not disapprove the increase in principle is the fact that I signed the bill into law. My objection to the specific legislation as passed was that it was based on conflicting and inadequate data about the oil industry in Alaska, and its capacity to assume its share of the tax burden in the state. I did believe, and still believe that some tax structure should be devised that would provide for a substantially higher severence tax on unprocessed crude shipped out of Alaska. I asked for, and received, funds from the legislature to conduct a tax study of all taxable resources to determine what would be a fair and equitable distribution of the tax load in the state. I was afraid that any finding calling for a severence tax rate in excess of four percent would enable the oil companies to call "foul" at another increase—a third in three sessions. I had previously requested an increase from one to two percent in the severence tax at a special session in 1967.

6. It is alleged that you authorized the construction of an ice road to the North Slope oil fields without legislative authorization to spend the funds.

Answer. In 1967, the legislature appropriated $750,000 to be used for the development, construction, and planning for the transportation needs of the far north. The appropriation was a continuing one and the funds did not lapse at the end of fiscal year 1968. Since this money was available I might have used them for conconstruction of a winter trail, in fact, the legislature had recommended this use. In order to determine the support for the winter road among the legislators, I sent each of them a telegram asking if they would support the road by approving a supplemental appropriation to cover the cost of constructing the road. I did not authorize construction until a substantial majority of them informed me they would support the program.

7. It is alleged that you appointed Representative Harold Strandberg to the position of Commissioner of Public Works in spite of a constitutional provision prohibiting the appointment of legislators to posts for which the salary had been raised during their tenure as a legislator.

Answer. The legal question involved is not a simple one. The salary of Commissioner of Public Works was raised as part of a routine salary increase for state employees and is the same as that of other Commissioners in the State of Alaska. The Attorney General has developed what he feels is a strong legal case sustaining the appointment. Attitudes among the members of the bar are divided. It may be that the court will find that Mr. Strandberg's appointment was not properly made. However, I accepted the best advice I could get and got the best man I could get for one of the toughest jobs in the state.

8. It is alleged you have done little to help the unemployment situation among Eskimos and Indians in Alaska.

Answer. Nothing could be further from the truth. I created a Rural Labor Task Force with predominantly native members to assist the Governor's Economic Advisory Committee in the development of new programs to assist the unemployed native Alaskan. You may recall that all but one of the members of the latter committee were killed in a plane crash a few weeks ago at Barrow, Alaska, while reviewing employment problems among the arctic natives. I requested, and received, state funds to train Indian workers for jobs in the lumber industry after a federally funded program was terminated. In this next session a bill will be submitted that allows entry into certain state civil service positions by persons who lack the necessary educational and experience requirements but show promise that they can learn while on the job.

Allegation: Department of Highways, State of Alaska, had couplet plan for Northern Lights Boulevard and 30th Avenue. Hickel bought 16 acres at 36th for a shopping center and instructed the Department to reroute 30th part of couplet to 36th.

Response: The allegation is false. I simply have not done anything to change the plane for a Northern Lights-30th Avenue couplet. My staff has ascertained from officials of the Department of Highways that work on improvement of Northern Lights Boulevard is slated for the 1969 construction season. The same sources have advised my staff that the 30th Avenue portion of the couplet project has already been proposed to B.P.R. and that preliminary surveying is in progress.

Question. What was the nature of your past business relationship with Michael T. Halbouty? Did you ever own stock in Halbouty Alaska Oil Co.? Do you have any present business relationship with him?

Answer. I was associated in business with Mr. Halbouty in the late 1950's. Our principal venture was the proposed construction of a twin tower hotel and office building in downtown Anchorage. Land was acquired for the site but the structure was not built. In addition, we had an interest in a radio communications business in Alaska. When we severed our business connection in about 1960, I kept the real estate and Mr. Halbouty the communication firm.

Neither during our business connection nor since have I had any interest in the oil side of Mr. Halbouty's business activities. His oil company is Halbouty-Alaska.

U.S. DEPARTMENT OF THE INTERIOR,
BUREAU OF LAND MANAGEMENT,
Anchorage, Alaska, January 18, 1969.

Hon. HENRY M. JACKSON,
Chairman, Committee on Interior and Insular Affairs,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: On January 17 at approximately 2:30 p.m. Alaska Standard Time, Mr. William J. Van Ness, Jr., Special Counsel for the Interior and In-

sular Affairs Committee, acting under your direction, called and requested information on oil and gas applications filed by and leases issued to Walter J. Hickel and a number of related business interests. Mr. Van Ness requested us to telephone the information obtained.

A search of the public records of the Bureau of Land Management in the Anchorage and Fairbanks Land Offices was made and furnished Mr. Van Ness by telephone and further confirmed by telegram filed at 6:30 p.m. Alaska Standard Time, January 17, 1969. Mr. Van Ness requested this material furnished be also confirmed in writing.

This letter confirms the information found as a result of a review of the public records contained in the Land Offices concerning Walter J. Hickel, Hickel Investment Company, and 25 other companies or corporations with respect to activity in the oil and gas business. It should be noted that only the active files were reviewed. Our inactive files are systematically shipped to the Federal Records Center at Auburn, Washington. The information found is as follows:

1. No record of any existing lease or offers for Walter J. or Ermalee Hickel, or any of the 26 listed companies furnished by Mr. Van Ness.

2. Our index records show that Ermalee Hickel filed an oil and gas lease offer A–030906 on July 28, 1955, involving 1,385 acres. The case was rejected and closed on October 17, 1955.

3. Our records on the Tallman case (U.S. Court of Appeals for District of Columbia Circuit No. 17598), involving the Kenai Moose Range and initial oil development in Alaska, lists 23 offers filed by Walter J. Hickel.

4. On January 17, 1969, Ken Smith requested copies of serial pages. In processing this request, the clerk noted that they were all Walter J. Hickel and Hickel Investment Company cases, involving oil and gas leases. These serial pages included all the serial numbers furnished by Mr. Van Ness and one additional, A–058593.

5. Serial A–058593 is a partial segregation out of base lease A–025122, which was originally issued to Walter J. Hickel, % Yakutat Development Company, 939 Wyatt Building, Washington 5, D.C. The application was filed on August 3, 1953, and lease issued on April 11, 1956. This segregation of base lease A–025122, as a result of contraction of a unit agreement, was effective June 12, 1962. The segregated lease portion was shown in the name of Walter J. Hickel, c/o Colorado Oil and Gas Company, Denver Club Building, Denver, Colorado.

We have no current record of the Yakutat Development Corporation and presume it to be no longer active. The Colorado Oil and Gas Company is quite active, has oil and gas leases, and is actively exploring on the North Slope. The corporate qualification file shows only the Colorado Interstate Gas Company to hold more than 10 percent. The corporate qualification file for Colorado Interstate is located in the Bureau's Santa Fe Land Office.

6. Our records show the Hickel Investment Company to have filed 17 oil and gas offers, Serial Numbers A–060211, 13, 14, 370–378, and 391–395. These are located on the Kenai Moose Range and were filed September 30, October 24, and October 28, 1963. These applications were all withdrawn January 8, 1964 without leases having issued.

7. Walter J. Hickel filed 23 applications A–060487–509 on November 19, 1963 on the Kanai Moose Range. These top-filed all, or the majority, of the Hickel Investment Company filings. No action was taken on these filings pending the outcome of the Tallman case. On June 23, 1965 the offers were withdrawn and the case is closed.

8. We were unable to find any oil and gas leases in the name of Roger Cremo.

The information furnished is the result of a thorough search of our active case files and index records in the Land Offices. Our inactive case files and historical records are stored in the Federal Records Center, Auburn, Washington. Time and location prevented a review of this material. Because of the historical nature of the material normally sent to the Records Center, I do not believe it necessary to review these records.

Sincerely,

BURTON W. SILCOCK, *State Director.*

JANUARY 16, 1969.

Hon. HENRY M. JACKSON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR JACKSON: As requested by your Committee staff, enclosed is the form of trust agreement contemplated by the confidential statement which was transmitted to you by my letter of January 12.

I will execute the trust instrument in its present form as soon as it is appropriate to do so. As soon thereafter as arrangements can be made with a corporate trustee, the trust will start functioning.

Sincerely yours,

WALTER J. HICKEL.

TRUST AGREEMENT

This trust agreement is made this day of January, 1969, between Walter J. Hickel of Anchorage, Alaska, and his wife, Ermalee Hickel, hereinafter referred to as the settlor and the co-settlor, respectively, and , hereinafter referred to as the trustee.

The settlors hereby transfer to the trustee all of their interests in the assets described in the annexed Schedule A, in trust and subject to provisions of this agreement.

The settlors agree to execute and deliver such other instruments as may be necessary or proper to effectively transfer to the trustee all of their interest in the property described in said schedule.

1. The trust hereby created shall be irrevocable and terminate at the conclusion of the settlor's service as Secretary of the Interior, or at his death, whichever first occurs.

2. Settlor has taken office as Secretary of the Interior. The purpose hereof is to avoid any conflicts between the private interests of the settlors and the public interest. Accordingly and notwithstanding any law to the contrary governing the administration of trusts, trustee shall manage the property which is the subject hereof without the participation of the settlor or the co-settlor and without divulging to the settlor or the co-settlor, in any manner, information concerning the existing investments, contemplated investments, and activities of the trust. In addition the trustee, generally, shall avoid all such conflicts and, particularly, shall—

(1) refrain from making investments in the securities of corporations which might have any dealings with the Department of the Interior and which might be regulated by the Secretary of the Interior, and

(2) as to controlled corporation and partnerships, require them to refrain from doing any business with the Department of the Interior and with any industry regulated by the Secretary of the Interior.

The settlor will refrain from divulging to the trustee, in any manner, information concerning the activities of the Department of the Interior.

3. Subject to above-stated limitations, the trustee is empowered—

(1) to acquire by purchase, by exercise of options, or otherwise, or retain so long as the trustee deems advistable, any kind of realty and personality—or undivided interests therein—including stocks of any class, unsecured obligations, interests in investment trusts and discretionary common trust funds—all without diversification as to kind or amount, without being restricted by any statute or rule of law concerning fiduciary investments;

(2) to sell for cash or on credit (at public or private sale), exchange, grant options to purchase or otherwise dispose of any real or personal property;

(3) to join in, consent to or become a party to any reorganization, merger, consolidation, dissolution, readjustment, exchange, or other transaction and any plan or action thereunder or in connection therewith; to deposit any such property with any protective, reorganization or similar committee; to delegate discretionary powers thereto and to share in payment of its expenses and compensation and to pay any assessments levied with respect to such property and to receive property under any reorganization, merger, consolidation, dissolution, readjustment, exchange or other transaction whether or not the same be authorized by law for the investment of trust funds;

(4) to exercise all conversion, subscription, voting and other rights of whatsoever nature pertaining to any such property and to grant proxies, discretionary or otherwise, with respect thereto;

(5) with respect to any real property (including real property acquired on foreclosure or by deed in lieu thereof) at any time held hereunder, to sell, exchange, partition, lease, sublease, mortgage, improve, or otherwise alter upon such terms as it may deem proper, and to execute and deliver deeds, leases, mortgages, or other instruments relating thereto. Any lease may be made for such period of time, including a lease beyond a five-year period, as it may deem proper and without the approval of any court;

(6) to extend the time of payment of any bond (or other obligation) and mortgage held by it, or of any installment of principal or interest or hold such bond (or other obligation) and mortgage after maturity as past due; to consent to the alteration or modification of any terms thereof; to foreclose any such mortgage or compromise or settle claims thereunder; to take over, take title to or manage the property, or any part thereof affected by any such mortgage, either temporarily or permanently, and in partial or complete satisfaction of any claim thereunder; to protect such property against or redeem it from foreclosure or nonpayment of taxes, assessments, or other liens; to insure, protect, maintain, and repair such property; and generally without limitation by the foregoing specification to exercise with respect to such bond (or other obligation) and mortgage or such property all rights and powers as may be exercised by a person owning similar property in his own right;

(7) to borrow money from any person or corporation for any purpose without resorting to the sale of any assets; and for the purpose of securing the payment thereof, to pledge, mortgage, or otherwise encumber any and all such property upon such terms, covenants, and conditions as it may deem proper and also to extend the time of payment of any loans or encumbrances which at any time may be encumbrances on any such property irrespective of by whom the same were made or where the obligations may or should ultimately be borne on such terms, convenants, and conditions as may deem proper.

(8) to register property belonging to the trust in the name of its nominee, or to hold the same unregistered, or in such form that title shall pass by delivery;

(9) to abandon, settle, compromise, extend, renew, modify release, adjust or submit to arbitration in whole or in part and without the order or decree of any court any and all claims whether such claims shall increase or decrease the assets held hereunder;

(10) to determine whether or to what extent receipts should be deemed income or principal, whether or to what extent expenditures should be charged against principal or income, and what other adjustments should be made between principal and income, provided that such adjustments shall not conflict with well-settled rules for the determination of principal and income adjustments;

(11) to do all such acts, take all such proceedings and exercise all such rights and privileges, although not hereinbefore specifically mentioned, with relation to any such property, as if the absolute owner thereof, and in connection therewith to make, execute and deliver any instruments and to enter into any covenants or agreements binding the trust.

4. Nothing contained herein shall require the trustee—

(1) to retain any of the assets described in Schedule A, or

(2) to cause any controlled corporation or partnership to retain any of its present assets.

5. The trustee shall pay to the settlors the net income derived from the property which is the subject hereof at such times as it deems appropriate, but not less often than quarter-annually.

6. If the income of the trust is insufficient to meet what the settlors in their judgment regard as important personal needs, the trustee shall, upon the written demand of the settlors, provide to the settlors out of trust principal such amounts in cash as they may have specified. No such invasion of trust principal shall be permitted by the trustee, however, if the trustee determines that to do so would be detrimental to the trust estate. Liquidity requirements and other factors deemed important by the trustee shall be relevant to such determination.

7. Upon the expiration of the term of the trust the trustee shall, unless otherwise provided by written amendment of the provisions of this paragraph, distribute all remaining trust principal and any undistributed trust income to the settlors jointly.

8. Notwithstanding any provision to the contrary contained herein, the settlors shall be provided by the trustee with all information needed by them for the preparation and filing of federal, state, or other income tax returns, including any information needed in connection with the audit thereof and any related proceedings.

9. The Settlor shall have the right, with the consent of the trustee, to deliver additional property to the trustee which thereupon shall become a part of the trust, subject in every respect to the terms and conditions of this agreement.

10. The trustee shall be compensated by an annual fee, computed annually, equal to of the market value of the principal of the trust.

11. The validity, construction and administration of this trust shall be governed by the laws of the State of Alaska.

IN WITNESS WHEREOF this trust agreement has been signed, sealed and delivered as of the date first above written.

WALTER J. HICKEL,
ERMALEE HICKEL,
——— ———, *Trustee.*

TRUST AGREEMENT

The undersigned, Walter J. Hickel, of Anchorage, Alaska, has been elected Governor of the State of Alaska for a four year term commencing December 5, 1966. Presently he is the owner of extensive business enterprises in the hotel, motel, shopping center, general contracting, mechanical contracting, painting contracting, and other fields. In order that he will be able to function effectively and fairly as Governor, without criticism or embarrassment and without actual or suspected conflict between the aforementioned private interests and the public interest, he desires to remove himself from and terminate his connection with such private interests. Recognizing that divestiture of such interests either is not possible or at least is impractical, he intends, nevertheless, by this instrument, to so sever his connection with the same that they will not demand or require his participation or attention during the period that he serves as Governor.

The undersigned, Walter J. Hickel, hereby designates Roger Cremo, Esq., of Anchorage, Alaska, as his trustee to serve in such capacity throughout the entire period that he holds the aforementioned public office. Generally, the subject of the trust shall be all property, real and personal, owned by Walter J. Hickel, alone or jointly, for business purposes; and the trust shall be governed and administered in accordance with the following provisions:

1. Legal title to the property which is the subject hereof, but only to the extent that it is necessary to enable the trustee to function in accordance herewith, is hereby transferred to the trustee. Nothing contained herein transfers to the trustee any equitable interest in such property.

2. The powers and authority hereby conferred upon the trustee shall terminate at the end of the period that Walter J. Hickel holds office as Governor of Alaska, or, if he dies in office, at the time of his death.

3. Nothing contained herein shall affect any bequest and devise, or the descent and distribution, of any of the property of Walter J. Hickel upon his death. If necessary to perfect their title, trustee shall transfer any legal interest acquired hereby to the legatees, devisees, heirs, and distributees of Walter J. Hickel.

4. The trustee is authorized for and in behalf of Walter J. Hickel to do the following:

(*a*) Vote corporate stock for the election of directors and for such purposes (including, without limitation, dissolution, reorganization, consolidation, merger, sales, and mortgages) as the directors may, from time to time, propose and recommend to stockholders.

(*b*) Guarantee payment of any indebtedness of any corporation, or any subsidiary of any corporation, or any partnership a member of which is any corporation, in which Walter J. Hickel, alone or jointly, owns forty per cent, or more

of the outstanding common stock, but only when requested to do so by the directors of the corporation so owned.

(c) Agree to indemnify any bonding company which provides a payment, performance, or other bond for any such corporation or subsidiary or partnership, but only when requested to do so by the directors of the corporation so owned.

(d) Request and receive from Walter J. Hickel any document further defining the authority conferred hereby.

(e) Request and receive from Walter J. Hickel any document separately stating any part of the authority conferred hereby.

(f) With respect to property which is not corporate stock, transfer, convey, mortgage, and otherwise deal with the same but only upon the request of and as directed by the directors of Hickel Investment Company, which will care for and manage the same as hereinafter provided.

(g) With respect to partnership interests, such as the interest of the undersigned in the general partnerships Clark's Painting and Decorating and Traveler's Inn of Anchorage, transfer and otherwise deal with the same and exercise the authority of a partner, but only upon the request of and as directed by the directors of Hickel Investment Company, which will, for care and management purposes, function in his stead as hereinafter provided.

5. (a) Although it is for the trustee to determine how stock should be voted in elections for directors, it is the suggestion of the undersigned that the following persons be elected directors of the following corporations:

Hickel Investment Company, Vernon W. Hickel, Richard L. Silbearer, and Roger Cremo.
Northland Pipe and Supply Company, Inc., Vernon W. Hickel, Richard L. Silberer, and L. E. Jeffs.
Alaskan Plumbing and Heating Company, Inc., Vernon W. Hickel, Richard L. Silberer, and L. E. Jeffs.
Travelers Inn of Fairbanks, Inc., Vernon W. Hickel, Richard L. Silberer, and Hans J. Beckerwerth.
Northern Lights Shopping Center, Inc., Vernon W. Hickel.
Mountain Mining Company, Vernon W. Hickel.
Barrow Realty Corporation, Vernon W. Hickel.

(b) Although it is for directors to determine who should serve as president and general manager of such corporations, it is the suggestion of the undersigned that Vernon W. Hickel be elected to that position, and that Richard L. Silberer be elected vice-president and assistant general manager of such corporations.

6. Most of the property which is the subject hereof is corporate stock. As to that property which is not corporate stock, including, without limitation, partnership interests and real estate, Walter J. Hickel has heretofore provided for the care and management of the same by an arrangement with Hickel Investment Company, one of the corporations in which he owns stock.

7. The undersigned has resigned as director and as president or other officer of several corporations. Nothing contained herein shall be deemed to require the trustee to seek, accept, or serve in, any office which is vacant because of such resignations.

8. The trustee shall incur no liability for loss, destruction, diminution in value, failure to insure, failure to pay taxes and assessments, inadequacy of profits, failure to correctly prepare and file income tax returns, inadequacy of management, and all other causes adversely affecting the property which is the subject hereof, and, in general, the aforementioned private interests; but nothing contained herein shall limit the responsibility of the trustee for his wilful misconduct. Nothing contained in this paragraph shall be deemed to enlarge the function or authority of the trustee.

9. Nothing contained herein shall prevent the current distribution of income to the undersigned.

10. The function of the trustee shall not include filing noncorporate federal and state income tax returns.

11. The trustee shall receive no compensation.

12. Acceptance of the authority conferred hereby is indicated by the execution hereof by the trustee.

13. Ermalee Hickel joins herein; and all of the authority hereby conferred upon the truste shall in all respects apply to her and her business property, including, without limitation, corporate stock and partnership interests.

Dated: December 1, 1966.

WALTER J. HICKEL.
ERMALEE HICKEL.

ROGER CREMO.

UNITED STATES OF AMERICA,
State of Alaska, ss:

Walter J. Hickel and Ermalee Hickel appeared before me on the 1st day of December, 1966, at Anchorage, Alaska. I know them to be the persons described in and who executed the foregoing trust agreement. They said they knew the contents thereof and acknowledged the same to be their act.

JOE S. HOWARD,
Notary Public for Alaska.

My commission expires: January 24, 1968.

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