

Y4
. In 8/13
N 72/
970

9114
In 8/13
N72
970

INTERIOR NOMINATION

GOVERNMENT
Storage

HEARING
BEFORE THE
COMMITTEE ON
INTERIOR AND INSULAR AFFAIRS
UNITED STATES SENATE
NINETY-FIRST CONGRESS
SECOND SESSION
ON
THE NOMINATION OF FRED J. RUSSELL AS UNDER SECRETARY
OF THE DEPARTMENT OF THE INTERIOR

✓
511600 704015
00977Y

APRIL 6, 1970

RECEIVED
JUN 22 1970
THE LIBRARY
KANSAS STATE UNIVERSITY



Printed for the use of the
Committee on Interior and Insular Affairs

U.S. GOVERNMENT PRINTING OFFICE
WASHINGTON : 1970

AY
22 8/13
N 22
070

INTERIOR NOMINATION

HEARING

COMMITTEE ON

COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

HENRY M. JACKSON, Washington, *Chairman*

CLINTON P. ANDERSON, New Mexico
ALAN BIBLE, Nevada
FRANK CHURCH, Idaho
FRANK E. MOSS, Utah
QUENTIN N. BURDICK, North Dakota
GEORGE McGOVERN, South Dakota
GAYLORD NELSON, Wisconsin
LEE METCALF, Montana
MIKE GRAVEL, Alaska

GORDON ALLOTT, Colorado
LEN B. JORDAN, Idaho
PAUL J. FANNIN, Arizona
CLIFFORD P. HANSEN, Wyoming
MARK O. HATFIELD, Oregon
TED STEVENS, Alaska
HENRY BELLMON, Oklahoma

JERRY T. VERKLER, *Staff Director*
STEWART FRENCH, *Chief Counsel*
WILLIAM J. VAN NESS, *Special Counsel*
CHARLES COOK, *Minority Counsel*

(II)

RECEIVED

JUN 28 1950

THE LIBRARY
KANSAS STATE UNIVERSITY



CONTENTS

STATEMENTS

	Page
Cranston, Hon. Alan, a U.S. Senator from the State of California.....	3
Dole, Hon. Robert J., a U.S. Senator from the State of Kansas.....	3
Murphy, Hon. George, a U.S. Senator from the State of California.....	2
Russell, Fred J., Under Secretary Designate, Department of the Interior..	4

ADDITIONAL INFORMATION

Biographical sketch of Fred J. Russell, Under Secretary Designate, Department of the Interior.....	1
---	---

CONTENTS

PREFACE

The following is a list of the contents of the book, arranged in the order in which they appear in the text. The numbers in parentheses indicate the page on which each chapter begins.

CHAPTER I. INTRODUCTION

The first chapter is an introduction to the subject of the book, and is divided into three sections: (1) The scope and limits of the subject; (2) The history of the subject; (3) The method of the subject.

NOMINATION OF FRED J. RUSSELL AS UNDER SECRETARY OF THE DEPARTMENT OF THE INTERIOR

MONDAY, APRIL 6, 1970

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

The committee met, pursuant to notice, at 10 a.m., in room 3110, New Senate Office Building, Senator Henry M. Jackson (chairman of the committee) presiding.

Present: Senators Jackson, Bible, Moss, Metcalf, Allott, Jordan of Idaho, Fannin, Hansen, Hatfield, Stevens, and Bellmon.

Also present: Jerry T. Verkler, staff director; Stewart French, chief counsel; and Charles Cook, minority counsel.

The CHAIRMAN. The committee will come to order.

The committee is meeting this morning to consider the nomination by President Nixon of Fred J. Russell to be Under Secretary of the Department of the Interior.

Without objection, the biographical sketch will be included at this point in the record.

(The biographical sketch referred to follows:)

BIOGRAPHICAL SKETCH OF FRED J. RUSSELL UNDER SECRETARY-DESIGNATE, DEPARTMENT OF THE INTERIOR

Residence: 143 North Arnaz Drive (Apartment 4), Beverly Hills, California.

Born: June 9, 1916 at Edmonton, Alberta, Canada of U.S. citizen parents.

Marital status: Single.

Education: Graduated from Monrovia-Arcadia-Duarte High School, Monrovia, California.

College credits from University of California Extension Division in Economics, General and Advanced Accounting, Cost Accounting, Auditing, Commercial Law.

Military service: Private in U.S. Marine Corps Reserve, 13th Battalion, Fleet Marine Corps Reserve, from November 4, 1935 to expiration of enlistment and honorable discharge on October 22, 1939.

Employment: 1935. Apprentice—South Pacific Company (railroad), Los Angeles, California.

1936-43. Many jobs—Douglas Aircraft Co., Inc. (aircraft), Santa Monica, California.

1943-45. Assistant Works Manager, Plant Manager—Timm Aircraft Corp. (aircraft), Van Nuys, California.

1946-68. President and General Manager—Weiser Co. and several subsidiaries (door locks, builders' hardware), Southgate, California; Burnaby, British Columbia, Canada Mexico City, Mexico.

1949-58. Builder—various companies (individual houses, apartments, and 571-unit Wherry Act military housing project), Southern California.

1956-58. President—Gabriel Steel Co. (steel joists, basement construction products, industrial racks and tote boxes), Detroit, Michigan.

1949-present. Developer, Operator—Southland Water Co., Mira Loma Water Co., Mira Loma Farms (public utility water production and distribution; irrigation water production and distribution), Norwalk and Mira Loma, California.

1949-present. Own, expand, operate for rent—various companies or individual entities (industrial properties, apartments, individual houses, shopping centers), Southern California; Fresno, California; Wichita, Kansas.

1969-present. Deputy Director, Office of Emergency Preparedness, Executive Office of the President, Washington, D.C. (Presidential Appointee).

The CHAIRMAN. The two Senators from California are here this morning. I understand they would like to present a brief statement. I will ask Senator Murphy and Senator Cranston to come forward.

Mr. Russell, you may wish to be seated with them.

Senator Murphy, do you have a statement you would like to make at this time?

Senator MURPHY. I do, Mr. Chairman.

STATEMENT OF HON. GEORGE MURPHY, A U.S. SENATOR FROM THE STATE OF CALIFORNIA

First of all, I would like to thank you and the Committee on Interior and Insular Affairs for permitting me to be here today to introduce my good friend and constituent Mr. Fred J. Russell, who President Nixon has seen fit to name to be Under Secretary of the Interior. I understand that you have Mr. Russell's biographical background before you, but I would wish to add that I have known Mr. Russell for many years. I know him well and intimately, and I know of his many fine contributions both to the State of California and on a national basis. He has served well as Deputy Director in the Office of Emergency Preparedness, and I believe that the President has made an excellent choice in sending his name up here.

As you will see from his background, Fred Russell has had a very broad and successful business experience. I know him to be an extremely practical man. He is a man that, in the time I have known him, gets the job done and gets it done promptly. I think this is exactly what we need in the Administration at this particular time.

He has a broad management background. Some would say, "Well, maybe that is not needed". I disagree. I think it is needed.

In the last 2 or 3 years I have had a great opportunity to look into the conditions, the management and operation of our national parks and national forests. We have just been through an experience with the Point Reyes thing which I am a little sensitive to. It started out in 1962 and because it had been held over, the cost wound up about two and a half times what it would have been had we done it expeditiously at the outset.

I do think that in the appreciation for the preservation of these areas, a matter that I have discussed at great length with Mr. Russell, and the management needed in getting future planning for these parks, these wilderness areas and all the rest, to get them expedited, I think the committee will find that his experience and his reputation in these areas stands him in good stead.

I know I have discussed land use with him and the conditions, for instance, in San Francisco Bay, San Diego Harbor and some of these other problems that have been hanging fire for some time.

I would recommend most highly that the committee receive this nomination in a most friendly fashion. I am very pleased to have this opportunity, and I commend my friend Fred Russell to you for your favorable consideration. I would respectfully recommend his early confirmation. I can think of no one I know who would be more suitable and I believe more effective in this particular job.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Murphy. We are glad to have your statement.

Senator Cranston.

STATEMENT OF HON. ALAN CRANSTON, A U.S. SENATOR FROM THE STATE OF CALIFORNIA

Senator CRANSTON. Mr. Chairman and members of the committee, I am delighted to join with my good colleague Senator Murphy in presenting our friend Fred Russell to this committee. I have known Fred Russell for a good number of years in California. I am impressed with his administrative abilities, with his solid experience in business, with his ability to solve problems, and with his integrity. He is succeeding a man, Russell Train, in this position who had a noted background in conservation.

I believe that what we need in this position basically is not necessarily a man with great past experience in that field, but a man who does understand the—and I am convinced from conversations with Fred that he does—who is dedicated to be effective in the battle for conservation, for the environment, to preserve the ecological balance which is now jeopardized in our Nation and in our world.

I believe that Fred understands this. If we limited responsibility in this field to those who have had the time and the inclination in the past to be deeply involved in this, we would exclude many whose help we need now in solving the problems that I think few of us have been fully aware of until quite recently.

Fred Russell's deep involvement in business affairs kept him from doing that in the past. He is well aware of the problems that we face, and he brings skills from elsewhere that I believe will be an asset to the battle we face in this Nation, a battle in which the Interior Department will obviously play such a great part.

He brings a real ability at solving problems to this field. It is for these among other reasons that I am delighted to be with Senator Murphy here to present him to the committee and to urge your favorable and expeditious consideration.

The CHAIRMAN. Thank you, Senator Cranston, for a very fine statement.

Thank you, Senator Murphy.

You gentlemen may be excused.

At this point, without objection, I will insert in the record a statement by the Honorable Bob Dole, a U.S. Senator from the State of Kansas.

(The statement referred to follows:)

STATEMENT OF HON. ROBERT J. DOLE, A U.S. SENATOR FROM THE STATE OF KANSAS

Mr. Chairman and members of the Committee, I want to take this opportunity to recommend favorable consideration of the nomination of Fred J. Russell as Under Secretary of the Department of the Interior.

As ranking Republican on the Disaster Relief Subcommittee of the Senate Public Works Committee, I have had the opportunity to work with Mr. Russell in his capacity as Deputy Director of the Office of Emergency Preparedness. On those occasions, Mr. Russell demonstrated a capacity for insight and a propensity to action that is sorely needed in our Federal Government. Undoubtedly, Mr. Russell's experience as a coordinator of our disaster relief programs, his understanding of the management of our strategic stockpiles, and his recent work with

the President's Oil Policy Committee will enable him to assume his position with an important reservoir of knowledge.

Mr. Russell's success in a variety of business endeavors should stand him in good stead when he seeks to rationalize the sprawling nature of the Department of the Interior.

Mr. Russell's energy and capacity for hard work should be of great assistance to Secretary Hickel.

I commend Fred Russell to you and urge a favorable report.

The CHAIRMAN. Mr. Russell, you have a statement, I believe. You may proceed now with that statement and then we will ask questions.

STATEMENT OF FRED J. RUSSELL, UNDER SECRETARY DESIGNATE, DEPARTMENT OF THE INTERIOR

Mr. RUSSELL. Thank you, Mr. Chairman, Senator Allott, and distinguished members of this committee.

Thank you for scheduling my hearing so expeditiously. I am well aware that you have done so, in spite of the fact that this committee certainly is one of the busiest in Congress.

I am deeply honored to be nominated to replace Russell E. Train as Under Secretary of the Interior. Before Train's appointment as Under Secretary, he was president of the Conservation Foundation. In your hearing on his nomination, the record says that the Conservation Foundation and Russell Train define "conservation" as "the rational use of the earth's resources to achieve the highest quality of living for mankind."

I assure you that, if I am confirmed, I shall be dedicated wholeheartedly to conservation thus defined. I recognize that Secretary Hickel is proving his dedication to conservation, and the Nixon administration has demonstrated dedication to it by creating the Council on Environmental Quality, with Russell Train as its head.

As my biographical and confidential financial data show, I have been a successful businessman prior to Government service. My business experience has dealt with the fields of aerodynamics, commercial building operations, industrial building operations, industrial engineering, some farming, manufacturing operations of several kinds, mechanical engineering, property management, public utility operations, and residential building operations.

When President Nixon nominated me as Deputy Director, Office of Emergency Preparedness 14 months ago, I resigned from business in order to be of personal service to my country. I can think of no greater way to serve than by helping Secretary Hickel to administer the Department of the Interior in such manner as to maximize "the rational use of the earth's resources to achieve the highest quality of living for mankind."

I have not had any opportunity to become acquainted with specific problems which the Department of the Interior is facing; however, my record shows that I have the ability to inquire into and resolve complicated matters, to give specific attention at the same time to a number of major problems, and to administer matters which require performance by large numbers of people.

I have no conflicts of interest. I have not heretofore been involved in activities which would bias my judgment on matters which are the responsibility of the Department of the Interior.

I have much to learn, and I will learn it. I will do my best. I am grateful for the opportunity to appear before you and will be happy to answer, as best I can, any questions you may have.

The CHAIRMAN. From your statement, I take it that you fully recognize, the big problem that we face, especially in this committee, in connection with the environment.

Can you say that you have an open mind, and that you are dedicated to the concept of meeting the problems in this area in a rational way?

Mr. RUSSELL. Yes, sir.

The CHAIRMAN. You have been in real estate development. People immediately say, "Well, real estate developers, you know"—I mean they are blanket in their treatment of these matters—"have little regard for the environment."

I would like to get your thoughts and comments in this regard as it pertains to your own business career.

Mr. RUSSELL. Well, I am certain that there are real estate developers who have, on occasion, focused on the development which they had at hand without a regard for the environment. I don't think it is so much deliberate as the fact that their view starts by being limited.

They are not expected to understand all of the needs of the environment which should be served.

I will say, though, that if given the guidance I think you will find that it will be a very rare exception where developers wouldn't be willing to comply. Much has to do with their having the opportunity to understand guidelines which are to be followed that will accomplish the correct environmental result.

The CHAIRMAN. So, you, recognize the problem of the public interest in connection with private operations. Most developers, obviously, are concerned with the profit motive, obviously. But as a person who has been in the real estate business in an extensive way, do you feel you can approach these problems with a sense of objectivity and fairness in protecting the broad public interest?

Mr. RUSSELL. Yes, sir; I do.

The CHAIRMAN. I must say you have had an outstanding record in the business world, not just in one area but in many. In reading your record here you are what we commonly refer to as a self-made man. It is an outstanding business accomplishment.

I am sure you have already encountered this, to refer to the fact that one who has been very successful in business may find it rather difficult in government, or at least frustrating. I am sure you are aware that it is an entirely different world going from a successful business career into the jungle of American bureaucracy.

Have you found that to be a minor problem?

Mr. RUSSELL. I have had 14 months of such enlightenment.

The CHAIRMAN. I am not going to ask you questions about various policy matters. I assume it would be rather difficult for you to get into such matters in detail. All I want to be sure of is that you enter upon your duties, if confirmed, with an open mind and a desire to try to find out what is the right answer based on the truth.

Mr. RUSSELL. I shall do that.

The CHAIRMAN. Senator Allott.

Senator ALLOTT. Thank you, Mr. Chairman.

Of course, various people who regard the position of Under Secretary in different ways. Some regard it as a policymaking position. I personally regard that as the job of the Secretary.

I believe this is your position, too, or attitude toward it, is it not?

Mr. RUSSELL. Yes, sir.

Senator ALLOTT. I have been very impressed, as the Chairman has just stated, with the outstanding business career you have had. One of the impressive things about it is the diversity and number of matters that you have been handling and supervising at the same time. Few people realize, I believe, that outside of the Department of Defense no department in the Government covers as many unrelated and still in some ways related fields as the Department of the Interior. I am prone to regard the position of Under Secretary as one who correlates for the Secretary and obtains decisions on policy matters, and correlates this work with the Assistant Secretaries of the various divisions.

I believe there was something you said, that you regard this job basically in that light, and to speak for the Secretary when he is not available.

Mr. RUSSELL. I do.

Senator ALLOTT. Mr. Chairman, I want my colleagues to have an opportunity to talk with Mr. Russell.

I think that is all I have. I want to welcome you here, Mr. Russell. I am very glad to see a man of your qualifications here as the nominee for this position.

Senator METCALF (presiding). Thank you, Senator Allott.

Senator Moss?

Senator Moss. Thank you, Mr. Chairman.

Mr. Russell, we are certainly pleased to have you before our committee this morning, and I welcome you here. I appreciate your statement, which has to be brief as you acknowledge you are not experienced in this field of resources. I am sure that you recognize that this committee is concerned with the development and utilization of our natural resources, which are so important to our economy, and at the same time to preserve our ecology, and expand our open space, preserving scenic beauty.

So, there obviously has to be a balance struck. We can't over-emphasize one to the detriment of the other. We have to be concerned with a balance.

You, as the principal executive officer under the Secretary, will have the burden of seeing that we do keep it well balanced.

As a businessman, with the experience you have had, and especially an executive, I would expect you to be able to bring that sort of balance in the administration of the Department.

We have been talking about whether its name ought to be changed to the Department of Natural Resources and Environment to describe what has become the mission of the Interior Department now.

Are you familiar with the various subcommittees that we break down to in this committee in order to try to deal with the functions of your Department?

Mr. RUSSELL. No, sir, not yet.

Senator Moss. They range from parks and recreation over to minerals, materials and fuels, public lands to water and power. So, you see they have this kind of balance. I am sure that you will be able to give your attention to that and do it adequately.

I don't have any real questioning that I feel I could present this morning.

I appreciate your statement, that you think you have much to learn and that you will learn it. I am sure you will. I am sure a man of your qualifications and background can do the job well.

I simply wish you well and indicate my desire, and I am sure the committee's desire, to work very closely with you as you take on these responsibilities.

Mr. RUSSELL. Thank you very much.

Senator METCALF. Thank you, Senator Moss.

Mr. Russell, the Senate is in session and there has just been a quorum call. As you see some of the members of the committee leave, it is because we have to go and answer the quorum. It is not out of lack of interest to your nomination.

We will continue the hearing and each Member can answer the quorum call. Afterwards, we want to go into executive session.

Senator Jordan?

Senator JORDAN. Thank you.

Mr. Russell, I want to welcome you before this committee. I am impressed with your background as a businessman. Perhaps it is just as well that you have not involved yourself in some of the ramifications that involve the Department of Interior. You come with an open mind and a clean statement. But this Department, more than any other in Government, covers a broad front, a wide area of interest, from Indians to minerals, to lands, water, recreation, national parks, fish and wildlife, territories—you name it and it is in the Department of Interior.

Perhaps your naivete in the particular operations of this vast, farflung Department is really an asset inasmuch as you can bring to it, as you told the Chairman and Senator Allott, an openminded willingness to learn and a willingness to work.

This Department, it seems to me, desperately needs someone of your managerial ability. There are a lot of loose ends that need pulling together. I would hope that among your duties, as they are outlined to you, would be some chance to employ the skills and techniques that have made you successful in business management to the affairs of this Department in order that we can get a better grasp of some of the problems that we are confronted with.

I haven't any questions especially, Mr. Chairman. I welcome Mr. Russell.

Senator METCALF. Thank you, Senator Jordan, for that statement. Senator Bible?

Senator BIBLE. Thank you, Mr. Chairman.

I have met Mr. Russell and had a very pleasant conversation with him. He impresses me as a man who knows how to get things done. They need somebody like him in the Department of Interior.

You are moving into a Department that has a little piece of the action in various fields. Or it is like a can of worms in many areas. Maybe you can put your expertise to work and get it straightened out.

I have no specific questions to ask you. I don't think any new man coming aboard in a new field, without prior experience, has many answers to these problems.

I wish you would do one thing for me. I have had a geothermal steam bill that has been pending down there before the Department

of Interior in two administrations over a period of 8 solid years. If you had taken that long to be a successful businessman, you would have gone bankrupt, as you know. I don't expect you to know the answers to this. A very good friend of mine, Mr. Hollis Dole, has said that this is in his direct responsibility. I use every opportunity when he comes before us to beg him and plead with him to somehow or other come up with a report.

If you will carry that message back—and I see Tom Holly here and I have given him that message many, many times—somewhere during our lifetime we ought to be able to get a report out of the Department of Interior.

Would you lend your good efforts to that? I don't want you to make any comments on the merits of the bill. I wouldn't expect you to know about it. At least give me a report saying you are for or against it, or it should be passed this way or that way. If you can get me a little action, you will certainly make one good friend right off the bat. Would you do that for me?

Mr. RUSSELL. I will promise the action.

Senator BIBLE. Good. I can follow that through, but I wouldn't. I could say, "When?" I am sure you would say, "In the reasonably near future." Then I could say, "Well, is that 30 or 60 days?" I wouldn't pinpoint it that fine.

Please mention this to Secretary Hickel and again to Under Secretary Hollis Dole, and maybe during your tenure down there we can get a report on it. Will you do that?

Mr. RUSSELL. I shall.

Senator BIBLE. Thank you.

I have no further questions, Mr. Chairman.

Senator METCALF. Mr. Russell, that comes not only from a very senior member of this committee, but from the chairman of the Subcommittee on Interior Appropriations. So you will heed that admonition.

Senator FANNIN?

Senator FANNIN. Thank you, Mr. Chairman.

Mr. Russell, it is a pleasure to have you here before us this morning. We are impressed with your background, from your biographical sketch, and the leadership you have exhibited over the years. Also, the impressive statements made by Senators Murphy and Cranston.

I agree with Senator Murphy's statement that your background is one that is certainly vital as far as leadership is concerned. It is imperative, as you well know, in this Department to manage a great many affairs of government.

Senator Bible mentioned about the geothermal item. I know that it is vital to your State of California. I wonder also how much you have been involved in the development of water projects. I notice you were the operator of the Southland Water Co., and others, including irrigation water, production and distribution. Were you at all involved in the controversy between Arizona and California in the central Arizona water project?

Mr. RUSSELL. No, sir.

Senator FANNIN. This is one of the vital programs I feel as far as California and Arizona are concerned, and other States, including Nevada. You say in your statement, "I have not had any opportunity to become acquainted with specific problems which the Department of Interior is facing."

This is one of the urgent problems. I hope you would look with favor at the earliest possible time for the development of this project. We realize that because of the Vietnamese problem, problems in Southeast Asia, we cannot go forward as rapidly as we would like. I would hope that you would use some of this ability you have demonstrated over the years to help us in this particular central Arizona water project.

Are you familiar enough with it to comment at all upon the project?

Mr. RUSSELL. No, sir; I am not. These water operations all were extractions via water wells, and they are small.

Senator FANNIN. As you know, this is quite a large project and very sensitive as far as California is concerned. We have many common problems along the Colorado River. Naturally, I know that you are going to be vitally concerned with the programs all over this Nation and throughout many areas of the world. The responsibilities that you will accept in regard to your position are very extensive.

I certainly appreciate the opportunity of visiting with you. I would like to discuss the matter further with you as the projects develop.

I wish you well.

Mr. RUSSELL. Thank you.

Senator METCALF. Senator Bellmon?

Senator BELLMON. Mr. Chairman, thank you very much.

I didn't have many questions to ask Mr. Russell. I am sorry I missed the questions that were asked while I was answering the rollcall.

It is obvious from your statement and from your biography that you have spent most of your life in business endeavors, and yet in this position you will be called upon to make many decisions, or at least help make many decisions, that may not be particularly favorable to business interests. Do you feel you have any friendships or, I guess you would almost say, debts that would keep you from being entirely objective about the way you look at your job?

Mr. RUSSELL. No, sir.

Senator BELLMON. You are not presently connected with such companies as Douglas Aircraft or any of these others that may be affected by your decisions?

Mr. RUSSELL. No, sir; in no way. I am very independent of any companies.

Senator BELLMON. You do have real estate holdings?

Mr. RUSSELL. Yes.

Senator BELLMON. You feel these do not interfere with your independence?

Mr. RUSSELL. No, sir. They are all developed properties. They are not up for decision.

Senator BELLMON. One other question: I notice that you have had and perhaps still have farming interests. Could you give us any insights on your feelings toward the use of herbicides and pesticides as it relates to agriculture?

Mr. RUSSELL. I do not now have any farming interests now, Senator. I did have a farm property which I sold approximately 3 years ago, so I am not involved in that either.

Senator BELLMON. Do you have any feeling about the effect of herbicides or insecticides, or even the heavy use of nitrates on pollution?

Mr. RUSSELL. I don't have any expert opinion. I have the feeling that matters like these have to be examined thoroughly and the

effects, good and bad, have to be weighed. The public good has to be served by knowledgeable decisions.

Senator BELLMON. Mr. Chairman, that is all I have.

Senator METCALF. Senator Allott?

Senator ALLOTT. Mr. Russell, I don't know whether this has been covered in the questions which were asked while we were answering the rollcall. In looking over your biography, I note that you own various real estate interests. I think it would be wise to ask this question for the sake of the record: Are any of these properties located on or connected with any public lands, that is to say BLM lands, parks, adjacent to wilderness areas, Forest Service lands or anything of that sort?

Mr. RUSSELL. No, sir.

Senator ALLOTT. Then I notice that as a developer you were a developer of the Mira Loma Water Co., public utility water production and distribution, irrigation water production and distribution.

What was the source of that water?

Mr. RUSSELL. Water wells.

Senator ALLOTT. And where is Mira Loma?

Mr. RUSSELL. It is in southern California, 7 miles east of Ontario, Calif.

Senator ALLOTT. I think that is all I have, Mr. Chairman.

Senator BIBLE. Mr. Chairman, might I ask one further question?

Senator METCALF. Senator Bible.

Senator BIBLE. This was given to me after looking at Mr. Russell's financial statement. I certainly don't intend getting into that in any depth.

In this whole field of environmental improvement, one of the suggestions has been made that the overhead powerlines and overhead telephone communications lines should be buried underground.

I note that you have holdings in apartments and in shopping centers, things of that kind. I don't know whether the utility lines that serve these holdings of yours, or these corporations in which you have some interest, are overhead or underground. Have you ever had to face that problem as a builder?

Mr. RUSSELL. Yes.

Senator BIBLE. And what have you done?

Mr. RUSSELL. I favor the underground.

Senator BIBLE. You favor the underground, but how about the ownerships that you have? Are the utility lines overhead or underground?

Mr. RUSSELL. Some are underground and some are overhead.

Senator BIBLE. Would this pose any particular embarrassment to you if some type of a decision was made that they should be put underground?

Mr. RUSSELL. No. I would recognize that it would offer some esthetic—

Senator BIBLE. I believe there is such a trend. I believe in my State, if a new subdivision goes in, it is required that they be put underground. I don't know how feasible it is in a long established area to compel the builder. I don't suppose you could compel the builder because he has converted his interest into other ownerships. I don't know if you could compel the builder to put lines, powerlines of communications lines underground.

It does seem to me that that is something that America will have to face, and is facing, as we move forward. That will have added emphasis when we get more and more into the environments.

I wanted to get your general viewpoint on it.

You say you have some of your developments that have them underground and some are still overhead?

Mr. RUSSELL. Yes, sir.

Senator BIBLE. But if there is a change in that policy, I don't know whether the cost would break out. I suppose it would go against the owner of the adjoining properties if they required them to go underground. Would that be true?

Mr. RUSSELL. On existing, it would not. It would be a cost to the utility company.

Senator BIBLE. It would be a cost to the utility company. You have no problem on that at all?

Mr. RUSSELL. No.

Senator METCALF. Would you yield?

Senator BIBLE. Yes; I yield.

Senator METCALF. It would be a cost to the consumer. If the utility pays the cost, of course, they pass it on to the consumer.

Mr. RUSSELL. It is reflected in their cost base; yes.

Senator BIBLE. That was the only question I had, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Bible.

Senator Hansen?

Senator HANSEN. Mr. Chairman, I don't think I have any questions. I am sorry I had to answer the live quorum and missed a little bit of the proceedings thus far.

Thank you, sir.

The CHAIRMAN. Senator Hatfield?

Senator HATFIELD. I have no questions, Mr. Chairman.

Senator METCALF. Mr. Chairman, Senator Stevens was here. He is answering the live quorum. He is the only one who has been here who has not had the opportunity to interrogate the nominee.

The CHAIRMAN. We will go into executive session, unless there are further questions.

At that time, Senator Stevens will have an opportunity to put questions he may have.

As the custom of the committee, we have requested and received a financial statement from Mr. Russell.

That matter will be discussed in the executive session.

If there are no further questions, the committee will recess at this time to go into executive session.

(Whereupon, at 10:55 a.m., the committee was recessed to continue on further matters in executive session.)

