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DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR 1974

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS HOUSE OF REPRESENTATIVES

NINETY-THIRD CONGRESS

FIRST SESSION

SUBCOMMITTEE ON DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES

JULIA BUTLER HANSEN, Washington, *Chairman*

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J. DAVID WILLSON and BYRON S. NIELSON, *Staff Assistants*

PART 4

Bureau of Indian Affairs
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DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1974

WEDNESDAY, APRIL 11, 1973.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

HEALTH SERVICES AND MENTAL HEALTH ADMINISTRATION

INDIAN HEALTH SERVICE

WITNESSES

DR. EMERY A. JOHNSON, DIRECTOR, INDIAN HEALTH SERVICE
HENRY V. CHADWICK, DEPUTY DIRECTOR, INDIAN HEALTH SERVICE
CHARLES MILLER, DEPUTY ASSISTANT SECRETARY, BUDGET

Mrs. HANSEN. The committee will come to order.

This morning we have the Indian Health Service. Our principal witness is Dr. Johnson, the Director.

It is a great pleasure to have you back again, Dr. Johnson. You are one of the most able witnesses appearing before our committee.

BIOGRAPHIES

Will you please insert in the record a biography of the witnesses who are appearing here for the first time.

[The information follows:]

Name: Lionel H. deMontigny, M.D.

Position: Director, Division of Indian Community Development.

Tribe: Turtle Mountain Chippewa.

Birthplace and date: Turtle Mountain Indian Reservation, Belcourt, N. Dak., October 17, 1935.

Education: University of North Dakota 1954–57. University of North Dakota Medical School 1957–59. University of Wisconsin Medical School 1959–61—M.D. degree. Internship—Duluth, Minn., 1961–62. General practice—USPHS, IHS, Pine Ridge, S. Dak., 1962–64. Residency—University of Oklahoma 1964–66.

Experience—Present: Director, Division of Indian Community Development.

1969–71: Research and development specialist, Northwest Regional Educational Laboratory.

1966–69: Deputy Director, IHS Portland area office.

1. Trained in public health administration.

2. Research and development specialist—produced materials on problem solving, issue analysis, organization, decisionmaking, planning, negotiating skills, and power equalization models.

3. Design of administrative system for Portland area office. Incorporated latest concepts of administration.

4. Design of administrative system for Kaiser-Permanent health program, Portland, Oreg.

Association memberships: American Medical Association; Association of American Indian Physicians; Commissioned Officer's Association; National Congress of American Indians; associate professor of preventive medicine, University of Oregon; associate professor, University of Hawaii; Oregon State Medical Association; associate professor, University of North Dakota Medical School; American Indian Historical Society; medical consultant to Native American Rehabilitation Association, Portland, Oreg.

Honors: Phi Eta Sigma, scholastic honors, University of North Dakota honor roll, University of Oklahoma Medical Center.

Awards: Special promotions USPHS, 1968, 1971. Outstanding Indian of the year, 1972–73.

Name: Warren J. Cardwell, M.A.

Position: Director, Division of Program Formulation, Indian Health Service.

Birthplace and date: Alma, Mich., January 17, 1927.

Education: University of Michigan, 1944; Michigan State College, 1944, 1947–51, B.A., M.A., Sociology and Anthropology University of Arizona, 1951–52, Fellow in Anthropology.

Experience—Present: Director, Division of Program Formulation, Indian Health Service, Rockville, Md.

1968–70: Deputy Director, Office of Indian Affairs, Department of Health, Education, and Welfare, Washington, D.C.

1966–68: Assistant, then Deputy Chief, Office of Program Planning and Evaluation, National Center for Chronic Disease Control (Division of Chronic Diseases), Washington, D.C., and Arlington, Va.

1965–66: Chief, Indian Section, Community Action programs, Office of Economic Opportunity, Washington, D.C.

1962–65: Assistant Chief, Office of Tribal Affairs, Division of Indian Health, Washington, D.C., and Silver Spring, Md.

1961–62: Assistant Chief, Program Analysis and Special Studies Branch, Division of Indian Health, Washington, D.C.

1960–61: Research Analyst, Program Analysis and Special Studies Branch, Division of Indian Health, Washington, D.C.

1956–60: Research Analyst, Aberdeen Area, Division of Indian Health, Aberdeen, S.Dak.

1952–56: Research, epidemiological and statistical analytical positions, Poliomyelitis Investigations Unit, Communicable Disease Center, Phoenix, Ariz., and New Haven, Conn.

Mrs. HANSEN. I am sure you have a general statement, Dr. Johnson. You may proceed.

STATEMENT OF DIRECTOR OF INDIAN HEALTH SERVICE

Dr. JOHNSON. Madam Chairman, I will place my statement in the record and briefly summarize it for you.

Mrs. HANSEN. That is fine.

[The statement follows:]

Madam Chairman and members of the committee; the Health Services and Mental Health Administration is the component of the Department of Health, Education, and Welfare, that is concerned with making high-quality health care rapidly available to all Americans. As an element of HSMHA, the Indian Health Service commitment is to citizens who make up a sizeable proportion of the American Indian and Alaska Native population.

The goal of the Indian Health Service is to elevate the health of Indian people and Alaska Natives to the highest possible level. Its mission is to assure the availability of a comprehensive health service delivery system that will provide Indians and Alaska Natives opportunities for maximum involvement in defining and meeting their own health needs. Some 435,000 American Indians, belonging to more than 250 tribes, and 53,000 Alaska Natives are eligible to participate in the program. For the most part, these people live on reservations and in other remote and isolated areas.

Since 1955, when responsibility for Indian health services was transferred to the Department of Health, Education, and Welfare, the continued support of the executive and legislative branches of Government and the efforts of the tribal

groups themselves have enabled the Indian Health Service to focus on three objectives:

(1) To develop and apply modern, innovative approaches and methods to effective, responsive, and high quality health services delivery systems, which are amenable to local direction and manning by Indians in accordance with their stated wishes;

(2) To acquaint Indian people with available health programs for which they, as American citizens, are eligible; to encourage their participation in such programs; and to alert health program administrators to Indian needs, and ways in which such needs can be met.

(3) To be responsive to the desires of Indians to engage in the self-determination process by providing options for them to man, manage, and otherwise guide and participate in the planning, operation, and evaluation of Indian health Service health services delivery systems.

PROGRAM ACTIVITIES

The comprehensive health services program of the Indian Health Service, through its delivery systems, provides a full range of curative, preventive, rehabilitative and environmental services. The program is carried out in 84 strategically located service units, utilizing a facilities system of 51 hospitals, each with an ambulatory care department, 84 health centers, and over 300 health stations and satellite clinics.

To maintain its activities, the Indian Health Service employs about 7,400 full-time health workers. More than half of them are of Indian descent, working in all categories to staff and direct services programs.

In addition to the network of Indian Health Service facilities and staff, contracts are maintained with over 300 private or community hospitals, approximately 20 State and local health departments, and some 500 physicians, dentists and other health specialists to provide hospitalization and specialized diagnostic and therapeutic services. Clinic space is also leased from Indian tribal groups, where possible, in lieu of constructing new Federal facilities.

The Indian Health Service, as the principal Federal advocate for Indians and Alaska Natives in the health field, encourages other Federal, State, and local agencies to participate in the overall effort to improve the health of these people. The number and range of departments and agences actively participating in the effort is increasing and presently includes the Departments of Agriculture, Interior, Housing and Urban Development, in addition to a number of Department of Health, Education, and Welfare components such as medicare, medicaid and others. The Center for Disease Control, for example, assists the Indian Health Service in efforts to improve the quality of clinical laboratory services, and the control of infectious diseases. Other resources provided by the National Institute of Mental Health and the National Institute of Alcohol Abuse and Alcoholism are directed to the prevention and treatment of mental illness, emotional disturbances, alcoholism, drug abuse, and suicide.

All of these services, staffs, and facilities are forged into an effective health services system through the joint efforts of Indian people and the Indian Health Service.

INDIAN AND ALASKA NATIVE PARTICIPATION

The growing participation of Indian and Alaska Native people in all phases of planning, operation, and evaluation of the Indian Health Service health delivery system is remarkable. This participation has grown within both the staffing structure of the Indian Health Service and the institutional structure of local communities, where foundations are laid for the process of self-determination.

The role of Indian and Alaska Native people has expanded greatly within the Indian Health Service as a result of training programs conducted by the Service. As previously stated, Indian people and Alaska Natives make up more than half of the total Indian Health Service work force. Trained in a wide variety of health skills, they are working as community health medics, licensed practical nurses, dental assistants, mental health aides, sanitarian aides, medical social work associates, food service supervisors, nutrition aides, laboratory technicians, radiology technicians and specialists in fields associated with environmental control.

The community health medic program is a bold new outreach approach, providing an entry point into the health care system for severely isolated Indian and Alaska Native communities. The first group of 25 Indians and Alaska Natives

have just completed the 2-year course, and have been assigned as physician assistants at Indian Health Service hospitals and field clinics. Twenty others are undergoing the academic phase of training. All have had extensive medical experience in civilian or military life.

More recently, emphasis has been placed on professional training for Indian people in health administration, public health nursing, sanitary science, health education, nursing specialties and medicine. An increasing number of college work-study programs has also been introduced, whereby Indians can increase their experience in health vocations while obtaining a formal professional education.

The upward mobility program of the Indian Health Service, which has received added support from both the Congress and the President, affords employees new opportunities to make alternative decisions with regard to upward mobility or job enrichment. The concepts of the program have become a reality for many Indians and Alaska employees. The program's objectives are to train personnel in skills needed for advancement in their chosen occupations, or to provide opportunities for horizontal movement to a position offering greater skills utilization or job enrichment.

Initial efforts in the upward mobility program were directed to the lower graded service and wage board employees who were, by custom or job structure, most restricted in advancement opportunities. Many inequities of job placement have been overcome during this past fiscal year. Much remains to be done, however, and a high priority has been given to providing upward mobility opportunities for all Indian and Alaska Native employees. These people represent a large segment of the consumer population that has exhibited increasing interest, capability, and responsibility for their own health program.

Participation by Indian people in their health program is not limited to employment by the Indian Health Service. Tribal governments and community institutions are becoming an increasingly important entity in health program management. Their involvement variously extends to guiding health programs, and to coordinating and blending together multiple health resources into the Indian Health Service delivery system.

Indian tribes are a major employer of health services workers within the geographical service unit areas of the Indian Health Service. These tribal employees, most of whom were hired as a result of contracts with the Indian Health Service, represent approximately one-fifth of the service unit health workers.

Unique among tribally employed health workers are the community health representatives and the Alaska Native Community Health Aides. In many instances, and often in extremely remote areas, these people are the only providers of health services in residence. Their function is to act as liaison between community residents and existing health resources and community health activities, promote local participation in health programs, locate new health resources, devise innovative and more effective ways to utilize resources that are available, and to carry out other tribally defined, high priority health functions. Trained by the Indian Health Service, they work in their communities under contract arrangement with the Indian Health Service. By the end of this year, there will be 718 community health representatives serving more than 400,000 Indian people belonging to more than 120 tribes in the contiguous United States. In Alaska, there will also be 185 native community health aides delivering services to residents of approximately 160 isolated villages. The Alaska community health aide is trained to perform a wide range of medical services under professional supervision received via shortwave radio or telephone.

Other tribally managed health efforts include the operation of community health services activities such as alcoholism projects, family planning programs, maternal and child health programs, and health screening and nutrition programs. A number of community development activities, Indian training, and manpower recruitment programs have also been established. A variety of funding sources and mechanisms are being used to support these activities.

Some Indian groups have chosen to design and operate wide-ranging health care systems. The California Rural Indian Health Board, under contract with Indian Health Service, arranges for the delivery of a variety of public and private health services to a specific Indian population. Using this "seed" budget, and augmenting it with services and funds provided by State, local, private, and voluntary sources, CRIHB has been able to extend arrangements for a variety of health services to approximately 38,000 Indians living in 32 rural counties and some 50 Indian reservations.

In another setting, the Indian Health Service has arranged with the United Southeastern Tribes Intertribal Council to coordinate and insure the delivery of all available health services to Indians residing in Mississippi, North Carolina, Florida, and Louisiana.

Some tribes have created internal, executive-type institutions to permit them to assume a larger, official role in direct, comprehensive health program management. The Navajos, for example, have recently established a health authority to this end. The Gila River people and others are moving toward similar organizational goals.

Indian health boards represent another type of health-oriented institution which is emerging across Indian country. Scores of tribes have developed local health boards, which advise the Indian Health Service on all aspects of program management. These boards, in turn, are represented on area boards, which advise Indian Health Service area directors. Area board representatives then make up the membership of the National Indian Health Board, which advises the Director of the Indian Health Service.

The Indian Health Service provides health program training for board members, but in no way exerts control over board decisionmaking. Rather, boards are responsible to their elected tribal leadership, which they represent. It is this board independence that has made it possible for the Indian Health Service to contract with the National Indian Health Board to evaluate the Service's activities from the consumer's point of view.

All told, the growth of Indian participation in the management of Indian Health Service programs is indicative of the growth of Indian participation in the self-determination process. We can see this growth in the increasing numbers of Indian employees who have acquired a technical sophistication of their skills, in the desire of tribes to be instrumental in the delivery of specific health services, in the increased tribal capability for managing local, comprehensive health services in lieu of Federal direction, and in the dedication of Indian leaders to serve their people's health needs.

PROGRESS TOWARD GOAL

The Federal Government's historic commitment to a long-term investment in the future of Indian people and Alaska Natives has proved to be a wise one.

New facilities constructed since 1955 include 13 hospitals, 17 health centers, and 58 field stations. Major alterations were made at 14 standing facilities, and many other hospitals and health centers were modified to serve as comprehensive community health facilities.

Over the same period, physicians assigned to the program increased from 125 to 486; dentists, from 40 to 180; and registered nurses, from 780 to 1,100.

A significant trend in the Indian health program has been the increased acceptance by Indians and Alaska Natives of health care services, and especially utilization of ambulatory services. Hospital admissions have about doubled, outpatient visits increased by almost five times, almost all babies are now born in hospitals rather than at home, and dental services have almost quadrupled.

Since passage of Public Law 86–121, enabling construction of sanitation facilities, running water and waste disposal systems have been provided for over 78,000 Indian and Alaska Native homes. A continuing program of consultations and services has also been made available to Indian and Alaska Native families and communities to assist them in implementing a comprehensive environmental health program and to maintain a healthful community.

Changes from the circumstances of 1955, together with the new input of consumer involvement and the development of more effective health services delivery methods, account for the remarkable progress being made in elevating the health status of Indian people and Alaska Natives. Since 1955, the infant death rate has declined 62 percent; the death rate from gastritis and related diseases has declined 84 percent; the tuberculosis death rate is down 86 percent; the influenza and pneumonia death rate decreased 57 percent; and the death rate from certain diseases of early infancy declined 81 percent.

These are real-life examples of program effectiveness. They represent only one benefit of the long-term Federal investment in America's first citizens. No measure can adequately reflect the enormous savings in suffering and anguish of families and communities.

THE CONTINUING CHALLENGE

Substantial gains have been made, but much remains to be done before we reach our goal of elevating the health status of Indians and Alaska Natives to the highest possible level. Their problems are more diverse, more severe, and are further compounded by a number of cultural, socio-economic and geographic-environmental factors. Using almost any accepted health index, the health of these people is still far below national standards, and their health needs significantly exceed those of the general population.

Except for heart disease, malignant neoplasms, vascular lesions—all of which are incipiently increasing—and certain diseases of early infancy, the age adjusted mortality rates are considerably higher for Indians and Alaska Natives than the general U. S. population.

In 1971, the Indian and Alaska Native infant death rate was 1.2 times higher than the comparable United States all races rate, the tuberculosis death rate 4.6 times higher, and the diabetes rate 2.2 times higher. Rates for influenza and pneumonia, accidents, and cirrhosis were 1.7 , 3.3, and 4.7 times higher, respectively.

We are continuing to develop, test, and apply the most appropriate program methodologies, strategic approaches, and administrative practices that will yield the greatest effectiveness at the local level. We are continuing to provide the maximum possible opportunities for communities to become involved and participate in the planning, operation and evaluation of programs. We are continuing to seek out and utilize all resources available to a community. We will continue to pursue our objectives in a way that works, and that "will preserve and enrich the dignity and independence of the individuals and the capacity of the system to continue to perform." [1] Only in this way can we continue our long term commitment and protect our investment in the future of America's first citizens.

PROVISION OF APPROPRIATION REQUEST

The 1974 appropriation request of $176,968,000 for "Indian Health Services" represents an increase of $9,037,263. This increase will be used to cover the mandatory cost increases for such items as within-grade promotions, supplies, medical care under contract and other contractual services. The request will continue the initiatives begun in fiscal year 1973 in the areas of Indian career development and tribal health endeavors.

The construction appropriation request in the amount of $41,717,000 will provide for: (1) a new replacement health facility at Zuni, N. Mex. ($4,378,000); (2) fire-safety projects at three Indian health installations ($630,000); (3) 12 beds for Indian patients in the northern Montana hospital, Havre, Mont. ($530,000); (4) sanitation facilities and technical services to assist Federal and tribal housing programs to serve approximately 10,000 units of new or improved housing and existing adjacent homes ($31,945,000); (5) new or improved sanitation facilities for 1,989 existing Indian homes in other locations ($3,779,000); and (6) special sanitation projects to serve ceremonial areas and community buildings, engineering investigations, emergency works, and unforeseen conditions ($455,000).

The construction of the Zuni hospital at Black Rock, N. Mex., and the northern Montana hospital at Havre, Mont., will provide services to Indians where they have been insufficiently provided in the past. The Zuni comprehensive health facility will replace a 36-bed general hospital constructed in 1934. The new structure will have a capacity of 45 in-patient beds. Even more importantly, it will provide for a variety of ambulatory and laboratory services which are an increasingly significant component of the Indian Health Service program. The Havre, Mont., hospital is being built by the community and the Indian Health Service is supporting the cost associated with 12 in-patient beds and related services which will be available to Indian citizens.

GOALS OF INDIAN HEALTH PROGRAM

Dr. JOHNSON. As we all know, the goal of the Indian Health Service is to try to help the Indian people to elevate their health status to the

[1] Quote from Secretary Richardson's departure speech from HEW.

highest possible level. We have really focused on three major objectives in the process of doing this, first, to try to develop and apply modern, innovative approaches to deliver effective, high-quality health services that are going to be appropriate to the local direction and the manning of these programs by Indian communities in accordance with their own desires

Second, in our advocate role, as the principal Federal advocate for Indians in the health field, to help Indian people gain access to their rightful programs that they are entitled to as full citizens and also to assist States, local governments, and other agencies to understand and to accept the Indian's right to participate fully as citizens in other programs provided by other Federal agencies and local programs.

ADVOCACY ROLE OF IHS

Mrs. HANSEN. How are you doing this, Dr. Johnson, and what has been the success of the Minneapolis Center?

Dr. JOHNSON. There are a number of different ways in which we approach this. It is not a simple process.

First, I think, is through the development of the Indian health boards. These are boards selected by the Indian communities who serve for policy and priority setting and an evaluation function for the health program. To have an effective board, they have to know what is going on. We have had extensive training programs over a number of years, both that we carry on ourselves, and for which we get outside experts to come in and put on regular workshops and training sessions for the various boards.

Certainly the CHR program that we have discussed many times is another grassroots attempt to get access for Indian people to all health programs, not just the Indian Health Service, but State and local programs as well.

The CHR's are trained to be stimulators and resource generators who go out and talk to county boards, county hospitals, State people and so forth.

Mrs. HANSEN. Do you find those State and county people receptive?

Dr. JOHNSON. Yes, I think by and large they have been very effective. I think we have talked to you before about the rather spectacular success that the CHR types have had with the California Rural Indian Health Board where they have really turned some counties around to bring their public health services out to the reservation, establishing clinics that are accessible to them. County hospitals have opened doors that were previously closed. I think they have been quite effective.

The other approach we use in addition to working with the Indian people themselves to help them gain the skills, knowledge, and understanding it takes to engage these systems, is to work in the other direction, on State governments and local governments. We are doing that, of course, through our people who are out in the reservation. The local service unit directors will visit the county commissioners, the county hospital and so forth; but a new approach we have been using for the last couple of years is to try to develop through the regional office system of the Department, you know, the 10 regional offices of HEW—we have now what we call our Indian liaison person——

HEW REGIONAL OFFICES

Mrs. HANSEN. Of the 10 regional offices of HEW, how many are closely associated with the Indian world?

Dr. JOHNSON. There are about seven of them that have significance.

Mrs. HANSEN. Which are those?

Dr. JOHNSON. That would be Atlanta, Dallas, San Francisco, Seattle, Denver, Chicago, and Kansas City.

Mrs. HANSEN. How about that whole area in New Mexico and Arizona? Is that serviced out of Denver?

Dr. JOHNSON. Arizona out of San Francisco; New Mexico out of Dallas.

Mr. MCKAY. The regional operation, New Mexico goes to Georgia; doesn't it?

Dr. JOHNSON. No; New Mexico goes to Dallas, Tex.

Mr. MCKAY. Then there is a misarrangement of the boundaries. I think under the Forest Service reorganization they go to Georgia.

Dr. JOHNSON. For HEW the regional offices——

Mr. MILLER. HEW, Labor, HUD, and OEO have the same boundaries. I don't know whether it applies to Agriculture.

Mr. MCKAY. I thought every agency was supposed to conform to these same boundaries.

Mrs. HANSEN. The reason I asked this question is that yesterday in the BIA hearings there were some discussions about the area and regional offices. The question has been asked by other Congressmen, are the regional offices within the concept of the areas served by the Indian Bureau? And certainly Dallas, Tex., has more oilmen than it has Indians. Whereas Albuquerque, Phoenix, and so on, have been traditionally part of the Indian world.

Now, Seattle is a location in the center, but there again you have the Portland BIA office and a Seattle Indian Health office.

INDIANS' RELATIONSHIP TO FEDERAL GOVERNMENT AND INDIAN HEALTH AREA OFFICES

Dr. JOHNSON. Our office for Indian Health Service is in Portland, too.

I think, Madam Chairman, we might straighten this out a little bit if we look at Indian people's relationships to the Federal Government. It seems to me we have to look at it as two separate and, in many respects, distinct relationships. One is the one we have been talking about—their general citizenship relationships. They are first and foremost citizens of the United States and are entitled to participate in all programs. Their access to those kinds of programs is largely through the traditional regional offices we are talking about, the 10 regional offices of HEW, Labor, and other programs referred to.

The other relationship is a unique relationship, the one the President talked about in his Indian message, based on treaties and solemn agreements between the U.S. Government and Indian tribes. That is a direct relationship of the Indian communities to the Federal Government. It does not go through States, local governments, to the regional office. It goes to the area office and the area office is located in Indian country: Albuquerque, Billings, Mont., Aberdeen, S. Dak.; so you have to separate it into two quite different relationships.

What we have tried to do is, in understanding that the direct relationship is quite well known, and they have no problem really addressing themselves to the direct Federal relationship, but there has been great difficulty, Madam Chairman, in getting an understanding on the part of State and local government of the general citizenship rights of Indian people.

ROLES OF IHS, BIA, AND STATES

Mrs. HANSEN. Both the Indian Health Service and BIA come in for a large amount of criticism because they don't do certain things and yet the responsibility for many of these things lies in the States and in the counties.

Dr. JOHNSON. We have had a vigorous program over the years to try to cement that relationship between the Indians, the general citizens and their citizenship rights. I think we have seen some significant progress in this. We really have only one or two major areas left.

Mrs. HANSEN. Where are those?

Dr. JOHNSON. The great State of Arizona is the major one.

MELDING OF FEDERAL PROGRAMS FOR INDIANS

Mr. MCKAY. Are there not competing conditions between the agencies over who is going to do what for whom?

Dr. JOHNSON. I don't think this is a competing——

Mr. MCKAY. The testimony was yesterday that there was.

Mrs. HANSEN. The Indian Health Service has been at this for a considerable time and in their program there has been a great deal of participation and cooperation.

Mr. MCKAY. I hope that is true.

Mrs. HANSEN. I think the record speaks for itself.

Dr. JOHNSON. Rather than competing for things to do, we are competing to find resources, all of us, all the agencies, to meet human needs.

If we can find an agency that has access to some resource, you know, we are not going to compete for their business.

MINNEAPOLIS URBAN INDIAN PROJECT

I think, Madam Chairman, you mentioned Minneapolis, the Minneapolis urban Indian project, and I think that would help to show the method or really the strategy that is being used to try to meld these things together.

We have talked before about the problem of Indian people going into a metropolitan area. There are some roughly 10,000 Indians in the metropolitan area of the Twin Cities in Minnesota. They come in and it is very hard to find your way through the maze of resources and institutions of various systems. You can't access the system very easily. If you come from a remote rural area, it is very hard.

Mrs. HANSEN. The problem is compounded by language difficulties, customs and many other things.

Dr. JOHNSON. Language, customs, and the thing we were talking about a little earlier, and that is a State and local community lack of

understanding of the relationship—of their responsibility for the Indians as general citizens.

We put with the pilot project money that was provided by this committee and by the Senate. The Indians created an Indian Health Board of Minneapolis, a nonprofit corporation and pulled together some 21 different Indian organizations. That is where you get into problems in urban settings. This group pulled together all the important Indian groups into one board. They sit together, look at the existing health care resources, what are the resources available to Indians in Minneapolis. What success have Indian people had in getting access to these resources? What have the barriers been and how might we find ways to move these barriers so that people in fact can use the resources that are there?

I think this health board has done a miraculous job.

One of the first things they did was set up a professional advisory committee. Who did they get on it? They got the State health officer, the county health officer, the chief of staff of the County General Hospital, which is the major health resource for them. They have our subarea director, so there is a linkage to the reservation Indian health programs. They got the Regional Health Director from the Department of Health, Education, and Welfare in Chicago, which has Minnesota as part of it.

They brought them in as a professional advisory group to their program. Through effective leadership and wise promotion, they have brought many of these agencies around. The State Health Department has given them a statistician to help them work on their statistics. The county government now has put an Indian liaison person on the staff of the county hospital to get access.

I was at a meeting in Minnesota a couple of months ago where the chief of staff of the county hospital showed up at that meeting and after a good bit of discussion about various things he said, "Well, I guess we could find a way to work that out."

You have some communication, you have some concern and now you have some commitment. But that would never have happened in my opinion unless you had this little nucleus of able people who have gotten together and are focusing those things together.

We have discovered you have to have an access point for health delivery in urban areas. Without that it won't work.

We have found infant mortality is higher in the residents of the metropolitan centers of Minnesota than it is on the reservation.

Infant mortality is higher in the Twin Cities than it is in the reservation counties.

HEALTH STATUS OF URBAN INDIANS

Mrs. HANSEN. This has been a disturbing factor in our discussion of the urban Indian. He is often in a far worse situation than he would be on the reservation.

Dr. JOHNSON. That is quite true. We have discovered even though a large percentage of the people actually had entitlement to get care, they weren't getting it.

They had workers who have gone out and visited in their homes and on the first go-around, as I recall, about 50 percent of the people they visited had a health need that was going unmet, even though

many of these people did in fact have some access to a health service. They were able then to match these people to the resource.

Now, there is still a group that doesn't quite fit in any place, but I think this shows you what a little bit of seed money——

Mrs. HANSEN. Then that money was well spent?

Dr. JOHNSON. In my opinion it was a very good investment.

OTHER URBAN AREAS REQUIRING HEALTH PROJECTS

Mrs. HANSEN. Where are the other areas that could use the same kind of program? This morning I read in the paper that there are between 50,000 and 70,000 Indians living in Los Angeles. How much communication do you have with the Los Angeles health people and the State of California?

Dr. JOHNSON. There is quite a bit, Madam Chairman. They have developed a California Urban Indian Health Board sort of modeled on the California Rural Indian Health Board, so they do get together. There is an Indian clinic that Rev. Emmett Sarracino directs in the Los Angeles area. There is another Indian clinic in San Francisco that Ms. Belva Cottier is directing.

There are several smaller groups in urban areas throughout the State.

Mrs. HANSEN. What areas are deficient around the United States?

FUNDING FOR URBAN INDIAN HEALTH

Dr. JOHNSON. All of them, of course, have serious problems in their basic access to funding. These have gotten some help from our regional medical programs, for example. You know about the Seattle Indian Health Board?

Mrs. HANSEN. Yes.

Dr. JOHNSON. There we have been able to get the assistance of the National Health Service Corps to put a doctor and a dentist there. They are actually using the Public Health Service Hospital in Seattle as a base of operations. One good source of their support has been the regional medical programs, but, of course, that is no longer a viable source of assistance to them.

Mrs. HANSEN. The regional medical program is eliminated, apparently.

Dr. JOHNSON. That has been the proposal, Madam Chairman.

Mrs. HANSEN. I have a letter from a very distinguished woman in industry in our State and who is a member of the regional advisory board. It says:

> As a member of the Regional Advisory Board of the agency in Washington and Alaska, to me this means an end to $1,800,000 in health services presently being provided for these two States—services which the advisory board has very carefully investigated, prioritized, and included in our requests for funding. Among our present projects are support for the Indian Health Clinic in Seattle and for the Indian dental clinic in Mason County. Washington-Alaska regional medical program also has been responsible for arranging for shared services between the Wallapa Harbor Hospital and Virginia Mason Hospital in Seattle.

What is your comment on that?

Dr. JOHNSON. As you know, the decision on the regional medical program has been made, looking at national priorities and not, I think, addresing itself to the specific merits of, for example, the Wash-

ington-Alaska support of the Seattle Indian health group. I think the concern of the group in Seattle is to be able to find resources to hold their program together.

REVENUE SHARING AND LACK OF TAX BASE

Mrs. HANSEN. You see, Dr. Johnson, there is one further problem. I am a former member of my State's legislature and I have been in close touch with them during this session. The problem now is that revenue sharing is not going to meet the total needs that have been created by programs that are being abandoned. This is one of the real problems, and in a State like ours there is a constitutional property tax limitation and it is now up to the full 50 percent limit.

When you eliminate Federal support for programs such as the regional health centers and the Seattle Indian Clinic, I can see practically no financing coming from the State.

THIRD PARTY REIMBURSEMENT

Dr. JOHNSON. Madam Chairman, we have recognized, of course, this crunch on health programs in the Department, specifically in the Health Services and Mental Health Administration.

We have had an aggressive campaign in our regional offices to work with projects like this to help them eliminate the barriers to third party reimbursement.

There are many medicare, medicaid and insurance programs and things like that. We have discovered there is a sequence of barriers where the projects could collect money for services they provide, but for one of about five different reasons they don't quite make connection. They don't have a provider number. They haven't gone through whatever process it is to become certified as a provider of health care.

Mrs. HANSEN. Let's just take the Indian Health Board. What would replace that and where would the funding come from?

Dr. JOHNSON. To the extent that the people coming to that clinic would be eligible for services under the national medicare program or the Federal-State medicaid program—you see, then the reimbursements could come to the clinic for that kind of activity. Some people have insurance programs and again they could pay that into the clinic.

I was talking to Reverend Sarracino a couple of months ago and they have been going through this process; they have the provider number; they have identified the services for which they can bill the State medical program. They have their bookkeeping up to snuff so that again they can give valid bills and get reimbursements.

Mrs. HANSEN. Suppose the State cuts back on it?

Dr. JOHNSON. None of these programs is totally comprehensive. There are a number of things we have found you need to do in the urban centers that are not reimbursable services—the kind of outreach we mentioned in Minneapolis where you go out and visit in the homes and find out what their problems are and help them get access to a system.

There is nothing in the medicare-medicaid programs that addresses itself to that. The medicare-medicaid payments are limited. It is like an insurance benefit program where you are covered for certain spe-

cific activities. There are a number of things really not covered under those.

NATIONAL HEALTH INSURANCE

Mr. MILLER. Madam Chairman, I think the long-term approach to the problem you are describing is in the whole area of providing financing through some form of health insurance. The point I wanted to make is, I don't think anyone ever regarded the regional medical programs as a long-term service program. I think even the recipients recognize that the law was never designed to establish something that would provide services to people over a continuing and long term period.

Mrs. HANSEN. Probably not. But the question is whether you sit around with people sick and dying while someone develops an alternative. You probably have had very little State experience.

Mr. MILLER. None.

LACK OF TAX BASE IN WESTERN STATES

Mrs. HANSEN. The problem with revenue-sharing funds is that they have to replace such programs as OEO and summer activities for the unemployed young people, and many others. When you add regional health centers, the money goes quite quickly. The State has very real problems in raising money; most States find themselves in this position. A great many acres of land in the State of Washington belong to the Federal Government; and this land is not taxed.

Now, in the Mason County area, the Forest Service and the Park Service own a terrific amount of land. That is fine. But there isn't any tax dollar coming to the State from this land. This year the Forest Service proposes, through their budget, to place the responsibility for roadbuilding on the timber purchaser, which automatically decreases revenues from the sales. So, therefore, the diminution in those funds to the counties is going to be reflected next year.

I think Mr. McKay's State of Utah has a tremendous number of Federal acres. Arizona does. New Mexico does; and all of this is tax-exempt land.

Mr. MCKAY. Seventy percent in the State of Utah.

Mrs. HANSEN. The thing that disturbs me is that we are making tremendous progress through the Indian Health Service combined with the understanding on the part of the Indians as to where they go for these services. They could go to a center today and tomorrow it won't be there. That is your difficulty.

Sometimes it is easy to understand the consternation, dismay, and discouragement among the Indians. They don't all have the sophistication to enable them to march into a courthouse or some other place and ask what their rights are with regard to health service and health care.

Dr. JOHNSON. Madam Chairman, recognizing that kind of a problem, I still think the most important thing we can do is to try to help the communities put in place the best possible use of the resources they do have. I think that is what projects like Minneapolis are able to demonstrate.

OTHER URBAN AREAS REQUIRING HEALTH PROJECTS

Mrs. HANSEN. What are other urban areas where programs would be useful?

Dr. JOHNSON. San Francisco, Seattle, Oklahoma City, and Tulsa.

Mrs. HANSEN. They have such a program?

Dr. JOHNSON. They have rudiments of these programs. All of these are operational to a small degree, or people are working together, but with the exception of the Minneapolis one and the Seattle one, much of the resource to put them together has simply not been obtained.

Denver is another one. Omaha. A couple of the larger communities in Montana, Great Falls and Billings, would have some problems. That would probably be the greatest bulk of them that would immediately come to mind.

INDIAN PARTICIPATION IN OPERATING HEALTH PROGRAMS

I will go back, Madam Chairman, to the third of the major objectives we are trying to carry out. This is to try to develop the health programs in such a way that the Indian community has options as to the extent to which they want to engage in operating the health program.

In other words, instead of an all-or-none type of phenomenon, it seems to us the most useful approach is to have a number of different ways in which they may want to participate and they will pick the ones that seem the most suitable.

Mrs. HANSEN. Do you want to give us an illustration?

ROLE OF INDIAN HEALTH AUTHORITIES

Dr. JOHNSON. Yes. We have a number of communities that have decided one of the main things they would like to do is set up a management structure, a health management capacity within their tribal government like a health department or health authority. Examples of the those would be the Navajo Tribal Health Authority, which is the delegate agency of the Navajo Tribal Council which has jurisdiction over all health planning, health evaluation, and health manpower education on the reservation. They put together an effective staff, and all the agencies that come to deal with health on the reservation now must address themselves to this delegate agency of the tribe, whereas in the past people would come to the Federal agency when they wanted to get involved in health care on the reservation. Now they come to us and we say, "You need to talk to the Navajo Tribal Health Authority. That is where you start."

Mrs. HANSEN. Who funds the tribal health authority?

Dr. JOHNSON. Part of the funding comes from the Indian Health Service, part comes from tribal government itself, and part of the money is coming out of a grant from one of the foundations.

Mrs. HANSEN. What criteria and standard do you have for this money?

Dr. JOHNSON. We have done this on a competitive basis, Madam Chairman, in that we can't respond to all of the tribal groups who

would like to do this and so we have had to put it on a competitive basis, on the merits of the programs that they want to carry out. We do it not only by providing them with financial support, but we will detail to them our own staff. For example, on the Papago we have a full time employee, a public health nurse who is skilled in administration, who is in fact the counterpart health director for the tribal health director. We have staff detailed to the Navajo Tribal Health Authority, to the United Southeast Tribes, and to the Alaska Federation of Natives, just as in the Public Health Service for years we have been detailing people to State and local governments to assist them in their health departments and other operations. Now we are in the process of doing this to Indian tribal government. Again I think this is a very effective and useful way.

DETAIL OF IHS STAFF TO INDIAN HEALTH AUTHORITIES

Mr. McKAY. May I interrupt. You say you are sending the Indians themselves to other areas for counseling and assistance at other centers?

Dr. JOHNSON. No. What I was saying here is that we are detailing staff from the Indian Health Service. Federal employees are being detailed to work under the direction of tribal health authorities or others to help them, provide them with the technical assistance to strengthen their own management capacity. Many of the people we have detailed are in fact Indian people, professional people. The Deputy Director of the Navajo Tribal Health Authority is an Indian employee who is a Navajo sanitarian. He is on our rolls, but he is detailed to the staff, and he works for the tribe, although he is still a Federal employee. It has been a very effective mechanism in relating to State government for many years, and we are finding that it is every bit as successful.

Mr. McKAY. I think the more natives you can get in those professional positions to work with each other as counselors or whatever in the organization, the faster you will operate, in my opinion.

Dr. JOHNSON. It has not only been that, Mr. McKay, but the health boards themselves, I think, have had a real catalytic effect, because here you have the health leadership of tribal government that gets together on a regional basis, or an area basis as we would call it, and on a national basis. They sit down and say, "This is what we have done," and they share back and forth. It is sort of a self-generating cycle of progress that you have. They say, "If you can do that, we can do it better," and so you get a little competition among the tribal groups to see who can in fact pick up the pieces of the health program and do the best job with it. I am obviously very enthusiastic about the progress that has been made just in the last 3 or 4 years.

INDIAN EMPLOYMENT

Mr. McKAY. Do you have a breakout of how many Indians you have involved in administration or professional skills, doctors, nurses, and so on, that are operating through the program as compared to those that are not?

Dr. JOHNSON. I could give you some more specifics for the record.

Mrs. HANSEN. Please do.

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[The information follows:]

INDIAN HEALTH SERVICE

SUMMARY OF PROFESSIONAL AND ADMINISTRATIVE POSITIONS HELD BY INDIANS

(Civil Service and Commissioned Officers)

Positions	*Number*
Hospital directors	4
Medical officers	2
Community development specialists	21
Area directors	1
Area deputy directors	2
Social workers	7
Administrative officers	10
Nursing	13
Public health educators	4
Public health advisors	3
Human resources development specialists	4
EEO officers	8
Personnel management	3
Construction personnel	7
Program analysts	2
General services personnel	7
Indian health advisor	1
Tribal affairs officers	10
Budget analysts	6
Service unit directors	15
Staff assistants	5
Medical technology consultants	1
Hospital administrators	2
Illustrator	1
Sanitarians	9
Contract health care officers	2
Total	150

Dr. JOHNSON. There are increasing numbers. I am just talking about physicians because we have talked about that before this committee in the past. There were only about 38, 39, or 40 Indian physicians in the country up to a couple of years ago. I think we were very happy one year to see we had eight Indians in medical school. With the initiatives provided by the President's Indian message, we were able to assist in the development of the Association of American Indian Physicians, which now has a student affiliate. We have some support for Indians in medical schools, a counseling service really, that the association provides for them and the stimulus of getting them together from time to time. Right now this school year, I believe there are 69 Indians in medical school. You have gone from practically nothing to an expansion in the numbers of minorities in medical schools that has been greatest for the Indians among any minority group.

INDIAN TRAINING IN HEALTH PROFESSIONS

Mr. MCKAY. How many do you have—who have applied who have been unable to obtain a school?

Dr. JOHNSON. I wouldn't have that specific figure, Mr. McKay.

Mr. MCKAY. I am trying to determine are there a number of others who would like to go to medical school but just don't have the facility, or are we kind of sorting them out and encouraging them, or is there really a demand among them to go?

Dr. JOHNSON. I can't give you a specific number. I can tell you the problem of getting support for medical education is a darn tough one. It is one thing to get into school, and that is tough enough in itself, but it is quite another thing to find enough to support you on your way through medical school. That to us has been a real frustration. I had a girl who used to be a patient of mine, a Sioux girl, who wanted to go to medical school. Finally, after a number of years of college, she even got a masters degree, and then finally got into medical school. We just had one awful time trying to find ways of getting her financial support for medical school. I spent a lot of time on the telephone and looking around trying to find some place. You know you can't do that for everyone who is trying. The mechanism is not really there.

It isn't part of this particular subcommittee, but with the chairman's indulgence let me put on my Health Services and Mental Health Administration's hat for a moment.

Mr. WYATT. Did you keep this girl in school?

Dr. JOHNSON. Yes; she is in school and she is doing well. Under the Public Health and National Health Service training program that was passed last October by the Congress, there is a provision for paying the way through medical school of individuals who in return will provide services to such organizations as the National Health Service Corps and Indian Health Service. The number in the authorization is quite small. I think there is a $3 million authorization. In the Department we have asked to have that authorization raised to about $22 million. That would give us the opportunity to put out about 2,500 scholarships a year. This would pay living expenses, books, and tuition for the 4 years of medical school in return for them coming back and providing services.

My interest in that is specifically because that would give us, for the first time, a vehicle to support Indian men and women who would like to become physicians. If they can get into medical school, I think out of that number of scholarships we could manage to carve out enough to support the Indians. I think that is critical. Unless we have that kind of scholarship support, we are always going to be in trouble, tin-cupping around trying to get support for them into medical school.

It is tough. I had to work my way through medical school, and that is not the way you ought to have to do it. It was easier in the old days than it is today I think.

Mr. MCKAY. I wonder if the gentleman would add to the record also some figures of those who are going into nursing and other related fields?

Dr. JOHNSON. I will be glad to.

[The information follows:]

Total number of Indian students enrolled in health curriculums supported by the BIA, IHS and registered with the American Association of Indian Physicians

	Total enrolled
Nursing	484
Medical technology	7
Pharmacy	35
Premedical	108
Medical science	48
Dental hygiene	51
Medical records	64
Pre-dental	10
Environmental health	12
X-ray technology	6
Bio-science	48
Mental health technology	108
Physical therapy	9
Occupational therapy	3
Medical	54
Dental	10
Veterinary medicine	7
Optometry	2
Podiatry	1
Nutrition	1
Health education	4
Public health administration	13
Grand total	1,085

NOTE.—Other enrollment not available.

BIA SCHOLARSHIP PROGRAM

Mrs. HANSEN. We increased the BIA scholarships with the hope of getting some more young people into nursing. We have had the same problem in law. Law school was far more expensive than the average education. That is why the scholarship funding was increased. We asked them to consider it for legal and nursing training. We should have put medical in there too. We don't have to have a specific authorization for that.

UPGRADING INDIAN EMPLOYMENT

Dr. JOHNSON. That is correct. To move on a little bit from the questions Mr. McKay was raising, it is terribly important it seems to us that people in the program represent the community that they are serving. I think that is a point that you were making. For many years we had a very significant series of programs for training entry level kinds of health occupations or health technical kinds of jobs, the practical nurses, the lab and X-ray technician and dental assistant, and so forth. We continue to maintain that because that is in fact an entry level for many people, but we don't want it to end there.

The problem has been on the professional side. We have the stimulus at the upper end of the scale where we are getting people going directly into medical schools, and so forth, but there is another gap area that we are trying to get at. That is in the upgrading of the capacities of the people who are already trained. We talked to you last year about the upward mobility program as one of the efforts we are

using. I think I mentioned before this committee, last time perhaps, the work-study programs, like the Phoenix program, where with the community college, the practical nurses were given, as I recall, 23 credit hours for their practical nurses training and their experience. Then they were able, some in 1 year and some took 2 years, to go from a practical nurse into an associate of arts degree which makes them eligible to take the examination for registered nurse. We have had the first three girls through that. We have eight now in that program. They spend part of the time in the college and part of the time working in that type of a shared relationship.

We are working with the University of South Dakota School of Nursing and the community colleges on the Rosebud and Pine Ridge Reservations that will have a higher education center college.

We developed a program, in fact here again we have detailed to these colleges nurse educators, one detailed to each of the two colleges, and they are carrying on some pre-nursing courses right now, to get the girls prepared. Hopefully, if we can find some way to tie some funding sources together from these other agencies I am talking about, starting this fall there will be an RN training school on both the Pine Ridge and Rosebud Reservations, which will be accredited under the blanket of the University of South Dakota School of Nursing. I think this is another area, so that you can move people who have had this entry level training.

I am not downgrading the importance of entry level training. That has been the first opportunity that many people have had to get a job and to get an occupation. I think it is awfully important that we not have them dead-ended as a practical nurse, or something like that, and find ways for those who have the desire and the capacity so that they can move beyond that and become professionals.

We have a program that was funded by OEO for health managers carried on by the University of Oklahoma and the University of California at Berkeley. We are taking sanitarian aides whom we originally trained and they are going to academic schools to become professional sanitarians. There is a great reservoir of capable, qualified Indian people in the program, but they must move beyond that level of training so they have the professional training and qualifications so they can in fact then become the leaders in those fields among their own people.

Mr. McKay. I think the faster you put the burden of responsibility the faster they will take it. You have to go through training centers, but any training program which accelerates that I think is a valuable program.

Dr. Johnson. We have certainly been most pleased with the responses. I have told this committee for several years now that the Indian leadership is ready, willing, and it is able.

Mrs. Hansen. I think the Indian Health Service has done a terrific job with these people. Do you want to proceed with your statement?

COMMUNITY HEALTH MEDIC PROGRAM

Dr. Johnson. I think, Madam Chairman, in our discussion here we have covered my opening statement. I would just like to give you a bit of a progress report on the community health medic program that

we talked about last year. We now have the first group of about 25 out in the field. Their preceptor years are just completed. The acceptance on the part of the community has been excellent. The Phoenix program has been accredited by the accrediting agencies. We have opened up a whole new career for Indian medics, nurses, and others who have gone into this. We have gotten health care now at the primary access level out into some of the more remote areas. Part of the success of the story is one of our medics now wants to go to medical school.

OVERALL PROGRAM ACCOMPLISHMENTS

Perhaps the next thing, Madam Chairman, would be to take a quick look at the charts. No. 1, of course, is just an overview of some of the program accomplishments. The final assessment of the value of the program it seems to me is what actually has happened to the people that the program was set up to serve. We are fortunate that we have a population where we can collect the kind of statistics to show what has happened to the group of people that we have been working with over this period of time. The infant death rate is down 62 percent, tuberculosis down 86 percent, gastritis and so forth.

[The chart follows:]

PROGRAM ACCOMPLISHMENTS

Health Improvements	CY 1955-1971 Percent Decrease
Death Rates	
Infants	62
Under 28 days	45
28 days - 11 Months	71
Maternal	54
Influenza & Pneumonia	57
Certain Diseases of Early Infancy	81
Tuberculosis, All Forms	86
Gastritis, etc.	84
Congenital Malformations	43
Incidence Rates	
New Active Tuberculosis Cases	39
Trachoma	64

Increased Use of Services	FY 1955-1972 Percent Increase
Hospital Admissions	104
Percentage of Babies Born in Hospital	12
Outpatient Visits	391
Dental Services	369

Mrs. HANSEN. I notice the death rate in that first year is way down.

Dr. JOHNSON. Yes.

Mrs. HANSEN. Is that steadily decreasing each year?

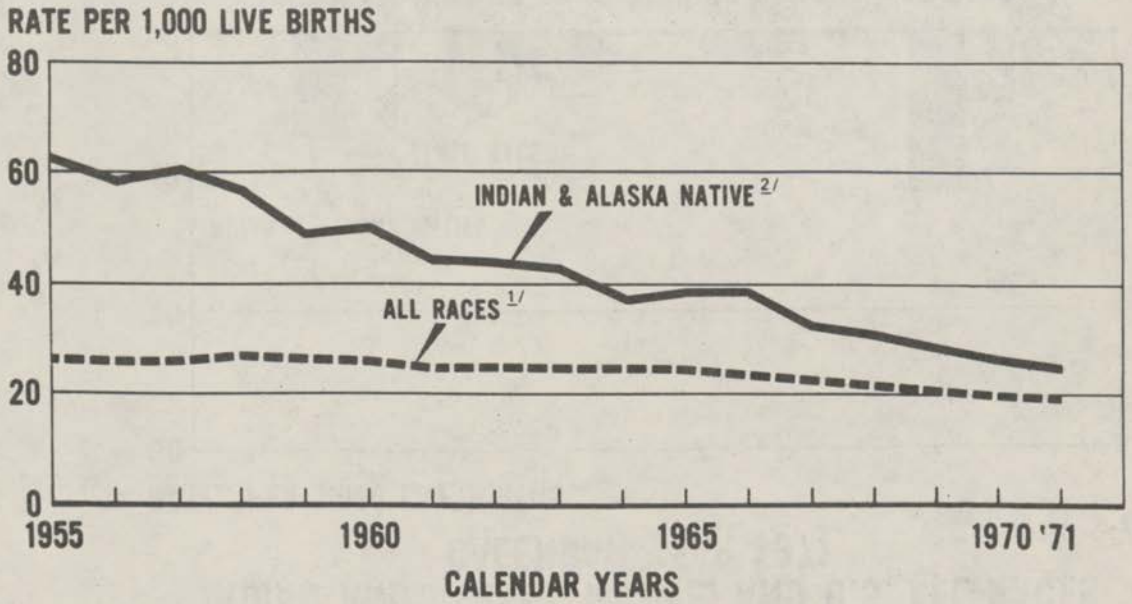
Dr. JOHNSON. If you will look at charts 6 and 7, chart No. 6 shows the infant death rates. You can see the steady and rapid decline from 1955 to 1971. Last year, as you will recall, we had some discussion over the lack of timeliness of our statistics. We were 2 or 3 years behind, and I promised you that we would be up to the last feasible calendar year and we are this year. I believe it was in discussion with Mr. McDade who talked about how valid are these projections. We thought they were pretty valid and they turned out to be correct. The infant mortality was projected at 25 and it turned out to be 23.8, so it is better than we projected.

Chart No. 7 shows infant mortality from 28 days through 11 months. That is the last 11 months of the infant's first year of life. That black line indicates the Indians there. It used to be way up over 20. I think last year when we talked to you it was up around 16.

Mrs. HANSEN. That is right.

[The charts follow:]

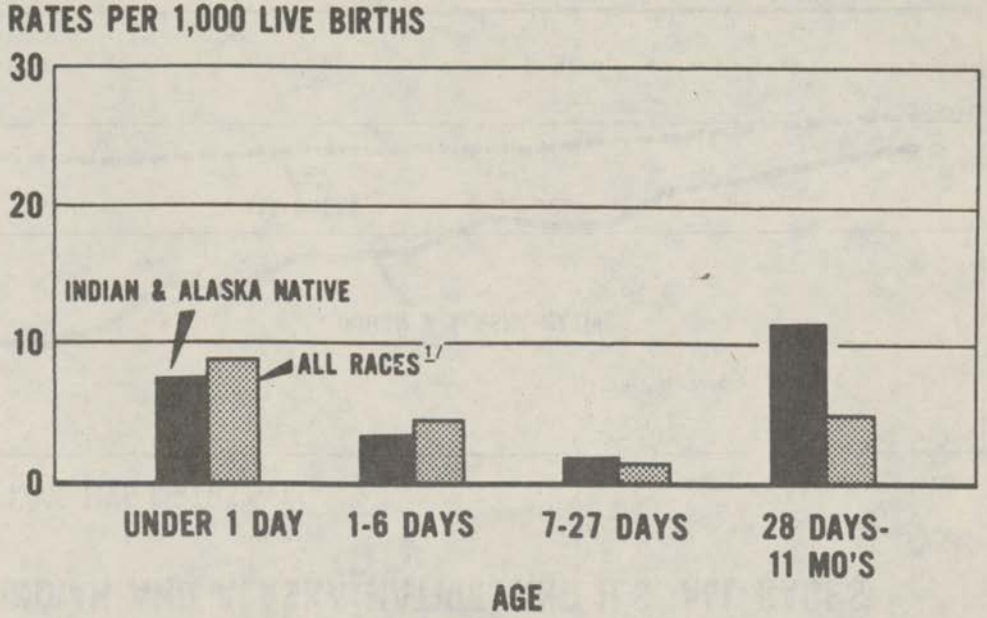
INFANT DEATH RATES
INDIAN AND ALASKA NATIVE, AND U.S. ALL RACES



1/ PROVISIONAL, MONTHLY VITAL STATISTIC REPORTS, NCHS VOL. 20, NO. 12 1970, 1971.
2/ ESTIMATED 1969, 1970.

INFANT DEATH RATES BY AGE AT DEATH

INDIAN AND ALASKA NATIVE, AND U.S. ALL RACES CALENDAR YEAR 1971



1/ ALL RACES RATES ARE ESTIMATED EXCEPT 28 DAYS - 11 MONTHS WHICH IS PROVISIONAL. MONTHLY VITAL STATISTICS REPORT, NCHS, VOL. 20, NO. 11.

Dr. JOHNSON. That is clearly the place, and that is where we said the change had to take place, and that is where the change takes place. It is not exclusively a medical issue at all. That is the environment, the nutrition, the social and economic development on the reservation. That is really a composite, it seems to me, of things that are happening on the reservation.

I don't want us medical people to take full credit for that. I think it is a good indicator to you of some very significant changes in the broadest sense of health that are taking place on the reservations.

Mrs. HANSEN. They are learning how to feed and care for their children better. The sanitation program has helped too.

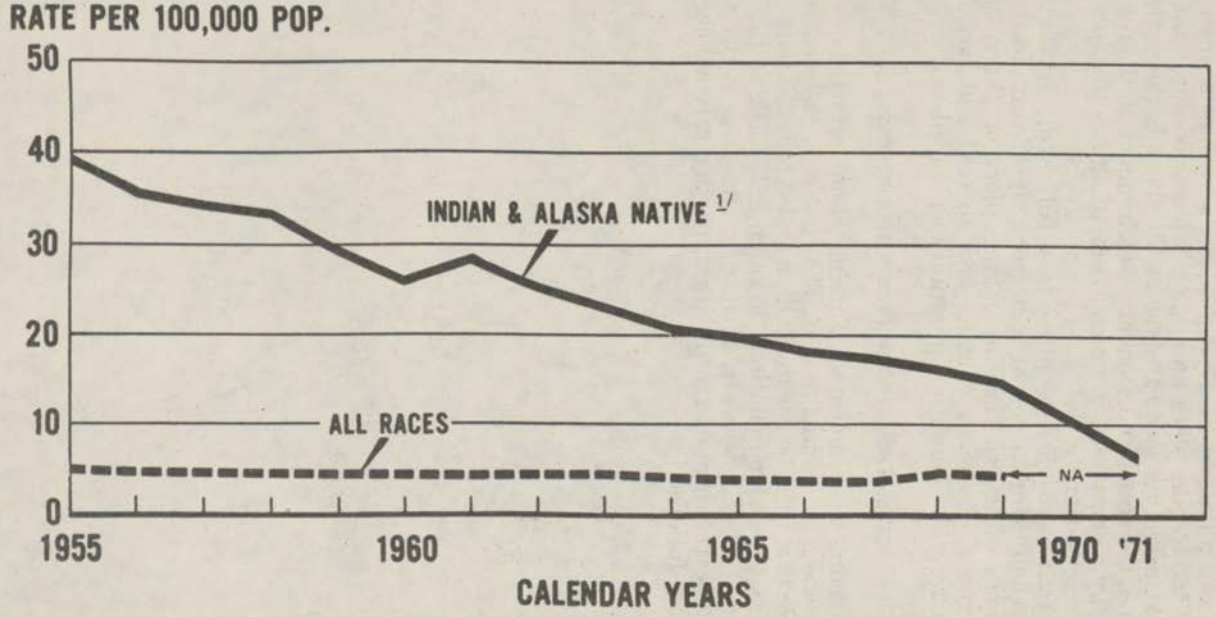
DECREASED GASTROENTERIC DEATH RATES

Dr. JOHNSON. Very much so. Talking about sanitation we might look at the one most related to that. That is No. 8, gastroenteric death rates. Notice that the line for the Indian and Alaska Natives is almost down to the general population, down to 6.2. Look at the slope of that line in the last few years. That, of course, was really the great killer in the early days of the program, particularly among infants.

[The chart follows:]

GASTROENTERIC DEATH RATES*

INDIAN AND ALASKA NATIVE, AND U.S. ALL RACES



*INDIAN AND ALASKA NATIVE RATES BASED ON 3-YEAR MOVING AVERAGE THRU 1968. ALL OTHER RATES BASED ON SINGLE YEAR DATA.

1/ ESTIMATED 1970.
NA NOT AVAILABLE

Mrs. HANSEN. And your tuberculosis rate has dropped.

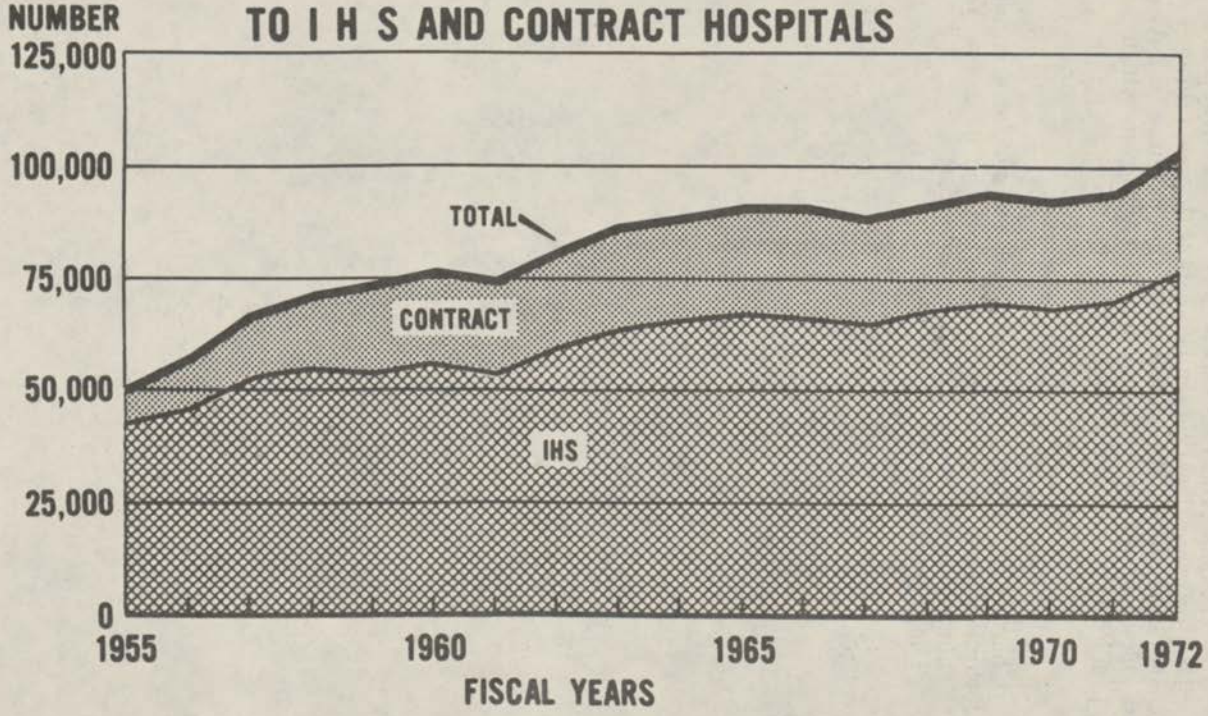
Dr. JOHNSON. The tuberculosis rate is the same thing. I don't know that we need to go into specific discussion of those two. Again I think it shows a very dramatic decline in a program which was focused specifically to get some accomplishments.

WORKLOAD TRENDS

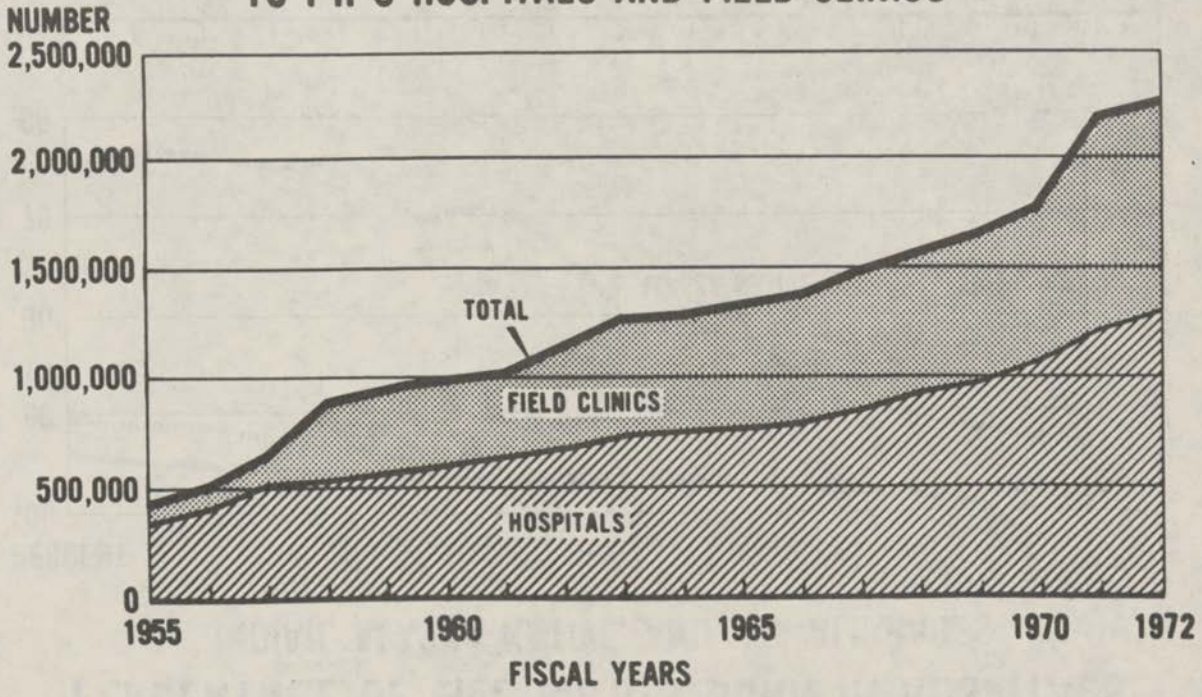
Charts 2, 3, 4, and 5 we might look at just for a minute, because I think it gives us another dimension of the program. You can see the number of admissions has continued to rise.

[The charts follow:]

NUMBER OF INDIAN AND ALASKA NATIVE ADMISSIONS TO I H S AND CONTRACT HOSPITALS

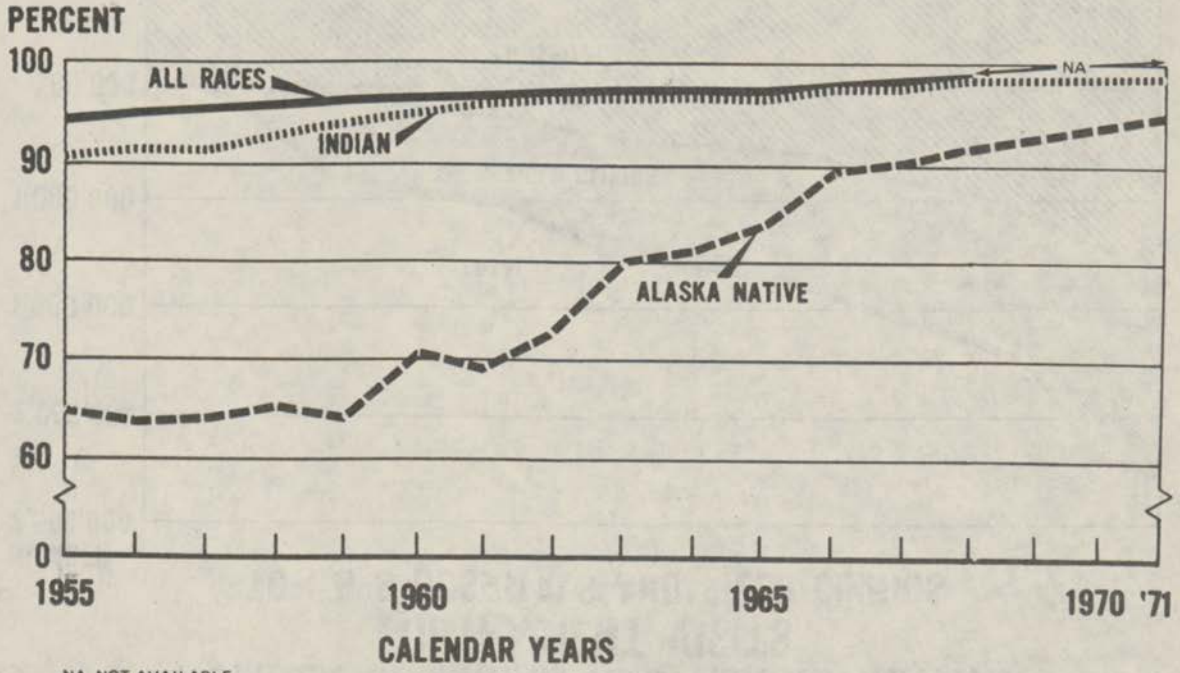


NUMBER OF INDIAN AND ALASKA NATIVE OUTPATIENT VISITS TO I H S HOSPITALS AND FIELD CLINICS



PERCENTAGE OF LIVE BIRTHS BORN IN HOSPITALS

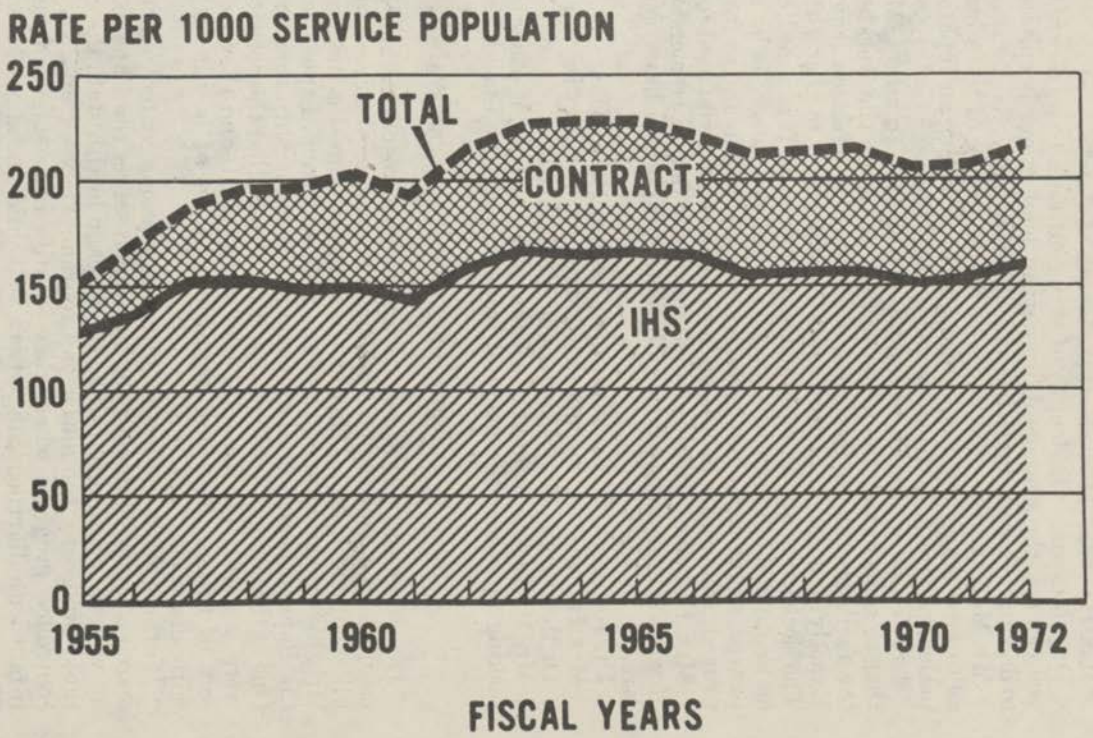
INDIAN, ALASKA NATIVE, AND U.S. ALL RACES



NA NOT AVAILABLE

95-300 O - 73 - pt. 4 -- 3

HOSPITAL UTILIZATION RATE
INDIAN & ALASKA NATIVE



Mrs. HANSEN. How about the length of stay?

Dr. JOHNSON. The length of stay continues to go down, because, as you can see, the average daily patient load in our hospitals continues to decline. We look upon that as a sign of success.

Mr. MCKAY. But that could be due to policy of the administration as to how long they would allow them in under an inpatient or outpatient program. Is that reflected in these figures.

Dr. JOHNSON. It can be, and I would have to admit, Mr. McKay, that to some extent the pressure that we see on the workloads within the facilities can in fact have a detrimental effect on length of stay. Exactly how much of this could be attributed to that I don't know. The decision is not an administrative decision. It is a medical decision as to what the length of stay is. Part of it you see, as housing is improved, as the economic resources, the sanitation, and so forth, are improved, you can let people go home earlier than you used to be able to.

Mrs. HANSEN. Visiting nurses have also done a tremendous amount of what was formerly done in hospitals. You now have visiting nurse care.

Dr. JOHNSON. Right, visiting nurses and the CHR's.

Mrs. HANSEN. Also, isn't the load relatively heavy in your hospitals?

Dr. JOHNSON. Yes; that to some extent is true.

Mr. MCKAY. I wanted to see the whole picture, if other things were picking up where the hospital was carrying the initial load.

HEALTH SERVICES ON THE PAPAGO RESERVATION

Dr. JOHNSON. Let's look at another approach to this that we are using. I told you earlier that gastroenteritis, diarrhea, was the real killer among infants. One of the places where this has been particularly severe had been on the Papago Reservation. I spoke earlier about the Papago health department and the leadership they are showing. One of the things they looked at was the fact that the outpatient clinics were jammed. The hospital was overworked, and they looked at the sort of things that were happening. A lot of it was little children with diarrhea.

Working with the health program systems center, which is our research and development program which serves the Papago, they came up with a program to utilize the Papago health staff, the CHR's plus those funded by the nutrition program. They set up a very carefully controlled program where they identified the stages of disease of an infant with diarrhea. Stage 1 is a well child and stage 6 is a dead child. Then you have stages in between. They developed criteria for assessing which stage a child is in which the Papago field staff could use. Then a carefully designed list of activities was developed that would be carried out by the health staff, depending on the stage, and all very carefully looked after by the professional staff. It is a pretty complicated thing, but the end result was this: we were able to cut down the episodes of children who had to go to the outpatient clinic by 25 percent and we were able to cut down the admissions by better than 50 percent. Instead of the six gastroenteritis deaths that we had the previous year, this last year we had none. Obviously that is 1 year, and that is not saying we have a solution to that, but that is the sort of thing we are doing, Mr. McKay, to try to use the maximum resources

to take some of the pressures out of the hospitals. Now they are so happy with that one they have now got our staff helping them to develop one for respiratory diseases. Again the field staff can do this. I think this has been an investment that has really paid off.

Charts 3, 4, and 5 are just examples of the workload, the acceptance, the tremendous number of outpatient visits that you see.

STAFFING OF CLINICS

Mrs. HANSEN. I visited some of your clinics. As the number of outpatient visits rises, what does this do to personnel needs? Do you still have long lines lasting until 8 o'clock at night, with overworked doctors and nurses?

Dr. JOHNSON. It is true, Madam Chairman, that the staff available for the workload, that that ratio has not improved. We have, however, been able to do some things to alleviate that to a degree.

Again the health program systems center has developed an outpatient simulator, where you can test, in the computer, what would happen if you did certain things without having to change everything. We have been able to find, for example, where the bottleneck is. Looking at it you would think you needed some more staff, but actually through the use of the simulator we found if you just simply change the cycling of the patients within the program within that particular clinic, this would help. In 1 case we cut 30 minutes off the average waiting time by doing this. Another place where it seemed that the doctors were the plug in the system, in using this new technique we found out that it wasn't the doctors at all. By reassigning other staff we were actually able to pull a doctor out of that outpatient clinic and put him out in the field clinics and they got more done effectively.

In spite of the fact that we must address an absolute shortage of staff we are doing all of these things that we can to try to minimize that, and I believe we are having some reasonable success.

EMPLOYEE PATIENT RATIOS

Mr. MCKAY. Do you have some figures on your employee-patient ratio?

Dr. JOHNSON. Yes, we do.

Mrs. HANSEN. What are they?

Dr. JOHNSON. Our employee-patient ratio for inpatients is about 2.1 employees per inpatient, which contrasts to a national figure of about 3 to 1. Ours is 2 to 1. The national would be 3 to 1.

Mrs. HANSEN. By employees do you mean just health employees or the total employees in a facility?

Dr. JOHNSON. Those would be the total people running the hospital.

Mrs. HANSEN. Associated with the hospital or an outpatient clinic.

Dr. JOHNSON. Right. The outpatient clinics we run anywhere from six-tenths, our hospital outpatients about six-tenths of an employee per 1,000 outpatient visits to, I think, in the field health centers we probably get up to around almost 1 per 1,000 outpatient visits.

Mr. MCKAY. How does that relate to the outside community?

Dr. JOHNSON. The VA standard is 2.2 per thousand. The live births in hospitals, again I think, is an indicator of the access that they now have, and the acceptance of dramatic changes.

PRENATAL CARE

Mrs. HANSEN. You have better prenatal care now, haven't you?

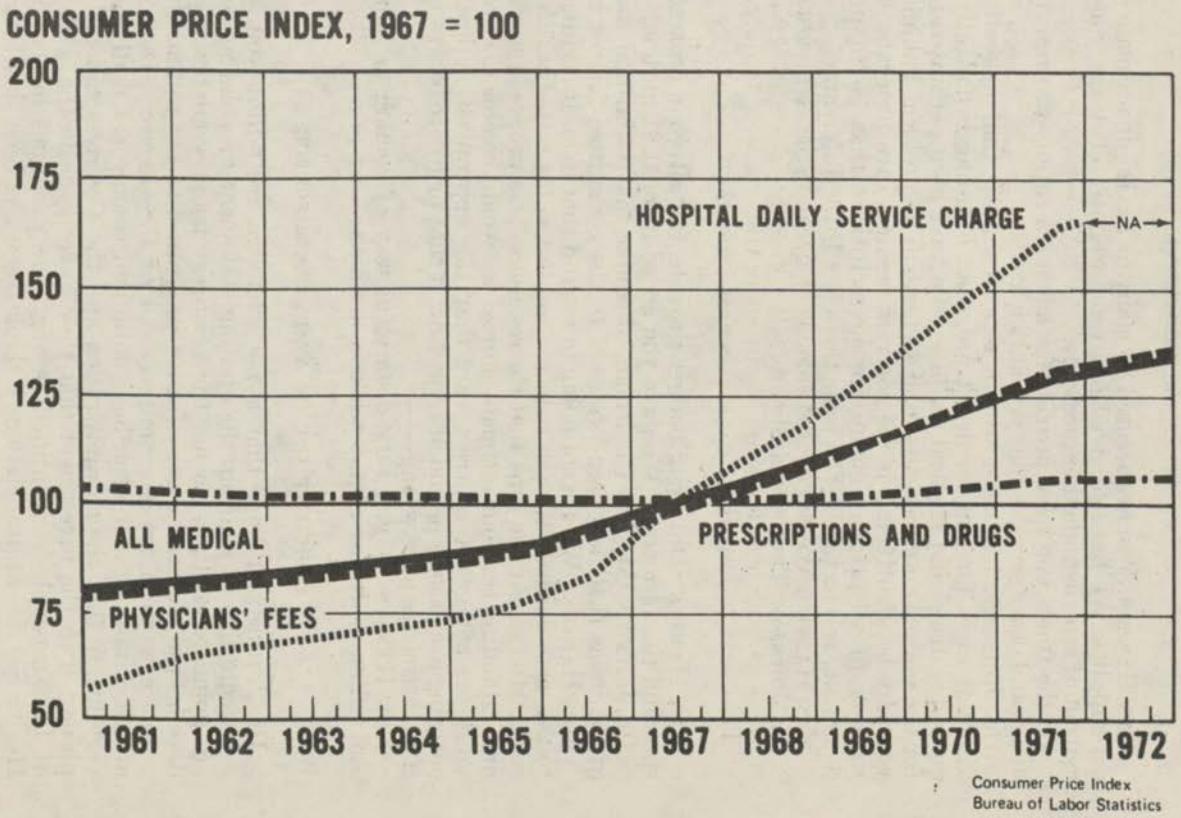
Dr. JOHNSON. Oh, yes; much better. The hospital utilization rate shows, I think, a continuation of the trend that we have had. It reached its peak back in the early sixties, and it has been sort of drifting around downward and up a little bit, then back down again, so that again the basic access to the program I think is remaining stable. In spite of the increased admission rate, you see, the actual number of people who have to be hospitalized per thousand has passed its peak, it appears to us, and is beginning to level off. That is really the way it should be.

MEDICAL CARE COSTS

The last chart I add only, Mr. Miller, to show the medical care costs that we look at each year. Unfortunately we have seen no great change in the increasing cost levels of medical care that we have to purchase.

[The chart follows:]

MEDICAL CARE COST



Consumer Price Index
Bureau of Labor Statistics

ADEQUACY OF PRESCRIPTIONS

Mrs. HANSEN. You are accused by many of having inadequate medical supplies. We have received many complaints. They say you have run out of aspirin and other medicine.

Do the funds you have provide for adequate supply of prescription drugs and other services that you anticipated?

Dr. JOHNSON. I think I would have to answer that in really two different ways. One, in the direct program. Funding is basically adequate for drugs and medical supplies. We have been permitted to ask for the normal cost increases, and so forth. The problem I think that you may be identifying is the contract medical care program, where we buy prescriptions or pay for prescriptions that go to private druggists, and so forth. The issue there is a little different.

Mrs. HANSEN. We discovered some very great variance in cost.

Dr. JOHNSON. There certainly are.

HEALTH CARE PROGRAM CONTRACT

Mrs. HANSEN. Did your budget provide for all your contract responsibilities last year? We gave you an additional $1 million.

Dr. JOHNSON. Madam Chairman, of course that $1 million was one of the items that had been proposed to the committee for rescission.

Mrs. HANSEN. We are not going to rescind that item. It is ridiculous to ask us to do that. We put it in for you to use for better health care.

Mr. MILLER. At the time that the rescission was proposed it was my understanding that our estimate showed we would be able to cover the same percentage of contract care that the appropriation has been covering over a long period of time. Now if that proves to be wrong and if our estimates were wrong——

Mrs. HANSEN. It is a very distasteful way of coming to Congress and telling us we don't know what we are doing.

EFFICIENT USE OF AVAILABLE RESOURCES

Dr. JOHNSON. I hope that is not what we are telling you.

I would like to wind up the opening statement by pointing out we are going to continue to use the resources made available to us to develop the best and most effective programs, to try to find the innovative ways to get more mileage out of the resources, because we are all certain we will never have unlimited resources. I really believe very firmly that the administration and the Congress can feel very pleased with the investment that they have made in the well being of Indian people as identified through the programs in the Indian Health Service appropriation. I think there has been this long-term commitment for progress year by year that has really made this investment pay off. It is with that basic philosophy that we come before you to request the appropriation of $176,968,000 for Indian health services, and the construction appropriation of $41,717,000. With that, Madam Chairman, I would be glad to respond to any questions.

JUSTIFICATION MATERIAL

Mrs. HANSEN. We will insert justification pages 2 through 33 in the record at this point.

[The pages follow:]

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
HEALTH SERVICES AND MENTAL HEALTH ADMINISTRATION
INDIAN HEALTH SERVICE

HIGHLIGHT STATEMENT

INTRODUCTION

The goal of the Indian Health Service is to raise the health status of the Indian and Alaska Native people to the highest possible level. In seeking the achievement of this goal the Indian Health Service must assure a comprehensive health services delivery system, with sufficient options to provide for maximum tribal involvement in meeting their health needs. Also, the Indian Health Service has, as one of its functions, the role of principal Federal advocate for Indians in the health field. In addition, the Indian Health Service is assisting the Indian communities to strengthen their capacities to man and manage, at such a pace as they themselves choose, their own individual, and institutional, health affairs.

The programs conducted by the Indian Health Service utilize a delivery system involving direct, contract and alternate health services which provide comprehensive health care to approximately 488,000 American Indians and Alaska Natives. The great majority of people whom this program serves live in remote and isolated rural areas where accessibility to health care is extremely difficult, with Indian Health Service facilities being the only ones available in many cases. The Indian people are very often subjected to hazards of poor communication, violent weather, lack of basic sanitation requirements and inadequate exposure to modern health practices.

Direct health services will be provided to Indians, Eskimos, and Aleuts in Fiscal Year 1974 in 51 hospitals, 84 health centers (including 27 school health centers) and several hundred other health care facilities. This direct care program includes a Field Health program that brings health services for Indians and Alaska Natives directly to homes and communities. The Field Health program consists of Sanitation and Dental programs, as well as programs in Public Health Nursing, Health Education and Field Medical Services.

Health centers and stations are carefully located to provide as complete a range of health services as is possible. These clinic based services are supplemented by visits to homes which provide preventive and curative health services in combination with education in good health care and practice. Included are such programs as mental health, alcoholism, nutrition, maternal and child health and family planning. This program of direct care is supplemented through contractual arrangements with public and private health practitioners and institutions, including tribal governments, in those situations

where it is considered to be the most feasible, effective, efficient, and accessible method of providing the highest quality of care.

Because Indians are, first of all, citizens of this country and of the states in which they reside, they are also eligible to participate in all the general population-oriented public and private health programs on the same basis as any other citizen. Since the Indian Health Service is the principal Federal advocate in the health field for Indians, the Indian Health Service encourages Indians to become fully aware of, and full participants in all health programs for which they qualify. It also helps to stimulate the efforts of other health programs towards greater outreach for Indians.

The Message From The President of the United States Transmitting Recommendations for Indian Policy (House Document No. 91-363 Dated July 8, 1970) stressed Indian self-determination. Toward this end, the Indian Health Service is assisting Indian communities to strengthen their capacities to man and manage their own individual and institutional health affairs. This activity is in direct support of the commitment made by the President, but the Indians themselves have, for a considerable period of time, been participating, in varying degrees, in the planning, operation, and evaluation of their programs. While avenues for this Indian participation have been provided since 1934, it has only been in the last several years that tribal councils, tribal health boards and advisory committees have become a potent mechanism for providing increasing Indian involvement.

There have been marked improvements in the health of Indians and Alaska Natives since 1955; however, their current health status is still deficient when measured against that of the general population. These people live for the most part under severe deprivation caused by the extreme physical hardships of their home environment, characterized by gross unsanitary living conditions, sub-standard and crowded housing, and unsafe water supplies; they also suffer from inadequate nutrition, limited educational opportunities, emotional, and sociological problems brought about by a culture in transition.

In spite of very substantial program achievements, morbidity and mortality among Indians remains considerably higher than in the general population. Significant strides have been made in recent years, particularly in the prevention of infant deaths and deaths from tuberculosis. However, the environment, both physical and economic, in which the Indians find themselves, predisposes them to the ravages of disease to a far greater degree than found in the general population.

1. Mortality

The latest available age adjusted mortality rates for Indians and Alaska Natives (1971) and for U.S. all races (1969) show that the rates for Indians and Alaska Natives are considerably higher than the general population, except for heart disease, maligant neoplasms, vascular lesions, and certain diseases of early infancy. The higher ratios are as follows:

	Mortality: Ratios Indians to U.S. All Races
All causes of death per 100,000 population	1.3
Infant deaths	1.2
Accidents	3.3
Influenza and Pneumonia	1.7
Cirrhosis of liver	4.7
Homicide	3.1
Diabetes	2.2
Suicide	1.9
Tuberculosis, all forms	4.6

As indicated above in 1971 the Indian and Alaska Native infant death rate per 1,000 live births was about 1.2 times as high as the provisional U.S. all races rate of 19.2. This high rate is primarily due to deaths in the post-neonatal period when infants leave the hospital and return to the complex problems that accompany a poverty stricken environment.

Approximately one-fifth of all Indian and Alaska Native deaths in 1971 were due to accidents; one-fourth, to diseases of the heart and neoplasms; and one-tenth, to infectious, parasitic, and respiratory diseases.

2. Morbidity

Infectious Diseases--Large numbers of episodes of illness requiring inpatient or outpatient care are

due to infectious diseases and their after-effects. These diseases include gastroenteritis, dysentery, influenza, tuberculosis, otitis media, trachoma, pneumonia, and common childhood communicable diseases.

Alcoholism--Many Indian communities have been deeply concerned for years about the problems of alcohol abuse and suicide. Many suicides and abortive suicide attempts occur as part of episodes of drunkenness. Though some large tribes have an average or below average suicide death rate, others have had such a high rate that the overall Indian rate is well above the national average. The suicide rate among Indian and Alaska Natives in the 15-34 year age group is three times as high as the U.S. all races rate in the same age group. Although chronic, addictive type alcoholism is not much more prevalent among Indians than among Americans generally, there is scarcely an Indian group which does not consider alcohol misuse one of its most important problems. Many Indian people at one time or another seriously damage themselves (a large number are actually killed in traffic accidents) through the effects of intermittent intoxication. What is particularly alarming about both these problems is that they appear to be increasing and that they are affecting primarily young people.

Mental Health--American Indians, like all groups, suffer from difficulties in living, ranging from severe psychosis to general discouragement and apathy. Poverty, cultural clash, geographic isolation, unemployment and lack of education all combine to develop in many reservation Indians frustrations and a sense of hopelessness. As with any group, psychiatric assistance can be of value in improving and preventing these conditions. Unless such assistance is given, these problems continue, are spread to new generations of children, and manifest themselves as self-destructive drinking, suicide, violence, family disorganization, child abuse or neglect, and apparent physical disability without physical cause. Indian cultures in the past have had their own ways of coping with mental illness, but unfortunately many of these mechanisms have broken down due to changes in the Indian's way

of life. The objective of the Indian Health Service mental health program is to keep Indian people mentally healthy. To accomplish this objective, the staff of the mental health program includes Indian community mental health workers. These workers help bridge the gap between the professional and the patient and the community in such areas as patient identification and follow-up. They also help to change Indian and non-Indian community attitudes, as well as to assist in training the non-Indian professional staff. The maintenance of a high level of mental health is essential in raising the general health standards of the Indian people.

Maternal and Child Health (Including Family Planning)--Maternal and Child Health Services continues to contribute to a significant improvement in the health of Indian and Alaska Native mothers and children. Maternal mortality has continued to decline from 82.6 per 100,000 live births in 1958 to 38.3 in 1971. Infant mortality has been reduced from 62.5 per 1,000 live births in 1955 to 23.8 in 1971. In 1971 the neonatal (up to 28 days of age) mortality rate of 12.5 per 1,000 live births was below the provisional U.S. General population rate of 14.3 while the overall infant mortality rate is approaching the U.S. all races rate of 19.2. The use of indigenous Indian health workers together with the inception over the last three years of special community maternal and child health family planning projects through contracts with tribes is a significant factor in allowing the program to show continual improvement in this area.

Dental Health--Oral conditions such as caries, periodontal disease, orthodontic problems and missing teeth are chronic, ubiquitous and persistent. Indian people consistently rank dental health first, second or third health priorities. Frustration is common because the conditions are obvious, the means of prevention and correction known and, where resources permit, the Indian Health Service organization is capable of effective and rapid response to the desires of each community. The Indian Health Service dental program has demonstrated a high order of efficiency and effectiveness. It also is a leader in the dental profession in areas of national concern such as quality evaluation, resource planning and the development of auxiliary personnel.

Over a fifteen year period a doubling of resource resulted in a tripling of services. Among children, where services are concentrated, tooth mortality has steadily declined in relation to infected teeth. Orthodontic conditions have also steadily improved among the young. The young still have a large reservoir of corrective service needs and adults remain without most oral health services.

Nutrition--Insufficient food and economic resources to provide nutritionally adequate diets, coupled with a lack of knowledge of the relationship of food to health, continue to pose a major problem among Indian and Alaska Native families. Infants, preschool children, pregnant and lactating women and all females in the childbearing years (15-44), as well as the aged an chronically ill, are groups at nutritional risk. Malnutrition and mild to moderately severe nutritional deficiencies occur relatively frequently in Indian and Alaska Natives. Malnutrition occurs per se and as a complicating or contributing factor in a wide variety of other health problems and illnesses. These include underachievement in physical growth and development (sometimes called failure to thrive), nutritional anemia, infectious and chronic diseases, maternal morbidity, infant morbidity and mortality, and significant underweight or overweight. As more Indians and Alaska Natives are trained as nutrition technicians and food service workers in the Indian Health program, the impact of their efforts in working with the indigenous populations in their home communities will significantly reduce these nutrition problems.

HEALTH SERVICES AND MENTAL HEALTH ADMINISTRATION
Indian Health Service

Appropriation, 1972 (adjusted)		$155,288,292
Total amount available		155,288,292
Appropriation, 1973	$172,748,000	
Transferred to other accounts (GSA)	-96,263	
Comparative transfer to "Departmental Management, Office of the Secretary"	-13,000	
Adjustments to appropriation:		
Less-reduction of programs added by Congress to the 1973 President's Budget	-$6,208,000	
Add-programs previously funded by Department of Labor	+ 1,500,000	
Enacted appropriation proposed for recision	-4,708,000	
Total amount available, 1973		167,930,737

Summary of Increases and Decreases, 1974

Patient Care	
To provide for mandatory increases for direct care at IHS facilities ($4,070,263) and indirect care ($2,451,000)	+6,521,263
Net change	+6,521,263
Field Health Services	
To provide for mandatory increases for sanitation ($127,000), dental ($95,000), public health nursing ($87,000), health education ($36,000), and field medical services ($2,067,000)	+2,412,000
Net change	+2,412,000
Administration	
To provide for mandatory increase	+ 104,000
Net change	+ 104,000
Net change, 1974	+9,037,263
Budget estimate, 1974	176,968,000

INDIAN HEALTH SERVICES

Analysis by Activities

Activity	Amount Available 1972	Amount Available 1973	Estimate 1974	Increase (+) Decrease (-)
		2/	2/	
Patient Care	$108,361,637	$114,271,737	$120,793,000	+ $6,521,263
Field health services	44,412,106	50,239,000	52,651,000	+ 2,412,000
Administration	2,367,446	3,420,000	3,524,000	+ 104,000
Sub-total - obligations ..	155,141,189	167,930,737	176,968,000	+ 9,037,263
Unobligated balance lapsing	147,103	---	---	
		1/	1/	1/
Budget authority	155,288,292	167,930,737	176,968,000	+ 9,037,263

1. Patient Care

Sub-Activity	Amount Available 1972	Amount Available 1973	Estimate 1974	Increase (+) Decrease (-)
(a) Direct- Operation of IHS Hospitals:				
Positions ...	4,835	4,835	4,835	---
Amount	$78,823,818	$83,329,737	$87,400,000	+ $4,070,263
(b) Indirect - Contractual:				
Positions ...	40	40	40	---
Amount	29,537,819	30,942,000	33,393,000	+ 2,451,000
Total patient care:				
Positions ..	4,875	4,875	4,875	---
Amount	108,361,637	114,271,737	120,793,000	+ 6,521,263

1/ Excludes reimbursements as follows: FY 1972 - $1,417,472 (PC $1,325,433;FH $92,039); FY 1973 - $1,550,000 (PC $1,437,000; FH $113,000); FY 1974 - $1,550,000 (PC $1,437,000; FH $113,000).

2/ Reflects a 1974 comparative transfer, - $13,000; to "Departmental Management, Office of the Secretary".

1. Patient Care

SUMMARY OF CHANGE

Mandatory Increases:	
Statutory salary promotions	$1,110,000
Full-year cost of 1973 wage-board increases	417,000
Increased cost of supplies	507,000
Increased cost of contractual services	319,263
Increased cost of maintenance and repair	420,000
Increased cost of medical care under contract	2,433,000
Operation of newly constructed facility	975,000
Increased payments for DHEW working capital fund, HSMHA service and supply fund, and FTS charges	340,000
Total, mandatory increase	6,521,263
Total increase	6,521,263

(a) Direct--The 1974 estimate of 4,835 positions and $87,400,000 provides an increase of $4,070,263 over the 1973 estimate of 4,835 positions and $83,329,737.

Need for increase

The requested increase consists of:

Mandatory Increases:	
Statutory salary promotions	$1,092,000
Full-year cost of 1973 wage board increases	417,000
Increased cost of supplies	507,000
Increased cost of contractual services	319,263
Increased cost of Maintenance and Repair	420,000
Operation of newly constructed facilities	975,000
Increased payments of DHEW Working Capital Fund HSMHA Service and Supply Fund, and FTS charges	340,000
Total mandatory increase	4,070,263
Total increase	4,070,263

Plan of Work

The Indian Health Service operates a network of 51 hospitals ranging in size from 6 to 276 beds and in program complexity from primary medical care to comprehensive referral services.

There is continuing emphasis and effort toward implementing the standards promoted by the Joint Commission on Accreditation of Hospitals for all of the Indian Health Service hospitals.

As a result of availability of increased resources, both the inpatient and outpatient care programs have been improved. Additional ambulatory care positions, upgrading of hospital and outpatient facilities and increases in the clinical laboratory capabilities have resulted in a more acceptable and responsive health program. Hospital outpatient facilities are experiencing a continued increase in the demand for services.

For 1974, an appropriation in the amount of $87,400,000 is requested for direct care, operation of Indian Health Service hospitals, to cover, (1) the operation of 51 Indian Health Service hospitals and attached outpatient clinics and (2) the maintenance of Indian Health Service facilities consisting of hospitals, health centers, stations, school clinics, and staff quarters.

Expected workloads for the hospital program are shown on the following table:

INDIAN HEALTH SERVICE HOSPITALS

WORKLOAD DATA

Average Daily Patient Census by Type of Patient (Excl. Newborn)	1972 Actual	1973 Estimate	1974 Estimate	Increase (+) Decrease (-)
Inpatient Load by Type of Patient:				
General Patients	1,586	1,616	1,636	+ 20
Tuberculosis Patients	40	29	20	- 9
Total Inpatient Load	1,626	1,645	1,656	+ 11
Total GMS Admissions (Excl. Births)	75,672	77,400	79,000	+ 1,600
Average Length of Stay (days)				
General Patients	7.7	7.6	7.5	- .1
Total Births-All Indian Health Service Hospitals	9,923	10,400	10,800	+ 400
Outpatient Visits to Hospital Facilities	1,275,726	1,352,000	1,433,000	+ 81,000

(b) Indirect -- The 1974 estimate of 40 positions and $33,393,000 provides an increase of $2,451,000 over the 1973 estimate of 40 positions and $30,942,000.

Need for increase

The requested increase consists of:

Mandatory	
Increases:	
Statutory salary promotions	$ 18,000
Increased cost of medical care under contract	2,433,000
Total mandatory increase	2,451,000
Total increase	2,451,000

An analysis of the rates negotiated in agreements with the various hospitals, clinics, physicians, and dentists with which the Indian Health Service has current formal contracts, indicates a continuing upward trend. In order to provide the same level of services in 1974 as 1973, it is necessary to plan for this added cost, and request the funds to cover this increase. An increase of $2,433,000 is requested for these rising costs.

An increase of $18,000 is requested to provide funds for increased cost of salaries.

Plan of work

The request of $33,393,000 is for the purchase of medical care through contractual arrangements and is an essential element of the Indian Health Service program. Formal agreements are entered into with community hospitals, private physicians and clinic groups, dentists and providers of ancillary health services to assure that quality care is obtained. Through this mechanism health services are practically and effectively provided for the widely scattered and small groups of Indians and Alaska Natives who urgently need such services. In addition, the use of contract services makes possible special diagnostic and therapeutic services which many small and intermediate sized Indian Health Service hospitals cannot provide. Emergency hospitals and medical care services are frequently required at locations not readily accessible to health facilities directly operated by the Indian Health Service.

The table on the following page indicates the distribution of funds under the various items requested for the 1974 program. It also shows how 1972 funds were obligated and the plan of funding for 1973. The actual experience of average daily patient loads are reported for 1972 together with expected levels for 1973 and 1974.

As noted on this table, the average patient load for neuropsychiatric inpatients is estimated to decrease. The primary reasons are a greater utilization of state programs and greater emphasis in treating illnesses on an outpatient basis.

INDIAN HEALTH SERVICE
Indirect - Contractual

	1972 Actual			1973 Estimate			1974 Estimate		
	Average Daily Pt.Load	Rate	Amount	Average Daily Pt.Load	Rate	Amount	Average Daily Pt.Load	Rate	Amount
Hospitalization:									
General	440	$88.18	$14,200,449	454	$95.23	$15,781,000	454	$102.85	$17,043,000
Tuberculosis	20	44.90	328,668	19	48.49	336,000	19	52.37	363,000
Neuropsychiatric	86	19.66	618,761	53	21.23	411,000	53	22.93	444,000
Total	546		15,147,878	526		16,528,000	526		17,850,000
Patient and escort travel			602,003			640,000			640,000
Professional field supervision			685,162			716,000			734,000
Physicians' services (inpatient fees, office visits, consultation services			7,597,686			7,975,000			8,383,000
Dental services (emergency services, dental laboratory prosthesis)			2,004,023			1,884,000			2,075,000
Other costs (lab and x-ray services, pharmaceuticals, drugs for inpatients and outpatients, prosthesis and burials)			3,501,067			3,199,000			3,711,000
Total			29,537,819			30,942,000			33,393,000

ITEMIZATION OF ESTIMATE
Patient Care

Obligations by Object	Actual 1972	Amount Available 1973	Estimate 1974	Increase (+) Decrease (-)
11 Personnel compensation ..	$49,100,304	$51,911,000	$53,305,000	+$1,394,000
12 Personnel benefits	6,978,654	7,555,000	7,688,000	+ 133,000
21 Travel and transportation of persons	3,501,594	2,698,000	2,701,000	+ 3,000
22 Transportation of things	1,119,671	905,000	909,000	+ 4,000
23 Rent, communication, and utilities	3,736,035	3,595,737	3,692,000	+ 96,263
24 Printing and reproduction ..	272,066	228,000	228,000	---
25 Other services .	32,374,727	35,004,000	38,078,000	+ 3,074,000
26 Supplies and materials	9,761,338	11,376,000	12,204,000	+ 828,000
31 Equipment	1,595,236	1,595,000	2,584,000	+ 989,000
32 Lands and structures	510,787	---	---	---
42 Insurance, claims, and indemnities	7,360	---	---	---
Subtotal	108,957,772	114,867,737	121,389,000	+ 6,521,263
Deduct quarters and subsistence charges	-596,135 1/	-596,000 1/	-596,000 1/	---
Net obligations .	108,361,637	114,271,737	120,793,000	+ 6,521,263

1/Excludes reimbursements as follow: FY 1972 - $1,325,433
FY 1973 - $1,437,000
FY 1974 - $1,437,000

2. Field Health Services

	Amount Available 1972		Amount Available 1973		Estimate 1974		Increase (+) Decrease (-)	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
(a) Sanitation	437	$6,434,340	466	$7,267,000	466	$7,394,000	...	+ $127,000
(b) Dental	405	5,610,724	407	6,149,000	407	6,244,000	...	+ 95,000
(c) Public health nursing	275	3,625,918	275	3,801,000	275	3,888,000	...	+ 87,000
(d) Health education	99	1,548,427	99	1,672,000	99	1,708,000	...	+ 36,000
(e) Field medical services	1,216	27,192,697	1,231	31,350,000	1,231	33,417,000	...	+2,067,000
Total	2,432	44,412,106	2,478	50,239,000	2,478	52,651,000	...	+2,412,000

Mandatory Increases:

Statutory salary promotions	$ 534,000
Full-year cost of 1973 wageboard increases	53,000
Increased cost of supplies	184,000
Increased cost of contractual services	154,000
Full-year contractual cost of 100 CHR's trained in 1973	1,011,000
Increased contractual level of 618 CHR's employed in 1973	354,000
Increased contractual level of 100 CHR's in training in 1974	30,000
Increased contractual level of 185 ANCHAT's employed in 1973	92,000
Total mandatory increase	2,412,000
Total increase	2,412,000

(a) Sanitation - The 1974 estimate of 466 positions and $7,394,000 provides an increase of $127,000 over the 1973 estimate of 466 positions and $7,267,000.

Need for increase

The requested increase consists of:

Mandatory Increases:	
Statutory salary promotions	$108,000
Increased cost of supplies	11,000
Increased cost of contractual services	8,000
Total Mandatory increase	127,000

The physical environment of the American Indian and Alaska Native in most locations throughout the United States is characterized by severe climatic conditions, rough, often treacherous geographical setting, and extreme isolation. Survival under these conditions attests to the ingenuity, adaptability and self-determination of these people.

This harsh environment, coupled with decades of economic deprivation with the resulting lack of basic environmental amenities has resulted in an exceptionally high incidence of disease, and premature deaths, particularly among infants. Since the passage of P.L. 86-121 in 1959, the Indian Health Service has been constructing sanitation facilities for Indian and Alaska Native homes and communities. This fact, together with the growing accomplishments of housing programs of other Federal agencies, has done much to improve the environment of these people. However, many families still lack basic facilities and are subject to the serious health hazards associated with such environmental deficiencies. Other environmental conditions including insect and wild rodent vectors continue to result in sporadic epidemics on Indian reservations.

To combat these and other environmentally related problems, the staff of the environmental health program provides a wide range of environmental health services and engineering and technical support in the implementation of sanitation facilities projects, including those undertaken in coordination with Federal and tribal housing agencies.

Basic Environmental Health Activities

A continuing program of consultations and services is made available to Indian and Alaska Native families and communities to assist them in implementing a comprehensive environmental health program. These consultations and services help the Indian and Alaska Natives in identifying and correcting environmental conditions which are detrimental to their health status and in insuring sustained improvement in the quality of their lives. While still encompassing the traditional environmental concerns of the past, the services presently

provided by IHS go far beyond, particularly with regard to consultative and technical services in connection with existing tribal enterprises and planned economic and community development projects. Services of an occupational health and safety nature are also being expanded. An essential element of the services provides emphasis in furthering community guidance of program activities. This will permit the integration of those activities into the total health, social, and economic structure of Indian and Alaska Native communities.

In addition to the foregoing, the basic environmental health activities incorporate a consultative service to assure that a high level of environmental sanitation is maintained in Federal and other facilities serving Indians, particularly those of the Bureau of Indian Affairs and the Indian Health Service.

In the provision of these basic sanitation services, the Indian and Alaska Native environmental health aides/technicians are key members of the staff who help bridge the gap of cultural differences to bring modern environmental health practices to Indian communities and groups. These aides/technicians are trained by the Indian Health Service in the basic elements of environmental health and they, in turn, impart this knowledge to their own people.

Sanitation Facilities Construction Activity

The sanitation facilities construction activity complements the the basic environmental health activity by providing tangible support in those situations where the need for facilities exceeds the available resources of the Indian people. The Indian Health Service is authorized to provide this assistance under Public Law 86-121, the Indian Sanitation Facilities Act (42 USC 200 4A). The activity employs a coordinated Tribal-Federal attack to correct gross deficiencies in individual and community water supplies, liquid and solid waste disposal, and other sanitation facilities. Staffing to implement this work is supported under the field health activity of the Indian Health Service budget.

In the construction activity, Indians participate in project planning and construction and after being equipped and trained by the Indian Health Service assume responsibility for the operation and maintenance of the completed facilities. In addition, Indian families, Tribes, Housing Authorities, and groups make contributions toward the project in the form of labor and materials to the extent deemed equitable and practicable.

Plan of Work

It is estimated that 102,000 basic and special environmental health services of various types will be provided during 1974. In addition 11,989 housing units will be provided sanitation facilities in FY 1974. Of these, 10,000 units are associated with new housing program activities and 1,989 represent existing units in scattered locations.

(b) Dental -- The 1974 estimate of 407 positions and $6,244,000 provides an increase of $95,000 over the 1973 estimate of 407 positions and $6,149,000.

Need for Increase

Mandatory Increases:

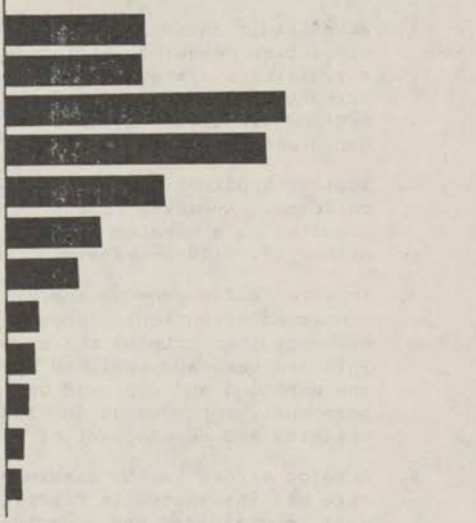
Statutory salary promotions	$ 66,000
Increased cost of supplies	25,000
Increased cost of contractual services	4,000
Total mandatory increase	95,000
Total increase	95,000

The dental program of the Indian Health Service emphasizes preventive, educational and corrective services to school age children. In Fiscal Year 1972, 40.3 percent of the total estimated need for dental services was provided.

The following table and graph illustrate the proportion of needed dental services the Indian Health Service was able to provide in Fiscal Year 1972. The chart clearly points up the program emphasis placed upon dental care to the young to achieve the greatest preventive result. Most adults receive only emergency dental services.

PERCENT DENTAL SERVICES PROVIDED BY THOSE REQUIRED
INDIAN AND ALASKA NATIVE POPULATION
FISCAL YEAR 1972

Age Group (In Yrs.)	Percent of Required Services Provided
All Ages	40.3
0-5	40.8
5-9	73.6
10-14	70.0
15-19	45.8
20-24	30.6
25-34	22.8
35-44	16.2
45-54	14.1
55-64	11.7
65-74	11.2
75+	10.0



Plans of Work

In Fiscal Year 1974, the dental program will continue major emphasis on preventive and corrective services to Indian children and young adults. Emergency dental services will be provided to adults and, as resources permit, routine preventive, corrective and rehabilitative services will be expanded in the young adult age groups.

Program efforts will be intensified in the following areas:

1. Water fluoridation, the most effective dental caries preventive measures, will receive major emphasis. A surveillance system and training program will be instituted to assist Indian tribes in the maintenance of optimum effective levels of fluoridation in tribally owned water systems.

2. Topical applications of fluoride will be continued for children. A marked expansion of this program has resulted in a greater than four-fold increase in the number of children receiving this preventive care.

3. Improved efficiency of the dental program will receive continued attention. Since 1956, the dental program has more than tripled the number of services provided. This has been accomplished by only a doubling of staff; the expanded and improved use of Indian auxilliary personnel, improvement in clinical facilities and the training and development of dental staff.

4. A major effort in the assessment of the quality of dental care was instituted in Fiscal Year 1973. This program will be evaluated and coordinated with training and planning activities in Fiscal Year 1974.

The table which follows sets forth the planned accomplishments in the Field Dental Health Program during Fiscal Year 1974.

Yield and effort

1. Oral Health Levels	1972	1973	1974
Tooth mortality in persons age 20 - 24	2.38	2.30	2.27
Periodontal disease per 1,000 persons 1/	232	226	220
Dentures required per 1,000 persons 1/	553	549	544
2. Workload that will result in above levels of oral health			
Patients treated*.....	153,324	160,000	163,900
Percent of population treated	32.7	33.4	33.6
Total services provided....	718,176	740,000	759,700
Percent of required services provided	40.3	41.5	42.6
Topical fluoride treatments*	102,331	106,000	109,100
Dentures provided*.....	4,093	7,300	7,600

* Excludes contract dental program.
1/ Age adjusted rates.

(c) Public health nursing -- The 1974 estimate of 275 positions and $3,888,000 provides an increase of $87,000 over the 1973 estimate of 275 positions and $3,801,000.

Need for increase

The requested increase consists of:

Mandatory

Increases:

Statutory salary promotions	$54,000
Increased cost of supplies	5,000
Increased cost of contractual services	28,000
Total mandatory increase	87,000
Total increase	87,000

Public health nursing is the core of any public health program. The activities of the public health nurse include case finding, health teaching, counseling, and follow-up services to provide continuity of care in the home, school, hospital, and clinic. These services are essential to an effective community generalized public health program. The public health nurse's unique contribution is through her first hand knowledge of the families and their home situations, and through the impact of the nurse-family relationship as a therapeutic and teaching force. This places emphasis on the importance of sustained contact and on the inter-personal facets of nursing practice. The public health nurse's effectiveness is largely dependent upon establishing and maintaining a relationship of mutual respect with families served.

With the increasing number of various types of indigenous auxiliary workers now being utilized, better distribution of professional and non-professional functions and greater teamwork are possible, but more of the professional public health nurse's time and effort will involve coordination of the "team effort," and supervision and guidance of the para-professional workers.

Plan of Work

Program efforts will be concentrated on coordination of team effort both within the public health nursing group and with other health personnel, particularly the Community Health Representatives and other indigenous auxiliary workers. Efforts will be further intensified in the following:

1. Follow-up of "high risk" families.

2. Strengthening of health teaching in homes, hospitals, clinics, schools, and the community, with the goal of preventing disease or retarding its progress; reducing the ill effects of unavoidable disease; teaching a member of the family to give nursing care to the non-hospitalized sick and handicapped; development and practice of habits conducive to health; and increasing the capability of families, groups, and communities to cope with health problems that arise.

3. Provision of counseling and guidance in health and family living to teenagers and young adults.

4. Prevention of complications of pregnancy and improvement of the general health status of expectant mothers and their infants by getting them under care early in pregnancy, and through family planning education.

5. Further reduction of infant morbidity and mortality through early visits to new infants, giving highest priority to infants in high risk families.

6. Prevention of infectious disease in infants and children by achieving and maintaining a high level of immunization.

In FY 1974, it is estimated that public health nursing services will be provided to approximately 33,000 families which compares to 31,157 in 1972 and 32,000 in 1973.

(d) Health Education -- The 1974 estimate of 99 positions and $1,708,000 provides an increase of $36,000 over the 1973 estimate of 99 positions and $1,672,000.

Need for increase

The requested increase consists of:

Mandatory	
Increases:	
Statutory salary promotions	$31,000
Increased cost of supplies	4,000
Increased cost of contractual services	1,000
Total mandatory increase	36,000
Total increase	36.000

The health education program of the Indian Health Service is designed to assist the Indians and Alaska Natives to assume greater individual, family, and community responsibility in health matters through involvement and participation in community and health related activities.

The aim of the program is to provide all patients in medical care facilities with specific and organized health education activities to prevent recurrance and spread of diseases and to provide Indian populations with health education experiences designed to reduce the risk from disease and injury.

Plan of work

In 1974 emphasis will continue to be placed on efforts to achieve greater involvement of the Indian and Alaska Natives in their own health affairs in order, to enhance:

1. The development of Indian leadership in the assumption of responsibility for health matters, and to involve more completely other agencies that have potentials for contributing to improving the health of Indian populations.

2. Community acceptance and use of health care services and preventive resources.

3. The development of decision-making skills among the Indian and Alaska Natives.

4. Opportunities for use of educational potentials in health program planning and operation.

5. Coordination of activities to incorporate health instruction in the curricula of schools-encourage the health instruction concept among teachers - tie in community education programs with school health projects to increase knowledge of wholesome living conditions.

(e) Field Medical Services -- The 1974 estimate of 1,231 positions and $33,417,000 provides an increase of $2,067,000 over the 1973 estimate of 1,231 positions and $31,350,000.

Need for Increase

The requested increase consists of:

Mandatory Increases:	
Statutory salary promotions	$ 275,000
Full-year cost of 1973 wage board increases	53,000
Increased cost of supplies	139,000
Increased cost of contractual services	113,000
Full-year contractual cost of 100 CHR's trained in 1973	1,011,000
Increased contractual level of 618 CHR's employed in 1973	354,000
Increased contractual level of 100 CHR's in training in 1974	30,000
Increased contractual level of 185 ANCHAT's employed in 1973	92,000
Total mandatory increase	2,067,000
Total increase	2,067,000

The Field Medical Services program supports the full range of ambulatory medical care, preventive medical and public health services to Indian people outside of the hospitals through a system of 84 health centers (which include 27 school health centers) and several hundred satellite health stations. Itinerant health teams make scheduled visits to the satellite facilities to provide medical services. Also, field health personnel make home visits and provide health information and counseling to residents of the locale being served. These health facilities also provide specialized clinics for the communities in such activities as immunization programs, well-baby clinics, pre and post-natal clinics, programs for otitis media, trachoma, venereal diseases, diabetes, family planning, and mental health services.

The Field Medical Services program has developed a very close working relationship between the Indian people in the communities being served and the field medical teams. This is greatly strengthened by the linkage of the Indian Health Service personnel with the Indian people by Community Health Representatives, who increase the professional health services through their role of providing education in health practices and being the advocates of the Indian people.

In Alaska, 185 Alaska Native Health Aides, whose functions are substantially the same as the CHR's, but because of the extreme isolation factor in Alaska, provides a wide range of medical services under professional supervision received via short wave radio or telephone.

The leading health problems experienced by the Indian people are communicable diseases, accidents, alcoholism and other mental health problems and otitis media. Special emphasis is being given to these health problems.

Plan of Work

The 1974 request, for Field Medical Services is $33,417,000. This will support outpatient and preventive health services, provided at 84 health centers (which include 27 school health centers) and several hundred satellite health stations. The health stations are operated part time by staff from the fixed facilities to provide services to the more isolated Indian and Alaska Native communities.

Program efforts will continue to be focused on increasing the present level of tribal participation and involvement in the delivery of health services in the following areas:

1. Emphasis will be directed toward expanding the number of tribally operated programs such as maternal and child health, alcoholism, nutrition, family planning, drug abuse, suicide prevention, etc.

2. A continuing effort will be made in the organization and development of tribal boards of health by giving technical assistance when requested, by encouraging their participation in program management, and by supporting them on a continuing basis in order that they may develop and sustain an effective management capability.

3. Efforts will be intensified in purchasing other services from the tribes wherever possible. This would include such services as maintenance of water and sewer systems, utilities, communication systems, etc.

Patients receive primary medical services in the health centers and health stations. However, those requiring more definitive care are referred to appropriate hospitals or other clinical facilities. Follow-up services are also provided after hospitalization. The preventive health services include a vast range of activities such as prenatal and post-natal care, family planning consultation and services, well-child clinics, school health, control of communicable diseases including immunization and screening and follow-up of cases and contacts, e.g., tuberculosis, venereal diseases and trachoma, early detection and prevention of chronic diseases such as diabetes, deficiency diseases and mental health. A mental health program, including alcohol control and prevention provides basic services to the Indian people spread over vast areas with no other access

to mental health resources. This is an integral part of improving the general health of Indian people to fulfill their potential in society. A maternal and child health program, including family planning and care of high-risk mothers and babies, is a high priority program, and included in the curative and preventive services. These services are further implemented by tribally operated projects using community health workers.

Outpatient visits for preventive and therapeutic medical services at the health centers, health stations and schools is estimated at 1,023,000 in 1974 which compares to 960,155 in 1972 and 993,000 in 1973. These increases will result in providing more therapeutic and preventive health services for such health problems as mental health, venereal diseases, tuberculosis, maternal and child health, family planning, crippling conditions of children such as otitis media, cleft palate, and orthopedic conditions and congenital heart diseases.

The 1974 budget provides for employment of 718 community Health Representatives and 185 Alaska Native Health Aides, and the training of 100 Community Health Representatives in 1974.

In carrying out the emphasis of the Message from the President of the United States Transmitting Recommendations for Indian Policy (House Document No. 91-363, dated July 8, 1970) regarding the involvement of the Indian people in their own programs, the Indian Health Service has initiated and expanded tribally operated programs such as alcoholism, family planning, maternal and child health, and TB control. With the additional resources provided in the 1973 appropriation, the Indian Health Service and the Indian people are initiating other tribal programs such as establishment of tribal health departments to plan and administer health programs and development of the tribal capability of administering maintenance services to reservation water and sewer systems.

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ITEMIZATION OF ESTIMATE
Field Health Services

Obligations by Object	Actual 1972	Amount Available 1973	Estimate 1974	Increase (+) Decrease (-)
11 Personnel compensation ..	$22,025,992	$25,162,000	$25,698,000	+ $536,000
12 Personnel benefits	3,390,939	4,024,000	4,075,000	+ 51,000
21 Travel and transportation of persons	2,459,348	2,857,000	2,857,000	---
22 Transportation of things	1,011,713	1,072,000	1,072,000	---
23 Rent, communication, and utilities	1,392,156	1,481,000	1,481,000	---
24 Printing and reproduction ..	120,016	135,000	135,000	---
25 Other services .	8,891,817	11,579,000	13,220,000	+ 1,641,000
26 Supplies and materials	2,421,601	3,075,000	3,259,000	+ 184,000
31 Equipment	2,694,367	980,000	980,000	---
32 Lands and structures	125,221	---	---	---
42 Insurance, claims, and indemnities .	4,809	---	---	---
Subtotal	44,537,979	50,365,000	52,777,000	+ 2,412,000
Deduct quarters and subsistence charges	-125,873	-126,000	-126,000	---
	1/	1/	1/	
Net obligations ..	44,412,106	50,239,000	52,651,000	+ 2,412,000

1/ Excludes reimbursements as follow: 1972 - $ 92,039
1973 - $113,000
1974 - $113,000

INDIAN HEALTH SERVICES
3. Administration

	Actual 1972	Amount Available 1973	Estimate 1974	Increase (+) Decrease (-)
Administration ...	$2,367,446	$3,420,000	$3,524,000	+ $ 104,000

The 1974 estimate of 128 positions and $3,524,000 provides an increase of $104,000 over 1973.

Need for increase

The requested increase consists of:

Mandatory	
Increases:	
Statutory salary promotions	$47,000
Increased cost of supplies	1,000
Increased cost of contractual services	56,000
Total mandatory increase	104,000
Total increase	104,000

The Indian Health Service headquarters staff, which is required to effectively direct a widely dispersed and extremely complex health service program, is funded under this title. This staff includes (1) positions specializing in the field of curative and preventive health, (2) staff engaged in such specialized fields as nutrition, medical records, medical social work, statistics, financial management, program planning, and general services.

The 1974 estimate of $3,524,000 for the Administration activity provides for a continuation of operation in 1974 comparable to that of 1973, including the Upward Mobility program which was designed to identify and develop the potential of underutilized individuals and minority group members to assume more program responsibilities.

ITEMIZATION OF ESTIMATE
Administration

Obligations by Object	Actual 1972	Amount Available 1973	Estimate 1974	Increase (+) Decrease (-)
11 Personnel compensation ...	$1,832,026	$2,116,000	$2,159,000	$ + 43,000
12 Personnel benefits	215,843	267,000	271,000	+ 4,000
21 Travel and transportation of persons	138,324	140,000	140,000	---
22 Transportation of things	25,134	10,000	10,000	---
23 Rent, communication, and utilities	73,410	71,000	71,000	---
24 Printing and reproduction ...	115	1,000	1,000	---
25 Other services ..	61,064	793,000	849,000	+ 56,000
26 Supplies and materials	11,689	14,000	15,000	+ 1,000
31 Equipment	9,841	8,000	8,000	---
Subtotal	2,367,446	3,420,000	3,524,000	+104,000
Deduct quarters and subsistence charges	---	---	---	---
Net obligations ..	2,367,446	3,420,000	3,524,000	+104,000

ITEMIZATION OF ESTIMATE
Department of Health, Education and Welfare
Health Services and Mental Health Administration
Appropriation Title: Indian Health Services

	Actual 1972	Amount Available 1973	Estimate 1974	Increase (+) Decrease (-)
Obligations	$155,141,189	$167,930,737	$176,968,000	+$9,037,263
Unobligated balance lapsing	147,103	...	...	...
Budget authority	155,288,292	167,930,737	176,968,000	+ 9,037,263
Transferred to "operating expenses, public building service," GSA	31,708	96,263	...	- 96,263
Comparative transfer to "Departmental Management, Office of the Secretary"	13,000	13,000	...	- 13,000
Enacted appropriation Proposed for recision	...	4,708,000	...	- 4,708,000
Appropriation	155,333,000	172,748,000	176,968,000	+ 4,220,000
Obligations by Object				
11 Personnel compensation	72,958,322	79,189,000	81,162,000	+ 1,973,000
12 Personnel benefits	10,585,436	11,846,000	12,034,000	+ 188,000
21 Travel and transportation of persons	6,099,266	5,695,000	5,698,000	+ 3,000
22 Transportation of things	2,156,518	1,987,000	1,991,000	+ 4,000
23 Rent, communication, and utilities	5,201,601	5,147,737	5,244,000	+ 96,263
24 Printing and reproduction	392,197	364,000	364,000	...
25 Other services	41,327,608	47,376,000	52,147,000	+ 4,771,000
26 Supplies and materials	12,194,628	14,465,000	15,478,000	+ 1,013,000
31 Equipment	4,299,444	2,583,000	3,572,000	+ 989,000
32 Lands and structures	636,008	...	...	...
42 Insurance, claims, and indemnities	12,169	...	...	...
Subtotal	155,863,197	168,652,737	177,690,000	+ 9,037,263
Deduct quarters and subsistence charges	-722,008	-722,000	-722,000	...
Total Obligations	155,141,189 1/	167,930,737 1/	176,968,000 1/	+ 9,037,263

1/ Exclusive of reimbursements as follows: 1972 - $1,417,472; 1973 - $1,550,000; 1974 - $1,[illegible],000.

Indian Health Services

Summary of Positions and Average Employment

Positions

Activity	1972	1973	1974
Patient Care:			
Direct	4,835	4,835	4,835
Indirect	40	40	40
Total Patient Care	4,875	4,875	4,875
Field Health Services:			
Sanitation	437	466	466
Dental	405	407	407
Public health nursing	275	275	275
Health education	99	99	99
Field medical services	1,216	1,231	1,231
Total Field Health	2,432	2,478	2,478
Administration	128	128	128
	1/	1/	1/
Total	7,435	7,481	7,481

Average Employment

Patient Care:			
Direct	4,834	4,816	4,816
Indirect	43	36	36
Total Patient Care	4,877	4,852	4,852
Field Health Services:			
Sanitation	332	400	400
Dental	371	393	393
Public health nursing	260	245	245
Health education	95	95	95
Field medical services	1,071	1,140	1,140
Total Field Health	2,129	2,273	2,273
Administration	118	122	122
	2/	2/	2/
Total	7,124	7,247	7,247

1/ Excludes reimbursable positions as follows: 1972-54; 1973-54; 1974-54.

2/ Excludes reimbursable average employment as follows: 1972-54; 1973-54; 1974-54.

Mr. LONG. May I ask a question, Madam Chairman?
Mrs. HANSEN. Yes.

CANADIAN INDIAN HEALTH PROGRAM

Mr. LONG. I think we are all conscious of the fact that the Indian has been a neglected minority in our history; I certainly support all that you are doing for them. I just wonder whether we can get a perspective on this. The Canadians have a substantial Indian population too, don't they?

Dr. JOHNSON. Yes, they do.

Mr. LONG. I imagine it would be larger in relation to their population than the Indian population is to ours, wouldn't it?

Dr. JOHNSON. I couldn't respond specifically.

Mrs. HANSEN. Depending on the province.

Mr. LONG. Particularly the northern or what we call the Alaskan Indian, the Eskimo, and so on.

Dr. JOHNSON. Yes; they have a Native health service in the Canadian Government, and we do meet with them from time to time.

Mr. LONG. Do any of the Indians that participate in our program for the Alaska Natives move back and forth between Canada and the United States?

Dr. JOHNSON. Yes; there are some who move back and forth.

Mr. LONG. Is it very substantial or very small?

Dr. JOHNSON. In total, it is very small. In certain communities it may be significant.

Mrs. HANSEN. It is just in that boundary area between western Canada and eastern Alaska.

Dr. JOHNSON. Yes.

Mr. LONG. How is Canadian care in comparison with ours for the Indians? Are they doing a better job than we have been doing, particularly in recent years?

Dr. JOHNSON. I don't think it would be fair for me to try to make that kind of an assessment, Mr. Long. The problems of the two countries are quite different as are the resources that may be available. The isolation, of course, in Canada is much more the nature of the isolation that we have in Alaska.

Mr. LONG. I am specifically comparing the Alaskan situation with the Canadian situation.

Dr. JOHNSON. I think one would have to be awfully careful in trying to make that kind of a judgment.

Mr. LONG. I would expect you to be careful. But I would also expect you to be able to give us some idea of what the Canadians have been doing. Is our performance better or worse than theirs?

Dr. JOHNSON. Our performance, I would think, the end result of our program has been better.

Mr. LONG. Have we been putting more of our resources into it than they have per Indian, and that kind of thing?

Dr. JOHNSON. I don't have those figures for you.

Mrs. HANSEN. Dr. Johnson, I think you have to separate the Indian community into actually two parts. In the first place there are the Alaska Natives.

Mr. LONG. I understand.

Mrs. HANSEN. Their situation is analogous to Canada, but the Southwest is certainly not analogous to any place in Canada.

Mr. LONG. No; I was entirely concerned with the Alaskan Indians as compared with the Canadian Indians and Eskimos.

Dr. JOHNSON. There is a health organization that has all of the arctic groups that we work with and meet with about once a year: the Finns, the Norwegians, the Russians.

Mr. LONG. Are the Canadians alive to the problem in the same way that we seem to be alive to it, prodded by such forces as Wounded Knee?

Dr. JOHNSON. I think there is an increasing awareness throughout Canada today just as there is here of these unmet needs. The people have been passed by.

Mr. LONG. Has their conscience been stirred?

Dr. JOHNSON. I think so.

Mr. MILLER. You realize we are discussing this only within the context of health. We can't talk to the rest of the Indian programs.

Mr. LONG. That is a very important part of the Indian program, I would think. I would only ask you to talk about those things on which you have some basis of knowledge. You really can't tell us a great deal about it.

Dr. JOHNSON. I am sorry, Mr. Long, I can't.

[Discussion off the record.]

DEDICATION OF IHS EMPLOYEES

Mrs. HANSEN. I think the average person has very little idea of the dedication of the employees in the Indian Health Service. They are often in very isolated locations, and the work that they do, the hours they give to the community is phenomenal. They are not what you would call overpaid. The houses they live in are not particularly startling in either their architecture, design, or comfort.

PROPOSED 1973 RESCISION

In 1973, $6,208,000 was added to your budget by Congress. Our total bill did not come out of this committee above the President's budget. We cut items that we felt were not as important in the context of American life as Indian health, and we added substantial money to the Indian health budget and we added substantial money to the BIA.

The the Senate saw fit to add some more, and we settled our differences in conference, with the net total increase of $6,208,000 for the Indian Health Service. Therefore, it is with a sense of mild indignation that the committee has viewed the request for a recision. We want you to explain to the OMB that we were not reckless spenders.

We have a copy of some of the "Battle of the Budget" propaganda that the White House has been providing. I will read you some of these little classics. "Budget cuts prevent 15 percent increase in taxes," "save the taxpayers money and hold down prices," and there are several more.

Mr. MILLER. Could I just make one comment?

Mrs. HANSEN. Yes, wait until I finish with this.

"It is time to get big government off your back and out of your pocket." "I oppose any new spending programs," and so on. There are four pages here. This cost somebody some money. I don't know who provided it.

Mr. MILLER. It didn't cost me any staff time nor any of my staff. I really don't know how those statements were put together. The only point I want to make, Madam Chairman, and it has come up over and over again in all our hearings, it came up very strongly with Senator Magnuson in the Senate.

Mrs. HANSEN. I can imagine.

PRESIDENT'S BUDGET REQUEST AND FUNDS APPROPRIATED BY CONGRESS

Mr. MILLER. The point is not made that the appropriations committees totally appropriated more money than the President's budget. That is not what happened. There were a great many other actions taken in the Congress.

Mrs. HANSEN. Revenue sharing was among them.

Mr. MILLER. But it was not over the President's budget, but an example was the 20-percent increase in social security benefits.

Mrs. HANSEN. But you never mention the $5 billion that the Appropriations Committee cut. Besides, I have yet to hear anybody say they wanted to cut social security. In fact, included in the October checks there was a gracious note from President Nixon saying that this increase was fine.

Mr. MILLER. But President Nixon did oppose that large an increase in social security benefits. He signed the bill but was opposed to the figure. The net result was an $11 billion larger amount than the $250 billion he was shooting for. It was not a result of the Appropriations Committee action but a result of the total action of the Congress. We can't cope with the argument that this committee didn't appropriate more.

Mrs. HANSEN. It was very unwise to ask this committee to rescind part of its action to pay for some other program.

SUPPORT BY ADMINISTRATION OF INDIAN HEALTH PROGRAM

Mr. MILLER. In most of HEW's budget we have gone below the original budget that was submitted in January, 1972. For Indian health we have not. We have just asked, "Please stay at the level of the original budget." We have not done what we have done across the board in HEW, which is even gone below the original budget. So we maintained that this is a priority within the HEW budget and within the administration's budget. I will not quarrel with you about the issue of whether a figure such as $6 million is worth all this irritation and agitation.

Mrs. HANSEN. The Pentagon can spend $6 million in 15 minutes.

Mr. MILLER. There are so many $6 million and $10 million items. You can't ignore them all.

Mrs. HANSEN. I just happen to believe that the security and well-being of America and Americans is relatively important.

Mr. LONG. Especially when it is national defense that doesn't defend.

NEED FOR CONTINUED SUPPORT OF INDIAN HEALTH PROGRAM

Mrs. HANSEN. Neither Dr. Johnson nor the Indian Health Service could have lowered the infant death rate and brought about the fall in the death rate from various diseases without money.

Mr. MILLER. That is certainly correct.

Mrs. HANSEN. I think our budgets have reflected a desire to better the condition of the American Indian and the American people. This is nothing that any of us really need to apologize for.

COMMITTEE ACTION UNDER PRESIDENT'S BUDGET REQUEST

Mr. WYATT. I would like to add to my previous remarks. That is under your chairmanship I think the subcommittee has always been under the President's budget request, and we have attempted to reorder our own priorities within the limits of our ability to do so because of our efforts to stay under the OMB requests. We have been frustrated to a large degree by impoundments. I was speaking primarily about the actions of Congress outside of the appropriations committee.

HEW SUPPORT OF PROGRAM

Mr. MILLER. Just one more word. You are making the differences between us too great I think. We agree with the needs as you describe them.

Mrs. HANSEN. I know you do.

Mr. MILLER. We are talking about the fact we agree on $168 million and we disagree on $4 million above that. You know there just isn't that great a degree of difference between us on how much money should be spent on Indian health. As far as priorities are concerned, we are in agreement. We don't agree on the precise figure.

Mrs. HANSEN. We think you can spend the $4 million.

Mr. MILLER. Yes, we can, of course.

Mrs. HANSEN. And we think you can do a good job without waiting until June 30 to do it. If you can't, the Treasury will have it.

We will adjourn until 1 p.m.

AFTERNOON SESSION

1973 RECISIONS

Mrs. HANSEN. The committee will come to order.

Before lunch, we were talking about the proposed 1973 recisions. Of the $6,208,000 that Congress added, $4,708,000 is proposed for recision and $1.5 million you plan to reprogram for the program previously funded by the Department of Labor. Please insert in the record a tabulation by project of the $6.2 million. Indicate the number of positions included in each activity.

[The information follows:]

Congressional Increase for 1973 Proposed for Recission

	Positions	Amount
Additional funding for Contract Health Care Program	---	$ 1,000,000
Implementation of 3 additional Pilot Urban Health Projects....	---	450,000
Expansion of California Indian Rural Health Board	---	1,100,000
Additional Eye Care.....	6	400,000
Additional treatment of Otitis Media.....	---	350,000
Additional Dental Services in Aberdeen & Billings Area.....	14	250,000
Additional Dental Services in Alaska.....	---	355,000
Training of fifty additional Community Health Representatives.	---	247,000
Leasing of health clinics in Alaskan villages.....	---	456,000
Health Care Communications in Alaska.....	---	300,000
Mental Health Program.....	37	450,000
Additional Services at Belcourt, ND.....	34	350,000
Additional positions for ambulatory care.....	52	500,000
	143	6,208,000

Proposed Reprogramming of Congressional Increases to Programs Formerly Funded by the Department of Labor

Community Health Medics.....	---	650,000
Training of Advanced Community Health Representatives.....	---	215,000
Training of Tribal Employees.....	---	455,000
Training of Indian Boards of Health.....	---	180,000
	---	1,500,000
Net Proposed Recission for 1973.....	143	4,708,000

REPROGRAMING OF $1.5 MILLION

Mrs. HANSEN. What is the $1.5 million that you are proposing to reprogram?

Dr. JOHNSON. As you recall in 1970 the President's Indian message identified a $10 million special program for Indian health. One of the items that he included was Indian health manpower development. The other agencies of Government contributed to this $10 million fund. The Department of Labor initially contributed $3 million for a variety of health manpower training programs. This last year, in fiscal year 1972, it became apparent by the end of the fiscal year that the Labor Department, because of their law, regulation, and so forth, would not be able to carry out the same program in subsequent fiscal years, so they dropped back about $1.5 million.

Mrs. HANSEN. And so you propose to pick up that $1.5 million difference?

Dr. JOHNSON. Right, in our budget.

Mrs. HANSEN. How many were trained?

Dr. JOHNSON. I would have to sort them out by specific programs.

Mrs. HANSEN. Insert in the record what was accomplished.

[The information follows:]

INDIAN PEOPLE TRAINED USING DEPARTMENT OF LABOR FUNDS

	Fiscal year—	
	1971	1972
Dental assistants	23	48
X-ray and lab assistants	6	12
Community health medics	30	20
LPN's	70	41
Boards of health	436	
CHR—On-going	100	100
CHR—Replacement	132	144
CHR—Advanced (MCH)	107	56
CHAP—Alaska	192	189
Tribal employees	750	
Adv. LPN (clinical)	31	28
Adv. LPN (public health)	12	12
Social work associates	4	6
Health records technician	18	68
Environmental health aides	30	32
Food service supervisor	16	10
Nutrition technician	8	8
Mental health technician	40	
Total	2,005	774

Note: Fiscal year 1971 funding equals $2,836,000; fiscal year 1972 funding equals $1,478,916.

PORTION OF 1973 CONGRESSIONAL INCREASES THAT CAN BE USED IN 1973

Mrs. HANSEN. If the committee decides not to approve the recision of $4.7 million or the reprograming of $1.5 million for the previously funded Department of Labor program, what amount of the fund will you be able to obligate in the last 2 months of fiscal year 1973? Would these funds be obligated or impounded?

Dr. JOHNSON. I think we could answer the first part of it. Mr. Chadwick could give you the specifics on that.

Mr. CHADWICK. There were 143 positions involved in the various programs with the $6,208,000. Obviously we would not need salaries for the 12 months. All together, computed by each item, we would have an ability to obligate $4,208,000 of the $6,208,000.

Mrs. HANSEN. Your justifications indicate a $9,037,000 increase in fiscal year 1974 for Indian health services. In actuality, isn't this only about a $4.3 million increase because your 1974 budget is based on the committee's approving your proposed rescission of $4.7 million?

Dr. JOHNSON. That is correct.

COST INCREASES IN 1974

Mrs. HANSEN. What is your escalation or inflation cost rate, about 10 percent?

Dr. JOHNSON. It varies with different categories of expenditure. Mr. Chadwick could give you different categories.

Mrs. HANSEN. Would you do that please.

Mr. CHADWICK. Yes, Madam Chairman. Our escalation rate for supplies has been 6 percent. Contractual services, such as laundry and various contracts runs about 7 percent, maintenance repair contracts 10 percent. Our contract patient care experience to date this year has been 13.9 percent for general hospital care.

Mrs. HANSEN. What would your budget be if these inflation costs were built in?

Dr. JOHNSON. Madam Chairman, all of the specific ones that you talked about, with the exception of the contract medical care one, have the appropriate cost indexes added in.

Mrs. HANSEN. What about the contract medical care?

CONTRACT HEALTH CARE COSTS

Dr. JOHNSON. We have experienced an unhappy situation with that. The amount allotted in the budget during this fiscal year was 8 percent. Our experience this year over the first 6 months indicates for the general hospital care, not across the board, but the item called general hospital in-patient care, has averaged in the neighborhood of 13.9 percent, so we are having a problem there. This is not unusual to have that particular problem.

ABSORPTION OF PAY ACT COSTS

Mrs. HANSEN. Please insert in the record for fiscal year 1973 and fiscal year 1974 a listing of the amount each program will be required to absorb pursuant to OMB's directive that all agencies are required to absorb the full January 1973 pay raise.

Dr. JOHNSON. Madam Chairman, I think we ought to call to your attention here an example that Mr. Miller was discussing this morning where the Department has——

Mrs. HANSEN. You have already absorbed it?

Dr. JOHNSON. No; the Department has identified some other sources of funding out of other departmental programs to absorb the greater share of that pay act increase. This is an example of where the Department has in fact supported the program.

[The information follows:]

ABSORPTION OF PAY ACTS

The Indian health program will absorb $350,000 of the pay act costs in 1973. No absorption is identified for 1974.

Mrs. HANSEN. How much have you absorbed out of Indian health?

Mr. CHADWICK. Our total absorption this year, Madam Chairman, has been $866,000. However, we are being provided from other sources, Dr. Johnson said about $2¾ million.

Mrs. HANSEN. From what source did you get those funds?

Mr. CHADWICK. The Department has said they would find it from other accounts.

Mr. MILLER. There is a general provision proposed for the whole government to give us general transfer authority to move money that can be spared because of unobligated balances from some appropriations into appropriations that need them. The figures I have indicate that the Indian health appropriation will absorb $350,000 of its pay increase and we will transfer in $2.7 million.

Dr. JOHNSON. That is not a conflict. Mr. Chadwick was adding more than just the Pay Act.

Mr. MILLER. What was he adding?

Mrs. HANSEN. From social security $2.74 million.

Mr. MILLER. That was from the so-called black lung program.

BUDGETED POSITIONS AND CEILINGS

Mrs. HANSEN. How many permanent positions were funded in your fiscal year 1973 appropriation bill?

Mr. CHADWICK. 7,481.

Mrs. HANSEN. What is your personnel limitation for fiscal year 1973?

Mr. CHADWICK. We are permitted to utilize those positions. We have had some temporary freezes from which we are now relieved and we are permitted to utilize all of them. We expect to average 7,247 employees, which will carry only about a 5-percent percent lapse out of the total.

Mrs. HANSEN. Give me the same information with regard to authorized positions, personnel limitations for fiscal year 1974.

Mr. CHADWICK. We have the same number of positions in 1974, 7,481, and we are anticipating a normal 5.1-percent lapse.

Mrs. HANSEN. That is just attrition.

Mr. CHADWICK. Turnover, and refilling jobs.

IHS HOSPITAL ACCREDITATION

Mrs. HANSEN. Last year we discussed the accreditation of Indian Health Service hospitals. At that time, 29 of your 51 hospitals were not accredited by the Joint Commission on Accreditation of Hospitals. Is this still the situation?

Dr. JOHNSON. Madam Chairman, at the present time 21 of the 51 hospitals are accredited.

Mrs. HANSEN. So you have gone down eight?

Dr. JOHNSON. No, 29 were not. Twenty-two last year, we are down to 21 now. We lost another.

TUBA CITY HOSPITAL EQUIPMENT

Mrs. HANSEN. You are requesting an increase of $4,070,263 for direct patient care. This is for mandatory increases. What about the increase

of $975,000 for operation of newly constructed facilities, and the increase of $340,000 for payments to DHEW working capital fund?

Mr. CHADWICK. The $975,000 is the equipment cost for the new hospital at Tuba City that we requested and was appropriated by the Congress last year. Equipment money comes under the operating budget. The $340,000——

BUDGETING FOR HOSPITAL REPLACEMENT EQUIPMENT

Mrs. HANSEN. Why are your equipment purchases funded under your operating budget yet they come under the construction budget in BIA?

Mr. CHADWICK. The reason that we have it there, Madam Chairman, is because of the time lag in constructing facilities.

Mrs. HANSEN. They do too. They have a worse problem than you do.

Mr. CHADWICK. I can only tell you why we have it there.

Mrs. HANSEN. You construct your facilities and then you install your equipment.

Mr. CHADWICK. Right.

Mrs. HANSEN. That is the same way they do it, but then theirs is in the construction account.

Mr. CHADWICK. It usually takes some 2 years to construct a building. We will not need the equipment money at the same time we need the construction money.

Mrs. HANSEN. I understand. This is supposed to be a very efficient Government that does everything the same way. Here we find two completely opposing philosophies.

WORKING CAPITAL FUND

Mr. CHADWICK. $340,000 is the cost increase of the services we buy centrally from the central payroll, the data processing, finance records, and so on. It is just the normal cost index increase like the other mandatories we have

Mrs. HANSEN. What is your total cost on that?

Mr. CHADWICK. The total cost for the purchase of all of those items, Madam Chairman, was $2,003,500 this year and it is estimated to be $2,343,500 next year. The two single large items in those amounts, for example, would be $582,000 for the data processing of all of our records, and the $460,000 for the central payroll, which has been giving very good service recently.

REQUEST FOR INDIRECT PATIENT CARE

Mrs. HANSEN. You are requesting an increase of $2,451,000 for indirect patient care. You have $18,000 for statutory salary promotions, and then $2,433,000 for increased cost of medical care under contract.

Mr. CHADWICK. The $2,433,000 is the 8-percent index we referred to earlier, and the $18,000 is for the few people, some 40 positions we have there, and this is within grade promotions and so on for those 40 people.

Mrs. HANSEN. A little later on the page it says: "Formal agreements are entered into with community hospitals, private physicians and clinic groups, dentists, providers," and so forth. Can you give us the number of contracts you make per year?

Mr. CHADWICK. Yes, ma'am. We have just over 300 with hospitals. We could give you the exact number of those.

Mrs. HANSEN. Insert that information in the record and indicate the areas in which you make them.

[The information follows:]

NUMBER OF CONTRACT HEALTH SERVICE CONTRACTS BY AREA IN FISCAL YEAR 1973

Aberdeen	242
Albuquerque	76
Alaska	117
Billings	136
Oklahoma	129
Phoenix	245
Portland	320
Navajo	75
Tucson	6
USET	78
Total	1,424

NOTE.—Approximately 300 of these contracts are with hospitals.

FACTORS INVOLVED IN 1974 CONTRACT HEALTH CARE COST INCREASES

Mrs. HANSEN. What are the cost factors involved in the 8-percent increase?

Dr. JOHNSON. The cost factors in the general medical care economy, we know that the costs of salaries paid to workers in community hospitals——

Mrs. HANSEN. I think there is a tendency on the part of the average person to think this is only doctors and nurses. But this includes your laundry workers, cooks, and so on, which are all under wage board contracts, aren't they?

Dr. JOHNSON. Yes. Of course, this is for the purchase of care in community hospitals.

Mrs. HANSEN. But they have the same problems.

Dr. JOHNSON. They have the same problems.

Mrs. HANSEN. They have to live by the union agreements within the area.

Dr. JOHNSON. The cost of food, for example, is a part of the increased cost of operating a hospital these days, the cost of drugs and medical supplies, the laboratory costs, the sophisticated equipment that has to be purchased.

Mrs. HANSEN. What part of the cost is due to laboratory increases? I realize this has been an increasing amount.

Mr. CHADWICK. In 1972 it was $823,000 compared to $470,000 for 1971.

Mrs. HANSEN. It has doubled. Is this due to more sophisticated equipment and additional personnel or is it higher paid people handling the laboratory equipment?

Mr. CHADWICK. It is a mixture of all of that, Madam Chairman. The hospitals certify that their fees are reasonable and in compliance with the President's economy program. One factor involved in this——

Mrs. HANSEN. Who checks that?

Mr. CHADWICK. We have auditors who would review those and work with them in reviewing it. For example, if a hospital had an average of 100 patients in 1 year, of which we had 10, the reasonable fee we paid

for 10 of those would be less than if they had an average of 70 next year and we had 10 patients. Ten patients of 70 would be costing more than 10 of 100 so we are affected by their gross load as well.

SANTA CLARA PUEBLO HEALTH CENTER

Mrs. HANSEN. We have a letter from Congressman Lujan. He says:

It has come to my attention that Santa Clara Pueblo in Espanola, N. Mex., is in need of funds to be used for the establishment of an Indian health care center to be located in Espanola. Pueblo Governor Paul T. Foyer, has contacted me with a complete outline for the proposed health care center which would be an outpatient clinic and would furnish the community with needed health services. The amount needed for this project would be $190,700, and the money would be used for staff training, salary, supplies, travel expenses and the lease for the building. I would like to request that this money be included in the budget for the Indian Health Service for fiscal year 1974. The problem of Indian health care is a very serious one and deserves a great deal of attention. I think that the Santa Clara Pueblo is moving in the right direction in trying to establish this clinic. At the present time there is only a modicum of hospitals and clinics to service the many Indian communities in the country and the establishment of a clinic in Espanola would provide needed services to one of the communities.

In the first place, does your budget provide for such a health center?

Dr. JOHNSON. Madam Chairman, there are no program increases in the budget before you.

Mrs. HANSEN. Have you reviewed this proposal?

Dr. JOHNSON. Yes; we have reviewed it.

Mrs. HANSEN. Is it a good proposal?

Dr. JOHNSON. Yes.

Mrs. HANSEN. Why isn't it in the budget?

Dr. JOHNSON. It has been reviewed by the Indian Health Board for that area, and they also would endorse this.

Mrs. HANSEN. Is this in that group of pueblos between Santa Fe and Albuquerque?

Dr. JOHNSON. No; it is in the other direction.

Mrs. HANSEN. How much care do they have at the present time?

Dr. JOHNSON. I think we have a doctor who goes out there 1 day a week.

Mrs. HANSEN. How many Indians live in that locality?

Mr. CHADWICK. 3,000.

Dr. JOHNSON. There are a number of Pueblos, and the Indians from other Pueblos will use whatever health facility is put in place. It wouldn't be limited to the population of that specific Pueblo.

Mr. CHADWICK. It would serve an area of 5 groups for a total of 2,500 to 3,000.

FUNDING REQUIREMENTS FOR SANTA CLARA HEALTH CENTER

Mrs. HANSEN. How much could you use in the first year?

Mr. CHADWICK. Madam Chairman, they are proposing to build the health center for us to lease from them. For us to lease the clinic would cost some $60,000 a year. This is an Indian enterprise where they want to do their own building.

Mrs. HANSEN. Do they have some plans and specifications to go by, so that they would build the facility in accordance with your health standards?

Dr. JOHNSON. As you know, Madam Chairman, we have encouraged this in the last several years. What we do is give them the specifications. Actually we design the structures together. We have our professional standards and they have certain things that they feel are important, and we jointly agree on the scope of the facility, its construction and so forth. It would certainly meet our standards or we would not be in a position to lease it.

Mrs. HANSEN. Is this construction money they propose?

Mr. CHADWICK. Madam Chairman, what they are suggesting here I am sure is the fact, as I mentioned, we would need $60,000 to lease it, and our total operating costs with the staff would be some $245,000, which is approximately what they are using. In other words, this would be the operating cost to us after they built it.

Mrs. HANSEN. That would be in the neighborhood of $300,000 a year?

Mr. CHADWICK. $250,000.

Dr. JOHNSON. Plus the leasing costs.

Mr. CHADWICK. This includes the leasing costs.

Mrs. HANSEN. Where do these people presently receive health services?

Dr. JOHNSON. The doctors come from Santa Fe, which is 30 miles away.

Mrs. HANSEN. And he goes there once a week. Do they have visiting nurses?

Dr. JOHNSON. Yes, the Public Health nurses in the area, and they of course have a community health representative program too, that works in the community.

Mrs. HANSEN. When do they propose to build this?

Mr. CHADWICK. They are ready to build it, Madam Chairman. They have their plans.

Mrs. HANSEN. How long would it take them to build it?

Mr. CHADWICK. Six months they estimate.

Mrs. HANSEN. So it would not be in operation for the full year. How about the equipment? What is the cost of that?

Mr. CHADWICK. The $250,000 approximately I told you it would cost us would be $191,000 for 13 people to operate it, $56,000 for the supplies initially and equipment to go in it, $11,000 to be exact for light, heat, utilities and $60,000 for leasing, which is approximately the $250,000 total that I gave you.

Mrs. HANSEN. If it takes them 6 months to build it, it wouldn't be necessary to have a full year's lease for the first year.

Mr. CHADWICK. The $60,000 would be for the total year, and the $118,000 or $119,000 for the people would be for a whole year.

Mrs. HANSEN. Why should you be paying for the lease before it is completed?

Mr. CHADWICK. I apologize, Madam Chairman. I was giving you annual cost, not a proportion of the year.

Mrs. HANSEN. So it would be about $30,000 for the lease in the first year.

Dr. JOHNSON. For 6 months.

Mrs. HANSEN. And then how long would it take to get the equipment installed?

Dr. JOHNSON. We would be able to have the equipment on schedule with the construction.

Mrs. HANSEN. So it would be ready at the same time. It would be about 6 months' cost.

Mr. CHADWICK. Right.

Mrs. HANSEN. Which would be approximately $125,000, I would assume, based on the $250,000.

Mr. CHADWICK. Yes, approximately $125,000.

Mrs. HANSEN. I just wanted to pin you down.

FORT DEFIANCE HOSPITAL

I have another letter concerning the Fort Defiance Hospital. It says:

The members of the medical staff of the Fort Defiance Indian Hospital are writing this letter to express their concern about serious deficiencies in the current health services being provided to the Navajo people.

Our health needs are extremely great. Our overall infant mortality is twice the national average and once the infants leave the hospital mortality is even higher, that is, nearly four times the national average for infants aged 28 days to 1 year. Tuberculosis is 5 times, and hepatitis 15 times more common than the national average. The Navajo rate of acute rheumatic fever is not decreasing, and is comparable to the rate amongst blacks in Baltimore in 1962. Our health delivery to the Navajo people is additionally difficult because of wide dispersion of the population. Many patients served by Fort Defiance facility have to travel 90 miles one way to see a physician and much of the travel is over dirt roads which in wet weather become muddy and impossible.

Our areas administrators have recently informed us of a predicted deficit in Navajo area Indian Health Service funds for the fiscal year 1973. The 1973 Presidential budget increases are meaningless since they will not even maintain current services. The proposed cutbacks to meet this deficit will not only prevent us from making badly needed improvements in our system but also will actually impair our present efforts to provide minimal acceptable health services. As examples, consider what the cutbacks will do to our present medical services:

There will be no funding available for increases in personnel needed to meet increases in patient loads. In 1968 the ambulatory patient load was 41,000 per year, it is now 70,000 per year at our facility. Our staffing has not increased proportionately.

Considering all hospital personnel, our staffing for acute care facility remains 1.6 staff per patient. This is compared to a national average for all types of hospitals, acute and chronic, of 2.4 staff per patient.

Our contract care funding has been limited to strict emergencies only. Since all medical and surgical specialty services are not available through current Indian Health Service programs, contract care with private hospitals or practioners has been a method whereby an optimum (or at least better care) has been available.

We have been forced to cut back in the areas of disease prevention, community health education, and the outreach programs. In our own service unit, which serves more than 35,000 people dispersed over an area greater than 7,000 square miles two vacancies in our staff of four public health nurses will not be filled. In addition, new vacancies in health education and environmental health are being considered a low priority. Other smaller services units have already had to make even more drastic cutbacks in these areas of health care.

Despite the obvious need among our patients, health expenditures from all resources for them do not approach the national per capita average for 1971 as estimated in the Social Security bulletin, January 1972.

He feels strongly that congressional action should be taken, "to improve the currently intolerable situation." This is signed by members of the medical staff, Fort Defiance Indian Hospital, Fort Defiance, Ariz. It is signed entirely by doctors.

NEED FOR ADDITIONAL RESOURCES FOR INDIAN HEALTH PROGRAM

Dr. JOHNSON. Madam Chairman, I am sorry to say that type of letter could really be written by most of our facilities. I think the record is clear on that over the years. We discussed this many times. We are not funded to provide the full scope of services that the community needs. I have showed you the charts of the increasing workloads, the increasing acceptance.

Mrs. HANSEN. That is why, Dr. Johnson, I asked those questions this morning. I have seen the workloads in your hospitals. I have seen the distances that your doctors and health people have to travel. It didn't seem to me that the budget had too much largess in the Indian health field.

Dr. JOHNSON. I tried to give you this morning some examples of some of the management approaches that we are trying to take to stretch the resources to cover better. You can put only so much water in the soup.

Mrs. HANSEN. This is the point, Dr. Johnson. One of your own doctors told me at one of the hospitals, "There comes a point in the day when I no longer really wish to assume the responsibility of life or death for a patient. I am frankly too tired."

Dr. JOHNSON. I have experienced that as a reservation physician myself. I understand that.

Mrs. HANSEN. That is really an indictment of our system. I know Mrs. Wauneka will be here when we hear public witnesses to discuss the Navajo health needs. They do remain great, don't they?

Dr. JOHNSON. That is correct.

BUDGET REQUEST FOR 1974

Mrs. HANSEN. What does your budget do to alleviate this situation?

Dr. JOHNSON. The budget we are presenting to you today will maintain the same level.

Mrs. HANSEN. It will maintain the same level?

Dr. JOHNSON. Yes.

Mrs. HANSEN. You are not going any place very fast then?

Dr. JOHNSON. Only through the mechanisms I was talking about of finding better ways and actually setting some priorities. Again one of the things that doctors are talking about in the hospitals is that you have to make hard choices. If you have a limited amount of resources you have to decide where it can best be used.

Mrs. HANSEN. If you had to make a recommendation in the Navajo area, for example, where would you say is the greatest need?

Dr. JOHNSON. I think the greatest need, Madam Chairman, would be to support the direct delivery of health care on the reservation. This is to alleviate the problems in the clinics, in the hospitals.

Mrs. HANSEN. Is it a matter of more staffing?

Dr. JOHNSON. More staffing, more support for that staff. I think that is the key.

Mrs. HANSEN. Let's get some figures as to what it costs for staff and support. Supposing there were 10 additional medical people, what would those people cost? Also, tell us approximately what your service load is. You can provide that for the record.

[The information follows:]

NAVAJO OUTPATIENT VISITS

	1965	1970	1972
IHS hospitals	204, 235	284, 298	296, 668
IHS field clinics	104, 243	146, 704	211, 421

Note: The cost of adding 10 additional medical people in 1974 is $137,000.

INDIAN PARTICIPATION IN OTHER FEDERAL AND STATE PROGRAMS

Mrs. HANSEN. We have discussed with you the regional medical program. What are you suggesting to these regional medical people as a substitute for the program that is being phased out?

Dr. JOHNSON. If the funding is going to be flowing into State government I think it is very clear that the Indian groups and others will have to look to the State government for their sources of funding. That was the discussion we had this morning about getting third party payment for services that they render.

MOBILITY OF INDIANS LIMITS STATE PROGRAMS

Mrs. HANSEN. This brings me to another problem. As a former legislator, the reason that the State often urged Federal participation in these programs was because of the mobility of the population. There is no such thing as a State boundary line when it comes to social services such as education and health care.

I feel rather certain that if the States have to become responsible for these programs they will have a tendency to put in residence requirements.

I can see, for example, that an Indian in the border area of Idaho, in the Nez Perce group, might be closer to Spokane and their facilities than to facilities in Idaho. But he might be forced, because of residence, to go a longer, tougher route to the facility in Idaho.

NATIONAL HEALTH INSURANCE PROGRAM

Dr. JOHNSON. I am sure that these are the kinds of priority decisions again that are being directed toward State government. This is of course the basic reason why the administration is going to be proposing a national health insurance program, which would go across State lines.

Mrs. HANSEN. I know, but I have news for you. Nothing seems to be moving very fast around here. I am not so sure that we will see a national health program passed in the kind of time to do any good for our present problems. Besides, implementation of new programs takes quite a while.

CALIFORNIA RURAL INDIAN BOARD

We have a letter from the Bureau of Family Health Services of the State of California. It says:

> We in California are very proud of the success of our Indian controlled health programs and would like to see them get enough support so they can develop to

their full potential. They have come a long way on volunteer services, donations of service, equipment, and supplies, and, needless to say, a lot of love and patience. The Indian communities joined in this effort by donating land for clinic sites and supporting each other to bring desperately needed health services to their Indian communities. I hope that your committee and your office will continue to support this important service.

Mr. VEYSEY. Madam Chairman, I can say in support of that letter that there have been some very fine achievements made, both in health and dental services on some of the Indian reservations that I am personally acquainted with. They have done a lot with a very small amount of real money input. Volunteer contributions have been splendid.

Mrs. HANSEN. What bothers me is that the $1 million that we added this year for the California Rural Indian Health Board is not included in your 1974 budget base.

Mr. VEYSEY. I don't understand the last statement, you say it is not basically a part of it?

Mrs. HANSEN. This is part of what is proposed for rescission. There is no $1 million included in the 1974 budget, isn't that correct?

Mr. CHADWICK. That is right.

Mrs. HANSEN. So now we will have to go through the same process again. Don't look so disapproving, Mr. Miller.

Mr. MILLER. I hope I am looking very quiet.

Mrs. HANSEN. I think it is well to remember that this is an item that is not in your 1974 request.

Mr. VEYSEY. It certainly should be funded.

FIELD HEALTH SERVICES

Mrs. HANSEN. We will now discuss your field health services. You are requesting $7,394,000 and 466 positions for sanitation, again no program increases. Please describe the sanitation work which you plan to do under authority of Public Law 86–121.

Dr. JOHNSON. Would you like that discussed at this point?

Mrs. HANSEN. Yes.

Dr. JOHNSON. A basic activity we would be carrying out during this fiscal year, of course, will be the construction of sanitation facilities for new, improved, and existing homes.

Mrs. HANSEN. How many homes will you cover in 1974?

Dr. JOHNSON. There will be 8,500 new and improved homes that will be constructed under the triagency agreement, cooperative funding between Housing and Urban Development, Bureau of Indian Affairs, tribal housing authorities and the Indian Health Service. There will be 1,500 existing homes in the project areas. Remember we talked before about when you go into a community try to develop a utility system for the entire community, not just for the new homes. That will give us in the assistance of housing programs a total of 10,000 homes to be served during fiscal year 1974.

In addition to that, we have a number of regular projects for existing homes that are not in the communities that are going to have housing projects. That would add another 1,989 homes, so all told during fiscal year 1974 we will support 11,989 homes.

Mrs. HANSEN. What does that total?

Dr. JOHNSON. The total number is about 78,000 through fiscal year 1973. Mr. Larson, could you give the committee the precise figures, or Mr. Chadwick?

Mr. CHADWICK. Madam Chairman, inclusive of the 1974 request we will have served 40,491 new houses and 50,005 existing homes for a grand total of 90,496 since the inception of the program in 1961. We have done in this program 90,496 homes.

Mrs. HANSEN. How many homes remain to be done?

Mr. CHADWICK. Our current figures on new houses, Madam Chairman, to be done or to be constructed is 55,667.

Mrs. HANSEN. How many existing homes?

Mr. CHADWICK. Existing homes 18,843. However, some of these new houses will replace some of the existing, so these are not additive in total.

Mrs. HANSEN. It could be that we are just about halfway through.

Mr. CHADWICK. Yes.

Mrs. HANSEN. It has taken 12 years. It will be another 12 years to get 90,000.

Mr. CHADWICK. No, we are more than half through, Madam Chairman.

Mrs. HANSEN. Two-thirds through?

Mr. CHADWICK. We will have 90,496 and we will have 74,510 to go. If you consider that these two are nonadditive it would probably add up to what, 65,000, so we have got some 90,000 against 65,000. The new housing figure comes from the other agencies that they tell us they are going to build. This is not our figure.

Mrs. HANSEN. Do you cooperate with the BIA in their self-help program in housing?

Dr. JOHNSON. Yes.

Mrs. HANSEN. So that when they are fixing a house they can also install the sanitation facilities.

Dr. JOHNSON. The arrangements vary with the type of system. If it is a community system we will put in the community part of it up to the 5-foot line of the house, and the interior plumbing would be done by the agency that is actually building the house, so we don't have more than one agency.

Mrs. HANSEN. I understand that, but it is the sewage.

Dr. JOHNSON. Sewage, water supply, transmission lines, and things like that that we provide.

Mrs. HANSEN. I am sure you are aware of the Presidential order on pollution. How are you going to be able to comply?

Dr. JOHNSON. We are going to take another bite out of it in fiscal year 1974.

Mr. MILLER. I am sure you understand how our budget is built for this item. The item is decided elsewhere and they put enough money in our budget to meet the sanitation needs.

DEFICIENCY OF HOUSING FOR INDIAN PEOPLE

Mrs. HANSEN. I understand, but every place in the budget we find deficiencies.

Where are your housing sanitation deficiencies located?

Dr. JOHNSON. I can give you that by State, Madam Chairman. The largest areas of current unmet need for homes, of course, are the

Navajo, where we have about 4,200 homes that have not been served at all, and there is another 9,100 or so that will need some upgrading of facilities. In Alaska we have about in total 2,000 that have never been served at all, another 4,000 or so where the systems will need to be upgraded. The other, Oklahoma, where we are talking about roughly 8,800 homes, a couple of thousand in South Dakota—combined needs. I could go through I guess every State that we have.

Mrs. HANSEN. Do you want to insert that list in the record for us?

Dr. JOHNSON. Yes, I would be glad to.

[The information follows:]

SUMMARY OF HOMES REQUIRING SANITATION FACILITIES AFTER COMPLETION OF PUBLIC LAW 86-121 PROJECTS PROGRAMED THROUGH FISCAL YEAR 1974

State	Existing Indian homes needing running water and adequate waste disposal facilities	Indian homes requiring upgrading of existing sanitation facilities	State	Existing Indian homes needing running water and adequate waste disposal facilities	Indian homes requiring upgrading of existing sanitation facilities
Alaska	2,028	4,027	Nevada	137	116
Arizona	2,405	5,729	New Mexico	2,575	4,903
California	96	323	North Carolina	88	51
Colorado	0	0	North Dakota	359	167
Florida	14	12	Oklahoma	8,178	646
Idaho	34	75	Oregon	0	50
Iowa	17	0	South Dakota	1,557	417
Kansas	160	0	Utah	503	440
Louisiana	71	0	Washington	28	409
Michigan	30	0	Wisconsin	135	60
Minnesota	168	453	Wyoming	38	242
Mississippi	19	108			
Montana	164	665	Total	18,843	18,968
Nebraska	39	75			

Note: Of the above estimates, some of the homes may be replaced through the efforts of Federal and Tribal housing programs for Indians.

Mr. MCKAY. Didn't you testify you needed 55,000 more?

Mr. CHADWICK. The difference we are giving here is there are two figures we are working with. There is proposed to be built another 55,000. Dr. Johnson was talking about the 18,843 homes that are built now that have not been served. This is a list he was addressing himself to.

Dr. JOHNSON. Existing homes that we are talking about.

Mr. CHADWICK. That have not been served.

Mrs. HANSEN. They have no sanitation facilities, no sewage disposal systems or anything?

Dr. JOHNSON. Right.

Mr. CHADWICK. Dr. Johnson mentioned one other figure. Some other homes we have done upgrading, and that was the third figure he mentioned.

OTHER AGENCIES PARTICIPATING IN SANITATION FACILITIES PROGRAM

Mr. VEYSEY. Is it not true that there are other ways under which homes on reservations may be furnished with sewage in addition to this appropriation?

Dr. JOHNSON. In theory, Mr. Veysey, this is true.

Mr. VEYSEY. Well, in practice?

Dr. JOHNSON. EDA, for example, helped in some measure in a few communities, but of course we know that EDA is being phased out. The Farmers Home Administration, I believe, has some program, but again I recall a bill on that that seems to have some problems with rural water and sanitation. I think the success that Indian communities have had in getting systems through some of these other programs has been rather marginal.

Mr. VEYSEY. On that particular point I just happen to be aware of the Quechan Indian Reservation on the Lower Colorado River where they did get an EDA grant for full funding of a sewer system yet there is a 160-acre enclave in the reservation that is not reservation land, the community of Winter Haven. They haven't been able to get anything. They have probably a more concentrated critical problem and they have been totally unable to get any type of project put together. In that comparison there at least the Indians were lucky to be Indians.

Dr. JOHNSON. As I recall that particular one is an example that we were discussing earlier today of trying to work out collaborative arrangements with other Federal agencies. Where we have some resources to contribute, it certainly helps the other agencies to want to contribute what they have. You try to put together the various authorities to support it. We have a number of places where we have been able to do that.

I think, Mr. Veysey, the difference is in the HUD housing program. For example, they basically will provide for on-premise sanitation. They are not in the business of providing community water mains, the development of water sources, of sewage treatment and so forth. If we didn't have this program which provides the basic community facility, then the HUD housing program would not be usable for Indian communities.

Mr. VEYSEY. I take it we are really fractured among programs coming in from a lot of different directions. Would you be able to give us for the record the overall picture of the sanitation need on the Indian reservations, and what part of it you have covered during the past year and what part other agencies have met. There might be a number of different ways that it could have been covered. I have never been able to get the whole picture altogether.

Dr. JOHNSON. We will provide that.

[The information follows:]

With the completion of all sanitation facilities projects authorized through fiscal year 1972, it is estimated that 24,600 existing Indian homes will require running water and adequate waste disposal facilities. In addition, some 22,200 existing homes will require work to upgrade facilities which do not meet current standards.

Of the above existing home needs, projects programed under the fiscal year 1973 appropriation will provide running water and adequate waste disposal facilities for 3,348 existing homes and facilities improvements for approximately 2,152 existing homes. The requested fiscal year 1974 program will provide facilities for another 2,400 of these homes and improved facilities for 1,089 existing homes.

The thrust of the Indian Health Service sanitation facilities construction activity is to provide domestic water and waste disposal facilities. In this endeavor, the Service cooperates with other Federal and State agencies. For example, under the housing programs of the Bureau of Indian Affairs and the Department of Housing and Urban Development, certain onpremise sanitation facilities and interior house plumbing are provided by those agencies pursuant to

an interagency agreement with the Indian Health Service. For its part the Service constructs community type facilities, some wells and septic tank units and all facilities for existing homes within or adjacent to the housing project site.

The cost of facilities provided by BIA and DHUD as a part of the house construction and improvement is combined with the overall project cost and not readily available. However, an order of magnitude estimate cost of such work undertaken during fiscal year 1972 would exceed $10 million.

Other Federal agencies which render water and sewer facilities assistance are the Farmers Home Administration, Department of Housing and Urban Development, Economic Development Administration, Environmental Protection Agency, and Bureau of Land Management. In recent years, Indian tribes have been made eligible for these programs. However, except for the Farmers Home Administration program and the waste treatment works construction grants of EPA, the thrust of these programs are to meet other than domestic needs, e.g. commercial, agricultural, or industrial needs. Also these programs provide assistance in the form of loans and grants and generally require matching moneys on the part of the applicant. With only a few exceptions, notably EDA programs, Indian tribes have lacked the basic requirements for participation. Where tribes have met these requirements and obtained economic development type projects which include water or waste facilities for commercial interests, the Indian Health Service has particiapted in such projects to provide for the domestic needs of the Indians within the community.

In summary, it can be said that although Indians are eligible for other Federal programs related to water and waste facilities, these programs are not primarily directed at the domestic needs of Indians. Where tribes have been able to qualify for assistance under these programs, the Indian Health Service has endeavored to cooperate in the project to meet the domestic needs of the community.

DENTAL SERVICES

Mrs. HANSEN. You are requesting $6,244,000 and 407 positions for dental services. Here again there are no program increases. The dental money we added in 1973 is not a part of the basic 1974 budget.

Dr. JOHNSON. That is correct.

Mrs. HANSEN. You say that a major effort in the assessment of the quality of dental care was instituted in fiscal year 1973. What conclusions, if any, have resulted?

Dr. JOHNSON. Madam Chairman, the program was just instituted during this fiscal year, and of course we don't have any data from the study and won't have until the completion of the year. It won't be until next year that we can give you our first reading of that program.

Mrs. HANSEN. You have stated, though, that most adults receive only emergency dental services, isn't this correct?

Dr. JOHNSON. Yes; that is correct. The chart on page 20 I think indicates that. Above the age of 20, 20 to 24, about 30 percent. When you get on into that 45–47——

Mrs. HANSEN. When you are over 75 it doesn't look too good.

Dr. JOHNSON. 10 to 14 percent, 11 percent, that general range. As we pointed out, the program very specifically set itself up to do precisely this, because if you have limited resources, rather than simply treat as people walk in, if you can focus it in an incremental way on treating the teeth in children so you can bring them up to maintenance and then carry them through, and as you notice, as you go out into the young adult age there is a higher percentage that we are trying to keep on maintenance and as the program has been able to expand over the last several years we have moved out to the young adults attempting to keep them on maintenance, you can handle someone on

maintenance for just a fraction of the cost in manpower and money than starting with somebody fresh. I think it has proven itself as a very effective way to administer limited resources.

FLUORIDATION PROGRAM

Mrs. HANSEN. I notice you are going to do more water fluoridation and so on, is this correct?

Dr. JOHNSON. Yes. Again that is one of the major preventive measures that we can use. If you have proper fluoridation in the water from birth on, you can reduce the incidence of dental caries 60 to 65 percent. You will also notice we do a great many topical fluoride treatments. Those are not nearly as effective but even there you can expect to cut down your cavities by 20 percent.

Mrs. HANSEN. Here again you can't have fluoridation of water without a water system.

Dr. JOHNSON. That is correct.

Mrs. HANSEN. In many of the villages there are no water systems

Dr. JOHNSON. We will have some problems, of course. We will never get to the point where all of the water supplies are fluoridated, because when you have a very small system, a single well and this sort of thing, it is not feasible to do it there. As a matter of policy and practice in all of the communities of sufficient size to justify it, we do put in the fluoridation equipment.

PUBLIC HEALTH NURSING

Mrs. HANSEN. You are requesting $3,888,000 and 275 positions for public health nursing, again no program increases. Will you insert in the record a listing of contracts currently in effect in this program.

[The information follows:]

NUMBER OF PUBLIC HEALTH NURSING CONTRACTS

The Public Health Nursing program under the Field Health activity currently has the following contracts in effect.

	Amount
Big Horn County, Montana	$30,250
Minnesota State Health Dept	9,985
Iowa State Health Dept	5,654
Sawyer County, Wisconsin	5,588
Vilas County, Wisconsin	5,022
State of Nevada	31,200
Uintah & Ouray Counties Nevada	5,000
Mohave County, Arizona	6,000
Yavapai County, Arizona	3,600
Alaska State Health Dept	263,040
Total	365,339

Mrs. HANSEN. Will these 275 positions meet your needs?

Dr. JOHNSON. Madam Chairman, the public health nursing program mirrors the general discussions we have had of the program. It meets somewhere in the neighborhood of perhaps 50 percent of the identified need.

Mrs. HANSEN. In what areas do you have a need for more public health nursing?

Dr. JOHNSON. I think in almost any area that one would look we can identify shortages of public health nurses. I would like to point out that the role of the public health nurses is changing. I think again as one looks at priorities and looks at the other ways of getting the job done, that many of the jobs that public health nurses originally did are now being done by community health workers, the community health representatives, and other parts of the tribal health program, so that the public health nurse is beginning to extend her capacity through these paraprofessional staff, most of whom are actually tribal employees.

Mrs. HANSEN. Isn't she also very useful in the training of community health workers?

Dr. JOHNSON. Yes; much of the technical assistance, advice, and guidance really comes from the public health nurse. They are the backbone really of our outreach, they and the health educator I would say are the backbone in your outreach programs on the reservation.

HEALTH EDUCATION

Mrs. HANSEN. You are requesting $1,708,000 and 99 positions for health education, again no program increases. Please insert in the record a listing of contracts currently in effect.

[The information follows:]

HEALTH EDUCATION CONTRACT CURRENTLY IN EFFECT

The Indian Health Service has one health education contract: Choctaw Tribe, $24,000.

Dr. JOHNSON. The health educator again has changed his role over time. At one time they were looked upon as people who showed movies, made posters, and that sort of thing. Actually they have really become, by and large, community development specialists, trying to put together the community resources, so that there is a multiplier effect of their services.

We would do this even if we had unlimited resources, because, as we have talked to the committee many times, the changes that have to take place, the things that are going to make the significant improvements in health status we present to you will not be done by professional people plunking down in the middle of a reservation and doing their thing. It is going to have to come out of changes within the communities.

I see the health education staff again as the key motivator, the key catalyst working with the CHR's, the tribal government, the other tribal industries to begin to move the communities.

Mrs. HANSEN. How many people do you reach with this amount and these 99 positions?

Dr. JOHNSON. We are covering less than half, really, of the population that ought to be reached with this program.

Mrs. HANSEN. Will you give us the cost for each one that is added?

Dr. JOHNSON. Yes; we will have to give that for the record.

[The information follows:]

The cost of adding a health educator in 1974 is $20,000. This includes $18,000 for salary and benefits and $2,000 for supporting cost, such as travel.

FIELD MEDICAL SERVICES

Mrs. HANSEN. You are requesting an increase of $2,067,000 for field medical services. Please give us some details about the increased contractual costs and program levels for community health representatives and Alaska Native health aides?

Mr. CHADWICK. Madam Chairman, the statutory salary promotions are the same as always, within grade promotions and so on. Wage board increases are the same type. When we budget for a given year we cover the wage board increases through September 15 of the budget year. Increased cost of supplies is the 6-percent factor we mentioned this morning. Increased costs of contractual services used in this sense, the $113,000, are such contracts as laundry and towel service, and the purchase of service contracts.

In the category of CHR, you will see several items, three or four listed. As you recall, we have 100 new CHR's trained each year. The $1,011,000 is the cost of employing those 100 CHR's being trained this year. The $354,000 is the cost index of the 618 CHR's that we had in the system already. The 100 CHR's that we are asking for in the budget for this current year, 1974, will be partially employed for the year—enough to make a cost of $30,000. Then the $92,000 is for the Anchat 185 in Alaska cost index for that part.

ALCOHOLISM

Mr. MCDADE. If I may ask this question for my education I notice in the justification, near page 27 refers to the leading health problems. It includes alcoholism. Back in the early part of the justifications, Indian Health Service, page 5, a statement appears that "chronic addictive type alcoholism is not much more prevalent among Indians than among Americans generally." Does that just mean that we are all in pretty bad shape, or what? It was always my impression that it was more severe a problem among the Indians.

Dr. JOHNSON. There are a number of different ways of looking at that. I think we have seen some very recent publicity identifying alcoholism, alcohol abuse, as perhaps one of the leading health problems in the country as a whole. I think that much of it is covered up in the general process of the community hiding its alcoholics. The more affluent community tends to hide its alcoholics. Many years ago I served as a physician for an AA group in one of the metropolitan areas, so I have seen the affluent side of alcoholism as well, because they are coming to a private hospital for their care, the only one in the city that would accept them at that time.

I think we have given a bad image to Indian people. The other part of it, of course, is that an Indian who has an alcoholic problem is more likely to be observed and noticed.

Mr. MCDADE. According to the chart on IHS–4, he is far more likely to develop cirrhosis.

Dr. JOHNSON. This is correct.

Mr. MCDADE. Is that because of dietary deficiency?

Dr. JOHNSON. Dietary is certainly a great part of it. I think we ought to add another thing here. That is when you want to compare alcoholism, I think you have to compare the environment in which this

individual lives. We all know what the general population tends to use alcohol for. The Indian population, the other disadvantaged groups who have limited opportunities for education, limited opportunity for jobs and economic development, and live in some of the depressing places that we are all familiar with, have a tendency to turn to alcohol as an escape. It is a very common reaction.

The thing I would like to share with you about alcoholism on the reservations, so we don't get hung up over the volume of it, the first thing you have to do to respond to alcoholism is to have an awareness of it, and then to have some believe that there is something that can be done about it, and then have a little bit of right things happen so that you in fact can begin to show that there is a way out.

Not too many years ago you couldn't talk about alcoholism on the reservation. It was there, but the tribal leaders and others did not want to discuss it. The stereotype of the drunken Indian was something that they simply wanted to avoid, but by approaching this from the standpoint of working with health boards and with the local leadership as to their problems, and we identify accidents, we identify the problems of children, the problems of nutrition and all these things, and begin to sort out what are the factors which enter into this kind of a development and by golly, here is alcohol showing up again and again. Through that process the awareness really developed so that now virtually every tribe will not only admit to the problem of alcoholism but is convinced that they in fact can do something about it and are doing it.

I think that is the hopeful side. I don't want us to get despairing. The problem has not been solved. There is no simple drug or treatment that is going to solve the problem of alcoholism. It is really a community process. The alcohol control programs we are talking about are community programs. The Indian Health Service simply serves as a professional guide and support to these. The funding for them primarily is coming from the National Institute of Alcoholism and Alcohol Abuse.

HEART DISEASE AMONGST INDIANS

Mr. McDade. If I might just go back to one additional question, the mortality table, apparently part of the good news, there is less heart disease among Indians than among the rest of the population. What is that, the diet, the environment? To what do you attribute that, or can you?

Dr. Johnson. If we knew, someone would have the Nobel Prize, I am sure. We simply have not been able to determine in fact if it is true, and it varies, of course, in different tribes. For example, in the Southwest we went through a much lower incidence of myocardial infarction in certain tribes than you will find in others. Yet we have some tribes that have the highest incidence of diabetes that you find any place in the world. I think we have talked to you before about the research studies being done in the new Phoenix Medical Center with the National Institutes of Health looking at gallbladder disease and as a spinoff we are looking at cholesterol, which makes gallstones.

[Discussion off the record.]

ADMINISTRATION

Mrs. HANSEN. You are requesting $3,524,000, an increase of $104,000 for administration. Does this represent the total administrative cost for this program?

Mr. CHADWICK. Madam Chairman, that represents the administration activity which is synonymous with the headquarters office. This is the administration in the headquarters office.

Mrs. HANSEN. This includes salaries costs, supplies, et cetera?

Mr. CHADWICK. The $56,000, Madam Chairman, $53,000 of that $56,000 is the cost index of the $756,000 we had for upward mobility this year. This activity is really now taking place in the field. Next year it will be in the activity for field medical services rather than administration, because it really belongs there.

Mrs. HANSEN. Please insert in the record the cost factors involved in your administration request.

[The information follows:]

ADMINISTRATION ACTIVITY FISCAL YEAR 1974

Headquarters staff costs (128 positions)	$2,430,000
Related expenses such as supplies, travel, office equipment, etc	338,000
Upward mobility—Field operations	756,000
Total	3,524,000

UPWARD MOBILITY PROGRAM

Mrs. HANSEN. How is your upward mobility program progressing?

Dr. JOHNSON. Madam Chairman, it got off as you might expect to a slow start this year, with the series of discussions on budget, but we have been able to put in place the resources in the field. As Mr. Chadwick pointed out, it started out in the administration account here, but we have allocated all of it to the field. It is being used to help the group of people that we were talking about earlier this morning, the practical nurse who needs some training to move beyond, to help move them into R.N. training. We had one example just a week ago. A young man was in our office who had been a housekeeper in one of the hospitals in New Mexico. That is sort of a dead end job. But with the additional resource from the upward mobility program we have moved him into a trainee position.

He was here in Washington taking a course given by the General Services Administration as part of the training to become a procurement officer, contracting officer. He now has a horizon ahead of him. This is a specific example of the types of things we are going to be doing in that program. This is going on. It is individual. I think that is the key thing there. It is not a massive thing with everybody going to do the same thing. It is working out career plans for individuals.

Mrs. HANSEN. How much will you be able to do with it in the 1974 budget?

Dr. JOHNSON. The same level. Actually we will be able to do more in 1974 because we will have the resource for the full year.

Mrs. HANSEN. How many individuals do you expect to be participating in the upward mobility program?

Mr. CHADWICK. We have 1,194 this year, Madame Chairman, participating to date. We estimate 1,300 for 1974.

NONREIMBURSABLE EMPLOYEE DETAILS

Mrs. HANSEN. To what extent has your agency been involved in nonreimbursable details of employees during fiscal year 1972 and to date in 1973?

Mr. CHADWICK. Currently, we don't have any.

Mrs. HANSEN. Was that for all of 1972 and 1973?

Mr. CHADWICK. We had one in 1972, that we discussed in the hearings last year, which is no longer apropos, and our current detail is zero.

INDIAN HEALTH FACILITIES

Mrs. HANSEN. We now turn to Indian health facilities. We will insert justification pages 35 through 46 in the record at this point.

[The pages follow:]

Indian Health Facilities

Summary of Increases and Decreases

Appropriation, 1973		$44,549,000
Unobligated balance from prior years		4,034,179
Total available for obligation		48,583,179
Decreases:		
Hospitals	$9,039,196	
Outpatient care facilities	170,861	
Community facilities	402,000	
Sanitation facilities	34,296,830	
Personnel quarters	51,292	43,960,179
Carried into 1974		4,623,000
Increases (1974 appropriation request):		
Hospitals		5,008,000
Community facilities		530,000
Sanitation facilities		36,179,000
Total available for obligation		$46,340,000

ANALYSIS BY ACTIVITY

Amounts Available for Obligation

	Amount Available 1973	Fiscal Year 1974 Unobligated Balance From Prior Years	1974 Budget Request	Estimated Total Available	Total Available 1974 compared to Total Available 1973
Hospitals	$10,482,196	$1,443,000	$5,008,000	$6,451,000	$-4,031,196
Outpatient care facilities	214,861	44,000	...	44,000	-170,861
Community facilities	402,000	...	530,000	530,000	+128,000
Sanitation facilities	37,432,830	3,136,000	36,179,000	39,315,000	+1,882,170
Personnel quarters	51,292	...	...	...	-51,292
Total	48,583,179	4,623,000	41,717,000	46,340,000	-2,243,179

Obligations by Activity

	1972 Actual	1973 Estimate	1974 Estimate	Increase (+) Decrease (-)
Hospitals	$1,078,916	$9,039,196	$5,978,000	$-3,061,196
Outpatient care facilities	386,120	170,861	44,000	-126,861
Community facilities	...	402,000	530,000	+128,000
Sanitation facilities	28,033,405	34,296,830	37,506,000	+3,209,170
Personnel quarters	21,850	51,292	...	-51,292
Total	29,520,291	43,960,179	44,058,000	+97,821

ITEMIZATION OF ESTIMATE

	Actual 1972	Estimate 1973	Estimate 1974	Increase(+) Decrease(-)
Program and Financing				
Total obligations ..	$29,520,291	$43,960,179	$44,058,000	$+ 97,821
Unobligated balance brought forward ...	-3,112,470	-4,034,179	-4,623,000	- 588,821
Unobligated balance carried forward ...	+4,034,179	+4,623,000	+2,282,000	-2,341,000
Appropriation	30,442,000	44,549,000	41,717,000	-2,832,000
Obligation by Objects				
11 Personnel compensation	3,312,188	4,168,000	4,795,000	+ 627,000
12 Personnel benefits	164,450	210,000	241,000	+ 31,000
21 Travel and transportation of persons	176,581	210,000	221,000	+ 11,000
22 Transportation of things	906,096	1,114,000	1,205,000	+ 91,000
23 Rent, communications, and utilities ...	164,887	197,000	215,000	+ 18,000
24 Printing and reproduction	22,617	21,000	23,000	+ 2,000
25 Other services	1,820,654	3,247,000	3,376,000	+ 129,000
26 Supplies and materials	4,976,066	5,989,000	6,480,000	+ 491,000
31 Equipment	1,575,435	1,838,000	2,320,000	+ 482,000
32 Lands and structures	16,398,536	26,564,179	24,652,000	-1,912,179
41 Grants, subsidies and contributions	...	402,000	530,000	+ 128,000
42 Insurance claims and indemnities .	2,781	...	...	...
Total obligations	29,520,291	43,960,179	44,058,000	+ 97,821

Appropriation Title: Indian Health Facilities

Highlight Statement

Adequate, up-to-date health facilities of all types are a prerequisite for the provision of efficient and effective medical care and health services to approximately 488,000 Indian and Alaska Natives. Because of age and obsolescence, many of the present Indian Health facilities are not functionally arranged nor properly equipped, or require comprehensive repair and thereby represent a major impediment to efficient use of personnel and the practice of modern medicine.

Through sustained Presidential and Congressional interest and action, continuous improvement has been made in alleviating this inadequacy. In 1973, Congress appropriated funds for a new (replacement) health facility at Tuba City, Arizona. Construction of the Tuba City hospital is in progress with completion anticipated in calendar year 1974. The 1974 request contains funds for construction of a new (replacement) health facility at Zuni, New Mexico. An architect-engineer contract for design and development of the construction documents has been awarded for the Zuni project and has progressed to the point that a construction contract can be awarded in F.Y. 1974.

The lack of basic sanitation facilities is responsible for causing and perpetuating diseases and deaths among the Indians. Accordingly, the 1974 request provides funds to: (1) assist in the provision of sanitation facilities for 8,500 housing units being constructed or improved by the Department of Housing and Urban Development, the Bureau of Indian Affairs, and Indian Tribes; (2) provide water and/or waste disposal facilities for approximately 1,500 existing homes in conjunction with the HUD-BIA programs; and (3) provide water and/or waste facilities to 1,989 existing units in scattered locations. In addition, funds are included to provide sanitation facilities for Indian ceremonial areas and meeting places; to conduct necessary engineering investigations; and to correct emergency problems resulting from unforeseen conditions and situations that are beyond the capabilities and resources of the Indians.

Under P.L. 85-151, Congress authorized the Indian Health Service, where such an alternative appears more desirable and effective, to participate financially in the construction of needed health facilities in a community for joint use by Indians and non-Indians rather than to construct a separate Federal facility. In 1974 funds are included to participate with the Northern Montana Hospital at Havre, Montana, to provide 12 beds for Indian patients.

In 1974, funds are requested to correct existing fire and safety deficiencies to insure a safe patient care and staff environment at three Alaskan Native hospitals in Anchorage, Bethel, and Mt. Edgecumbe.

Architect-engineer design contracts for the modernization of the Shiprock, New Mexico and Whiteriver, Arizona hospitals will be undertaken in 1974. A master plan study for the Sacaton, Arizona hospital will also be conducted as well as 36 air-water quality control projects.

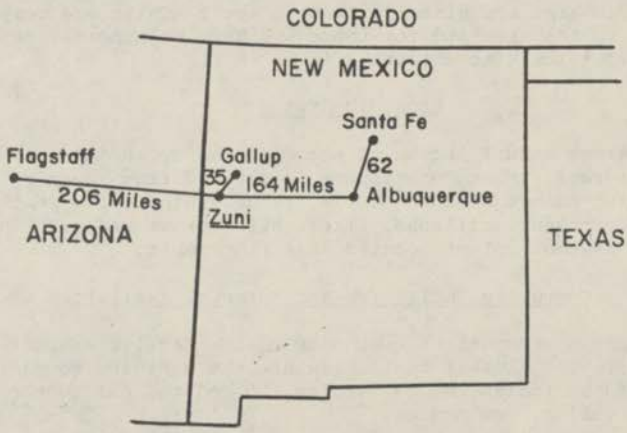
HOSPITALS:

(a) New and replacement - 1974 request $4,378,000

Zuni Health Care Facility

Blackrock, New Mexico $4,378,000

Construction funds for a replacement facility



Zuni Project Cost Estimate

Architect-Engineer Design Cost	$ 239,700
Construction funds requested in 1974	$4,378,000
Total construction cost estimate	4,617,700

A new Comprehensive Community Health Facility for the Zuni, New Mexico Service Unit is requested to replace the existing old and obsolete 36-bed general medical hospital constructed in 1934. The old facility is no longer capable of responding to the health needs of the Zuni community.

Geographic Background

The Zuni Service Unit comprises a little over 400,000 acres of arid and semi-arid land in southwestern New Mexico. The average monthly temperatures range from 66 degrees Fahrenheit to 25 degrees Fahrenheit with extremes ranging from minus 20 degrees Fahrenheit to 95 degrees Fahrenheit. About 40% of the 14 inch median annual rainfall occurs in the form of torrential downpours during the months of July and August.

The Service Unit is almost completely devoid of public transportation. The nearest railcenter is at Gallup, New Mexico approximately 40 miles by automobile to the north. The majority of the roads in this area are either dirt or gravel. There are very few telephones in the area and for those who have telephones, repair service is difficult to obtain.

Economic Status

The average annual income of the Zuni family is far below the national average. Most Zuni income is derived from sheep raising. An increasing number of Zuni people are obtaining employment in jobs with the government, railroad, firefighting crews and with the new electronic assembly plant located near the Pueblo.

Community Facilities and Referral Facilities

There are no convenient community health facilities near the Zuni reservation. The closest facilities are the McKinley community hospital and an Indian Health Service 200-bed medical center both located at Gallup, New Mexico.

At the present time an arrangement is in existence by which major surgery and other specialized services are performed at the Indian Health Service Hospital at Gallup. This arrangement is programmed to continue in the future.

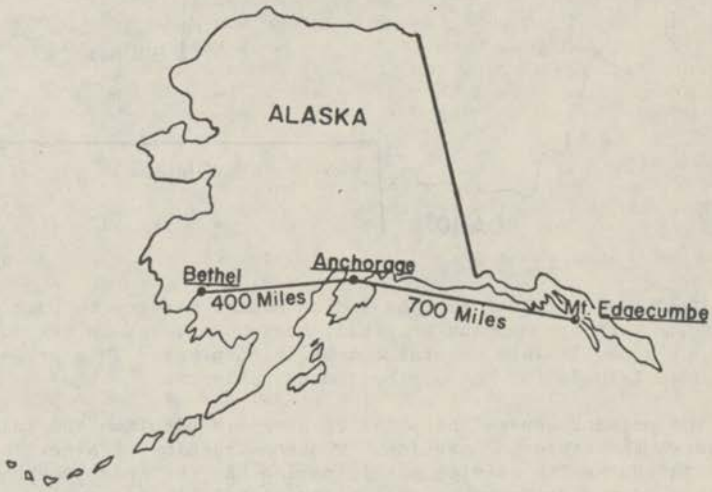
1974 Request

The $4,378,000 requested in 1974 will permit construction of a 62,340 gross square feet, 45-bed replacement facility comprised of an inpatient area, an outpatient clinic, area for supportive services and space for field health activities. It is anticipated that the daily patient census will average 28 and that there will be over 42,000 outpatient visits annually to the facility.

HOSPITALS:

(b) Modernization and repair - 1974 request $630,000

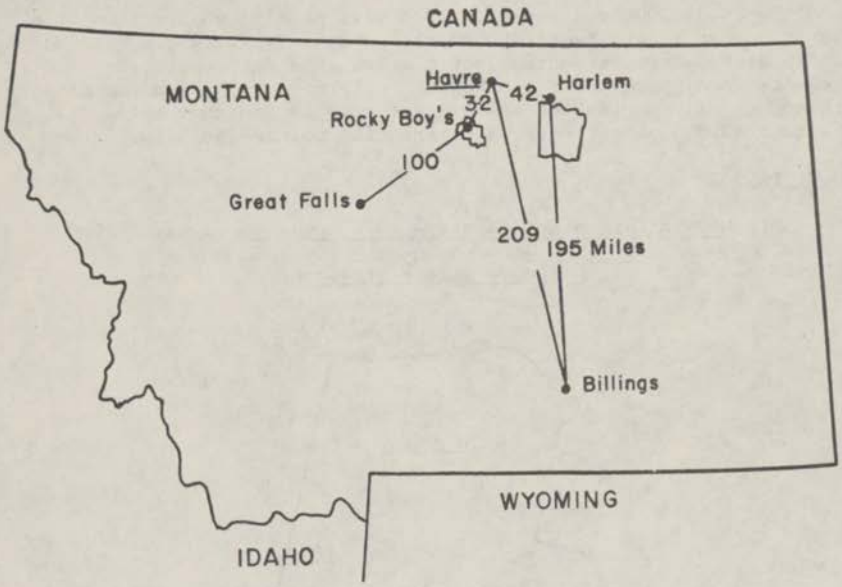
Fire - Safety Projects



A "deep look" survey conducted by the Facilities Engineering and Construction Agency of the Department of Health, Education, and Welfare disclosed antiquated and inadequate fire protection systems at three Alaska Native hospitals in Anchorage, Bethel and Mount Edgecumbe, Because of the magnitude, time required for construction, and complexity of these projects, they must be accomplished under the Indian Health Facilities construction account. Upon completion, these facilities will meet the minimum standards set forth by the Uniform Building Code and the National Fire Protection Association.

The projects involve such activities as: complete sprinkler systems; fire detection and fire alarm systems; fire hydrant systems; and miscellaneous construction of fire walls, smoke barrier doors and replacement of combustible ceilings.

Community Facilities - 1974 Request $530,000



Funds are included for the Indian Health Service to participate with the Northern Montana Hospital, Havre, Montana, in the construction of a new 119-bed general community hospital. This project includes 12 beds for the use by Indian patients.

The present general hospital at Havre is obsolete and inadequate to serve the target population. The construction of a new facility with Indian Health Service participation has the endorsement and support of the Rocky Boys Reservation Tribal Council.

It is anticipated that the average daily Indian patient census will be 9.6.

Sanitation Facilities - 1974 Request $36,179,000

Provision of essential sanitation facilities for Indian communities and homes is vital in the prevention of environmentally related diseases and is basic to the improvement of health. During the past 13 years the Indian Health Service has worked with Indians and Alaska Natives in a cooperative effort to correct the gross insanitary conditions existing in their communities and homes. Substantial progress has been made which has contributed to a significant reduction in the infant mortality and the gastroenteritis death rates; however, the lack of safe available water supplies and waste disposal facilities continues to be a major deficiency in the Indian environment.

This condition is in large measure responsible for the high incidence of preventable disease that still prevails among Indians and Alaska Natives. For example:

1. Gastroenteritis ranked third among the leading reportable diseases for Indians in 1971; incidence rates for amebic and bacillary dysentery were many times greater than the rate in the general population.

2. The Indian infant death rate was 1.2 times that of the provisional death rate for the general population in 1971. For infants who returned to their home environment after hospital birth and particularly for infants one month through eleven months of age, the death rate was over two times that of the comparable age group in the general population. This condition is in large part associated with the lack of sanitation facilities in Indian homes and extremely crowded living conditions.

3. In 1972 approximately 20 percent of the Indian patients discharged from hospitals were treated for infectious diseases (respiratory, other infective and parasitic, and skin diseases) and their residuals. Most of these are associated with lack of running water, insanitary conditions, and an overcrowded home environment.

ENVIRONMENTAL CONDITIONS

Contributing to these health problems is the widespread scarcity of safe water available to Indians and Alaska Natives for even elemental household purposes. Thousands of Indians on many reservations still haul water for home use from distances of a quarter of a mile or more. In such instances, use of water for domestic purposes is much less than the amount used by families in the non-Indian population. Contaminated streams, irrigation ditches, stock ponds, and unprotected wells and springs are often the only available supply. The excessive amount of time which Indians and Alaska Natives must thus spend combating the rigors of their environment is another contributing factor to the continuing impoverished conditions under which they live.

The lack of adequate facilities for the disposal of human and other household wastes also contributes to the health problems of the Indians and Alaska Natives. The absence of these facilities results in (1) spread of micro-organisms responsible for diarrheas and dysenteries; (2) insect and rodent infestations in Indian homes and communities; and (3) contamination of foods and domestic water supplies.

SANITATION FACILITIES PROJECTS

Public Law 86-121 enables the Indian Health Service to help alleviate the substandard environmental conditions that have been described. This law authorizes construction of domestic water supplies, waste disposal facilities and other sanitation facilities for Indian homes, communities, and lands.

Projects include one or more of the following features: water--source development, treatment, storage facility, distribution systems; waste (liquid and solid)--collection system, sewage treatment, disposal facility; household appurtenances--such as flush toilet or sanitary pit privy, kitchen sink, lavatory, and connecting plumbing.

INDIAN PARTICIPATION AND TRAINING

The Indian Health Service administers the program with the participation of Indian tribes, Alaska Native groups, and State and local health agencies. Participation by the Indians in project execution is stressed and tribes are equipped, trained and assisted to assume responsibility for continued operation and maintenance of completed community sanitation facilities. Education and training activities are also conducted to assure utilization, protection, and maintenance of household sanitation facilities.

These efforts have produced an increasing awareness by the Indian people of the advantages of adequate sanitation facilities. Indian governing bodies have shown a willingness to adopt the necessary measures which are required for continued operation and maintenance of completed facilities. These measures include establishment of tribal utility organizations, appointment of responsible maintenance personnel, collection of water and sewer charges, and adoption of sanitation ordinances and/or regulations. Each of these embraces new concepts in Indian self-government.

CONSTRUCTION PROGRESS

Since the inception of this program in 1960 through fiscal year 1972, 1,513 sanitation projects have been undertaken. These include: 1,259 construction projects, (627 of which were associated with Federal and tribal housing projects) and 254 engineering investigations, emergency works, and other special projects. Of the 1,513 projects undertaken, 1,179 are completed or in operation, 324 were underway as of June 30, 1972 and 9 were in the final planning stages. One project has been deferred pending relocation of an Indian village. With the completion of the above work and the projects to be initiated during fiscal year 1973, approximately 46,500 existing Indian and Alaska Native homes will have been provided new or improved sanitation facilities. In addition, facilities will have been constructed for approximately 32,000 new and improved homes built under Federal or tribal housing programs.

FISCAL YEAR 1973

The fiscal year 1973 appropriation of $35,745,000 for sanitation facilities construction included $28,500,000 for facilities to serve 8,500 new or renovated housing units being built under Federal and Tribal housing programs and for approximately 1,500 existing homes located within or adjacent to housing project sites. Also included in the fiscal year 1973 appropriation are: $6,800,000 for projects to construct facilities for approximately 4,000 existing homes in other locations and $445,000 for emergency works and special projects.

FISCAL YEAR 1974
Sanitation Facilities for new or renovated housing constructed by other agencies and existing homes at the same locations

The request for sanitation facilities of $36,179,000 includes $31,945,000 to assist Federal (HUD and BIA) and Tribal housing programs during FY 1974 which will permit the Indian Health Service to participate in the provision of sanitation facilities for approximately 8,500 new or renovated housing units and approximately 1,500 existing homes within or adjacent to housing project sites. In accordance with a mutual agreement with the Department of Housing and Urban Development, and the Bureau of Indian Affairs, the Indian Health Service is responsible for funding the construction of all off-site facilities required to serve the housing units. The Indian Health Service is also responsible for conducting site investigations, soil -tests, and providing construction inspection of sanitation facilities for all new housing built by housing authorities. The agency responsible for house construction provides interior fixtures and plumbing. Sanitation facilities located on the house lot and within the housing project site boundaries are funded by local housing authorities when the housing project comes under programs of the Department of Housing and Urban Development. Except for interior plumbing the Indian Health Service provides these facilities for homes constructed or improved by the Bureau of Indian Affairs.

Other Sanitation Facilities Construction Proposed for 1974

The request also includes $3,779,000 for projects to provide new or improved sanitation facilities for approximately 1,989 existing Indian and Alaskan homes and communities not associated with housing program activities.

Special Projects

The request further includes $455,000 to provide for: construction of sanitation facilities for Indian ceremonial areas and for tribal buildings used for community gatherings; investigation and planning funds for urgently needed construction projects for which additional technical information is necessary before a solution can be recommended; correction of emergency problems related to Indian sanitation facilities such as occur from severe drought conditions, floods, failure of well casings and pumping equipment; and other

unforeseen conditions which may require provision of materials, supplies and equipment for completing the construction or maintenance and repair of sanitation facilities serving Indians and Alaska Native communities.

The following table reflects the number of homes included in projects for FY 1972 - 1974:

Number of Indian Homes Benefited

	Fiscal Year Program		
	1972 Actual	1973 Estimate	1974 Estimate
Projects to assist Federal and Tribal Indian housing programs:			
(a) New and improved homes (HUD, BIA, Tribal and other)	6,841	8,500	8,500
(b) Existing homes served in conjunction with housing programs	1,016	1,500	1,500
Sub-total	7,857	10,000	10,000
Regular Projects for existing homes:			
(a) Water or waste or both	1,837	1,848	900
(b) Improved facilities or service	2,613	2,152	1,089
Sub-total	4,450	4,000	1,989
Total	12,307	14,000	11,989

1974 REQUEST SUMMARY

1 - Projects to assist Federal and Tribal Housing Programs for Indians	
(a) 8,500 new or improved housing units	$ 22,515,000
(b) 1,500 existing homes located within or adjacent to housing project sites	9,430,000
Sub-total	31,945,000
2 - Regular projects to serve 1,989 existing homes and communities in other locations	3,779,000
3 - Special projects for engineering investigations, emergency works, tribal buildings and ceremonial grounds, supplies and equipment and unforeseen conditions	455,000
Total	36,179,000

UNOBLIGATED BALANCES

Mrs. HANSEN. Please insert in the record your unexpended and unobligated balances as of February 28, 1973.

[The information follows:]

Indian Health Facilities
Unobligated Balances as of February 1973

Project and Location	Project Description	Unobligated Balance as of February 28, 1973
Hospitals:		
Claremore, Oklahoma	Plan Replacement Hospital	$ 146,134
Harlem, Montana	Plan Replacement Hospital	88,000
Philadelphia, Mississippi	Plan Replacement Hospital	196,907
Tuba City, Arizona	Complete Construction of Hospital	2,853,298
Acoma-Laguna, New Mexico	Plan New Hospital	252,968
Owyhee, Nevada	Plan Replacement Hospital	33,133
Santa Fe, New Mexico	Plan Replacement Hospital	131,265
Browning, Montana	Plan Alterations	19,000
St. Paul, Alaska	Remodel Hospital	104,000
Fire and Safety Projects	To complete on-going projects	87,367
Kotzebue, Alaska	Rehab. Foundation Completion	21,714
Mt. Edgecumbe, Alaska	Incinerator	54,748
Rosebud, South Dakota	Plan Alterations	28,000
Sacaton, Arizona	Master Plan Funds	60,000
Shiprock, New Mexico	Plan Expansion	350,000
Whiteriver, Arizona	Plan Alterations	350,000
Air-Water Quality Control	To complete on-going projects	701,352
Miscellaneous Projects	To complete on-going projects	112
Total Hospitals		$ 5,477,998
Outpatient Care Facilities:		
Noorvik, Alaska	To complete construction of Health Station	$ 16,410
Whiteshield, North Dakota	Tribe Constructed Health Facility	27,817
Air Quality Projects	To complete on-going projects	62,321
Miscellaneous Projects	To complete on-going projects	9,181
Total Outpatient Care Facilities		$ 115,729

Project and Location	Project Description	Unobligated Balance as of February 28, 1973
Community Facilities:		
Lander, Wyoming	4 bed and modernization	$ 280,000
Garrison, North Dakota	Fire damage	22,000
Fairbanks, Alaska	IHS share of cost-overrun	100,000
Total Community Facilities		$ 402,000
Personnel Quarters:		
Beshbitoh, Arizona	To complete construction of 5 units	$ 11,931
Tuba City, Arizona	To complete construction of 5 units	15,353
Window Rock, Arizona	To complete construction of 2 units	8,199
Dilkon, Arizona	To complete construction of 5 units	2,321
Many Farms, Arizona	To complete construction of 13 units	2,877
Miscellaneous Projects	To complete on-going Projects	2,140
Total Personnel Quarters		$ 42,821
Sanitation Facilities	Water and Waste Disposal	$22,277,189
GRAND TOTAL		$28,315,737

Mrs. HANSEN. What are they?

Mr. CHADWICK. Our obligations through February of this year are $20.267,000 out of a total availability of $43,960,000.

Mrs. HANSEN. You have how much unobligated?

Mr. CHADWICK. We have currently some $23.7 million unobligated, which we anticipate that we will obligate all but $4,623,000. In the total, $34,297,000 of this amount is sanitation. We have obligated to date $15,156,000 of that, and the rest will be obligated as the new homes are built.

Mrs. HANSEN. What is that last $4 million?

Mr. CHADWICK. The last $4 million, Madam Chairman, is $3,136,000 for sanitation, which we will not obligate this year.

Mrs. HANSEN. Why?

Mr. CHADWICK. Our normal unobligated balance on sanitation is only $2 million or so geared to the housing construction. The slow-up in the housing by HUD this year has increased our balance a bit that they deferred in the housing. There are several other projects.

Mrs. HANSEN. These are no-year funds?

STATUS OF HOSPITAL PLANNING PROJECTS

Mr. CHADWICK. These are no-year funds. The houses will be built. Almost all of the balance of $4.6 million is sanitation, $3,136,000. The several other projects are the planning for the Shiprock, Whiteriver and Sacaton hospitals which moneys were added last year.

Mrs. HANSEN. Is that done?

Mr. CHADWICK. We had money already, to do a master study of what needed to be done to the facilities. These are almost complete and these funds will be obligated in the next several months, probably June 30 before it is ready.

Mrs. HANSEN. How many facilities do you have the planning completed for?

Dr. JOHNSON. The only facility that is ready to contract as of today is the Zuni Hospital.

Mrs. HANSEN. That is the only one?

Dr. JOHNSON. That is the only one.

Mr. CHADWICK. The funds are in the budget for that.

Mrs. HANSEN. Your plans and design aren't ready for the others?

Dr. JOHNSON. No.

Mrs. HANSEN. Are any of your construction funds currently in reserve or administratively held up in any way?

Mr. CHADWICK. None of the construction money was proposed to be rescinded. We have available for use apportioned all that we will need this year. We have nothing that would impair our projects.

Mrs. HANSEN. Nothing that would hold you up except the limitation on the housing that we discussed earlier?

Mr. CHADWICK. It is their schedule we tie into, and some of these cross the June 30 line before we are ready for them, and this is our estimate of when they will be ready.

Mrs. HANSEN. When will you be ready to spend the $4 million which you estimate will be unobligated at the end of 1973?

Mr. CHADWICK. According to the present schedule for the sanitation, these should be ready for obligation in July or no later than August.

Mrs. HANSEN. In early fiscal year 1974.

Mr. CHADWICK. Right, and the other projects we mentioned for this planning we anticipate will be obligated in July or August, within 2 months or so of the next fiscal year.

Mrs. HANSEN. Please insert in the record a listing by construction project of all items having an unobligated balance as of June 30, 1972. This listing should indicate the year in which the appropriation was made for each project.

[The information follows:]

95-300 O - 73 - pt. 4 -- 8

Indian Health Facilities

Unobligated Balances as of June 1972 and Year of Appropriation

Project and Location	Project Description	Unobligated Balance as of June 30,1972	Fiscal Year of Appropriation
Hospitals:			
Acoma-Laguna, New Mexico	Plan new hospital	340,000	1972
Claremore, Oklahoma	Plan replacement hospital	200,000	1967 - 1972
Harlem, Montana	Plan replacement hospital	88,000	1967
Owyhee, Nevada	Plan replacement hospital	96,000	1972
Philadelphia, Mississippi	Plan replacement hospital	240,000	1967 - 1972
Santa Fe, New Mexico	Plan replacement hospital	170,000	1972
Zuni, New Mexico	Plan replacement hospital	159,316	1971
Albuquerque, New Mexico	Addition of outpatient clinic	45,082 1/	1971
Browning, Montana	Plan alterations	19,000	1967
Cass Lake, Minnesota	Improvement to dietary area and relocation of OB ward	59,000 1/	1969
Fire and safety projects	To complete on-going projects	115,297	1967 - 1969
Kotzebue, Alaska	Rehab. foundation completion	21,714	1968
Mt. Edgecumbe, Alaska	Incinerator Generator	64,151	1968 - 1969
Rosebud, South Dakota	Plan alterations	28,000	1967
Whiteriver, Arizona	Plan alterations	27,000	1967
Air quality projects	To complete on-going projects	146,000	1972
Miscellaneous projects	To complete on-going projects	3,633	
Total Hospitals		1,822,196	
Outpatient Care Facilities:			
Beshbitoh, Arizona	To complete construction of health station	21,140	1968
Dilkon, Arizona	To complete construction of health station	20,987	1968
Noorvik, Alaska	To complete construction of health station	16,422	1970

Project and Location	Project Description	Unobligated Balance as of June 30, 1972	Fiscal Year of Appropriation
Outpatient Care Facilities - cont'd			
Red Water, Mississippi	To complete construction of health station	12,284	1970
Whiteshield, North Dakota	Tribe constructed health facility	27,817	1968
Air Quality Projects	To complete on-going projects	70,846	1972
Miscellaneous Projects	To complete on-going projects	1,365	1972
Total Outpatient Care Facilities		170,861	
Community Facilities	Participate in modernization and fire damage	302,000 2/	1972
Personnel Quarters			
Beshbitoh, Arizona	To complete construction of 5 units	16,425	1968
Dilkon, Arizona	To complete construction of 5 units	5,211	1968
Many Farms, Arizona	To complete construction of 13 units	5,198	1968
Tuba City, Arizona	To complete construction of 5 units	14,863	1968
Window Rock, Arizona	To complete construction of 2 units	8,200	1969
Miscellaneous projects	To complete on-going projects	1,395	
Total Personnel Quarters		51,292	
Sanitation Facilities	Water and waste disposal	1,687,830	1972
GRAND TOTAL		4,034,179	

1/ Reprogrammed to St. Paul, Alaska alterations as approved by the congressional subcommittee on appropriations.

2/ Lander, Wyoming - 4 beds and modernize ($280,000)
Garrison, North Dakota - Fire damage ($22,000)

COMPARISON OF 1973 APPROPRIATION AND 1974 REQUEST

Mrs. HANSEN. Please give us an explanation of the $2,832,000 decrease for this activity.

Mr. CHADWICK. Yes; last year we had a construction project in the budget for construction of Tuba City Hospital, Tuba City, Ariz., $7,305,000. This year we are proposing to construct the hospital at Zuni for $4,378,000 which cost $2,927,000 less than the Tuba City did.

Mr. MCKAY. How many bed hospital is that?

Mr. CHADWICK. A 125-bed hospital we will be building in Tuba City.

Mr. MCKAY. What is the footage cost?

Mr. CHADWICK. The square foot cost at Tuba City is $57.55.

Mr. MCKAY. It is going up.

Mr. CHADWICK. The cost escalation averages 12 percent a year on construction.

Mr. MCKAY. The reason I asked that is 2 years ago we completed a hospital in my district, a 300-bed hospital. We built that at $35 a square foot. That is 2 years ago.

Mr. CHADWICK. Mr. McKay, one big reason is that Tuba City is in the middle of the Navajo and the location and isolation significantly adds to the cost.

Mrs. HANSEN. It is the same way with your Alaskan facilities.

Mr. CHADWICK. The difference in your other projects, Madam Chairman, is the fact that last year we got the remainder of the air-water projects of $639,000, which is nonrepetitive, and the Shiprock, Whiteriver and Sacaton hospitals planning of $350,000 for two and $60,000 for the other, and $100,000 for a community hospital project in Fairbanks. These items being construction are nonrepetitive so this year we have construction of the Zuni Hospital, $630,000 for fire safety projects, $530,000 for a 151 project in Havre, Mont. The sanitation is almost the same. It is $36,179,000, so all of these reflect the net difference between the projects for the 2 years.

Mrs. HANSEN. To what extent, if any, is your construction program behind schedule? How many hospitals do you have that need major repairs? How many hospitals do you have that need reconstruction?

HOSPITALS REQUIRING REPLACEMENT

Dr. JOHNSON. The total number of hospitals that require replacement is 20. We have the money——

Mrs. HANSEN. What is the total bed capacity of these 20?

Dr. JOHNSON. I would have to add that one up.

Mrs. HANSEN. You can insert it in the record.

[The information follows:]

The current bed capacity of the 20 Indian health service hospitals that require replacement is 975.

Mrs. HANSEN. Where are those hospitals located?

Dr. JOHNSON. The whole list, let's run through them. It is all those that we have planning money already for in one way or the other. We are talking about Zuni, Claremore, Mississippi Choctaw, Acoma-Laguna, Santa Fe, Ouyhee, Shiprock, Whiteriver, Sacaton, Rosebud, Browning, Fort Belknap, Crownpoint, Winslow. There must have been some I have forgotten.

TOTAL COST OF HOSPITAL REPLACEMENT AND MAJOR RENOVATIONS

Mrs. HANSEN. What is the total cost of hospital replacement and major renovations?

Dr. JOHNSON. With the 20 replacement hospitals it would cost about $165 million. The 16 requiring major modernization would be about $52 million.

Mrs. HANSEN. So you are behind over $200 million?

Dr. JOHNSON. Yes; then there are requirements for new hospitals like the Acoma-Laguna, which is not in this number.

Mrs. HANSEN. This deficiency just keeps growing, doesn't it?

Dr. JOHNSON. We feel fortunate that for 2 years in a row now we have one hospital in the budget. There were several years when we had none so we are making progress.

Mrs. HANSEN. When your renovation gets so far behind, you usually end up having to replace. How many facilities do you have that are going to move out of the category of major repairs into reconstruction within the next 2 years?

Dr. JOHNSON. There are no modernization funds in the 1974 budget. There are several projects for which we have planning money that will end up being modernization when the construction funds become available, places like Whiteriver, Browning.

Mrs. HANSEN. When do you expect to see construction funds budgeted?

Dr. JOHNSON. At the earliest opportunity that we can put it in the budget.

Mrs. HANSEN. When is that going to be?

Dr. JOHNSON. It depends on the budget ceilings. I suspect that the program will be provided over time.

FIRE AND SAFETY IN IHS HOSPITALS

Mrs. HANSEN. Are all of your hospitals safe from fire?

Dr. JOHNSON. At the present time 12 of the 51 hospitals would fully meet the fire and safety code. They would be in complete compliance.

Mrs. HANSEN. Twelve?

Dr. JOHNSON. Twelve. By the end of fiscal year 1974, with the resources that are in this budget, we would expect to add four more to that list. We believe that with the normal support of the maintenance and repair priorities that we have had over a number of years that by the end of fiscal year 1975, we will have 23 more.

That would be 19 more than the four, so we would have at the end of 1975, 35 of them in complete compliance. There are 16 remaining that we simply don't believe it is feasible or reasonable to bring into compliance. For example, it requires such things as the width of a corridor. The cost of tearing out the corridors, many of which are weight bearing and so forth, makes it simply not useful to think of doing that. What we are doing, and I think we need to emphasize this, we are doing for all of these all of the things that can be done in a reasonable fashion. For example, putting in a sprinkler system, fire doors, smoke barriers, detection systems, replacing any ceiling tile that is not fire retardant, and so forth. We have over the last 2 or 3 years made a very significant impact on the basic safety of these. As I said, some of the lack of compliance is not major.

In the 35 hospitals we are talking about that are feasible to bring up to compliance, the only three major issues where it is going to require a major amount of money are in the three projects we have in the budget before you today, Anchorage, Bethel and Mt. Edgecumbe. The others we believe can be accomplished within the maintenance repair budget as long as we put that as first priority.

COMPLIANCE WITH STATE FIRE REGULATIONS

Mrs. HANSEN. Do your facilities have to comply with State fire regulations?

Dr. JOHNSON. No, ma'am.

Mrs. HANSEN. Why?

Dr. JOHNSON. Federal facilities are of course exempt from State license and regulations.

Mrs. HANSEN. But don't they take a look at your facilities?

Dr. JOHNSON. If we were going to have to comply with State fire and safety codes, we have some hospitals that wouldn't be open today. You have seen some of them.

Mrs. HANSEN. I have and that is why I am asking.

Dr. JOHNSON. They must be used. We can't discontinue the service. We have done everything we can to try to minimize the deficiencies in these facilities.

Mrs. HANSEN. There comes a time when you can't go any further.

Dr. JOHNSON. Right. It is just no way to go on the 16, for example, that we are talking about. Of course among the 16 are the hospitals that we have under planning right now, Owyhee, the Mississippi Choctaw, Whiteriver, Sacaton, Claremore, Zuni, Santa Fe. That is one of the major criteria that we use when we put hospital construction on the priority list.

DEFINITION OF COMPLIANCE

Mr. VEYSEY. When you say you are bringing these hospitals into compliance, what is the compliance? Is it to Federal standards?

Dr. JOHNSON. It is a national fire and safety code. It is one that I believe most States have adopted as their own. It is a national kind of standard.

Mr. VEYSEY. Is it Federal law, Federal statute?

Dr. JOHNSON. It is not a Federal statute.

Mr. VEYSEY. Whose is it?

Dr. JOHNSON. It is a voluntary standard. It becomes applicable law when the States adopt it. It is sort of like your uniform building codes that a State may or may not accept.

Mr. VEYSEY. This is specific for hospitals?

Dr. JOHNSON. Yes. There are many different parts of the code. The one we are looking for, of course, is specifically the hospitals. It is our intention, Mr. Veysey, to follow the most stringent code that there is, the State code or this national fire and safety code, or a Federal standard if there is one, as we do, for example, in the air and water pollution standards. The purpose of the program is to bring all of our facilities up to the compliance of the highest feasible standard that can be applied to the facility.

Mr. VEYSEY. But some States would have more stringent standards than the national code?

Dr. JOHNSON. I wouldn't be able to address a specific answer to that. This is a pretty stringent standard, and it is updated on a regular basis, and it is really the key standard that one looks at for building safety.

Mr. MILLER. Dr. Johnson, where hospitals received medicare funds and medicaid funds don't they have to meet mandatory standards then? They are not voluntary.

Dr. JOHNSON. Yes.

[Discussion off the record.]

Mrs. HANSEN. I know some States have very strict standards.

Dr. JOHNSON. We certainly feel we must reach that standard, but as you look at our facilities about 60 percent of our hospitals were built in 1939 or before. We have one that was built in 1900. They didn't have fire and safety codes in 1900.

With that particular hospital we have sprinklered the whole thing. We have put in fire alarm detections, new wiring, upgraded the mechanical system, put in fire doors, all the things reasonable to do to the facility.

Once you have gone beyond that you can never within any reasonable cost be completely in compliance. That is our dilemma. These are the kinds of hospitals that we feel very strongly simply must be replaced.

Mrs. HANSEN. So does the committee. We have been on this subject for several years, and the budget restraints seem particularly unfair when you get into the construction of facilities that serve people.

DETERMINATION OF CONSTRUCTION PRIORITIES

How do you draw your priorities for construction projects that are to be included in the budget estimate?

Dr. JOHNSON. We have a priority system. There is a number of items on it. One that has the greatest weight, of course, is really the status of the facility building safety, the fire safety things.

We were talking about that. That has the greatest impact. Then the functional design, whether it complies to modern standards. For example whether the OB suite is isolated rather than right in the middle of a hall someplace. These are the kind of functional things.

We identify a number of utilization criteria, in other words the workload in relationship to the space that is available to do it, sort of an overcrowding index or a workload.

We have some things about the particular health needs of that community, those that have higher mortality, morbidity rates and so forth, where the need appears to be greater.

Take the isolation factors. There was a hospital many, many miles from any other place.

Mrs. HANSEN. Where it is impossible to contract for services?

Dr. JOHNSON. Right. These are all put together to give you sort of a composite priority schedule.

CHOCTAW HOSPITAL

Mrs. HANSEN. I have a letter from Philip Martin, the tribal chairman of the Choctaw Indians on construction of a health facility. Can you tell us why this isn't in the budget?

HOSPITALS FOR WHICH PLANNING FUNDS WERE PROVIDED IN 1972

Dr. JOHNSON. Madam Chairman, this, of course, is one of the five projects that the committee provided 1 year ago. You will remember we talked about a new approach to building hospitals, where we developed an executive architect who is looking at all of the five hospitals that are now under design.

Then we have a regional architect for each of the five hospitals. The purpose of that is both a saving of time and being able to get ready for construction, of course, saving of cost, and the development of performance and design standards, so that you don't have to design everything from the beginning.

I think the General Accounting Office review of hospital construction is interesting, in that almost everything that they said ought to be done in hospital design and construction is encompassed in the approach that we have been pursuing now for the last couple of years.

We have the design under contract. The architects are working on these five hospitals. The design will not be financed until probably March of fiscal year 1974.

Mrs. HANSEN. The letter says, "original plans called for the awarding of construction contracts by March 1974, and had targeted completion for these facilities for May 1975. However, the budget sent to Congress by the administration did not provide for the necessary construction moneys." What is your comment on this?

Dr. JOHNSON. The matter of the priorities, the Zuni Hospital, as I pointed out, the planning is completed now, so it seemed to us if we have the resources to build one hospital during fiscal year 1974, it should be the Zuni Hospital for which the working drawings are already completed. It would be our hope to get construction funds for the Choctaw Hospital and others as soon as we can in the appropriation process.

Mrs. HANSEN. How many Choctaws are served by this hospital?

Dr. JOHNSON. About 3,000 Choctaws.

Mrs. HANSEN. It is about $4 million?

Dr. JOHNSON. $4,318,000.

ZUNI HOSPITAL CONSTRUCTION

Mrs. HANSEN. You are requesting $4,378,000 for the Zuni Health Care facility. Can you give any additional details on the Zuni facility other than what you have given?

Dr. JOHNSON. Zuni is one of the old hospitals that I mentioned a minute ago could not be brought up to fire safety standards. Of course, that is the reason it got high on the priority list. We are very pleased with the progress of the design.

Governor Lewis and his staff have worked very closely in the design of this, and I think it is going to be an outstanding facility and meet a real need for the Zuni community. As I am sure you know, that is one of the very progressive and well developing Indian communities.

Mrs. HANSEN. Are they involved in doing their own health work, to some extent, by contracts?

Dr. JOHNSON. Yes.

Mrs. HANSEN. When do you estimate the date of completion for this facility?

Dr. JOHNSON. If we get the money in the 1974 budget by the time it is apportioned we will have to go out for a contract. I would suspect it would be probably late summer before we can actually award a construction contract, because we can't go out and advertise until we actually have the money.

That would be about 2 years from this summer.

Mrs. HANSEN. 1975?

Dr. JOHNSON. Right.

Mrs. HANSEN. How many Indians do you serve at Zuni?

Dr. JOHNSON. About 5,700 in the Zuni. This also includes the Rammah Navajo group that uses the Zuni hospital as their primary medical facility.

FIRE SAFETY PROJECTS IN ALASKAN HOSPITALS

Mrs. HANSEN. You are requesting $630,000 for modernization and repair of various facilities in Alaska. What are the details?

Dr. JOHNSON. These are three major items that we felt we could not cover under the routine maintenance and repair funding.

Anchorage, a total of $150,000 which will complete the sprinkler system, fire separation, barriers, the fire detection system. Bethel, $180,000 for fire hydrant system to complete.

NEED TO REPLACE ANCHORAGE HOSPITAL

Mrs. HANSEN. Is this that old Anchorage facility?

Dr. JOHNSON. Right.

Mrs. HANSEN. You haven't moved it?

Dr. JOHNSON. It is still there.

Mrs. HANSEN. That will go into the sea when there is another earthquake.

Dr. JOHNSON. We hope we don't have another earthquake.

Mrs. HANSEN. We went up there and looked at that facility. You are perched right on the edge of a cliff.

Dr. JOHNSON. Right on the edge of a cliff. Then for Mount Edgecumbe, we have $300,000.

Mrs. HANSEN. I thought you were going to move.

Dr. JOHNSON. That would require planning and construction funds, Madam Chairman.

Mrs. HANSEN. If that facility slides into the sea, you are going to have real troubles.

Mr. MCKAY. It might be better to fund it than the alternative.

Mrs. HANSEN. You came in here sometime ago and wanted to put up some kind of sea wall. After going to Alaska and seeing this facility, I did not think it wise to invest another penny in it because of the location. It is not in a safe place. Any time you have a good shake in Anchorage that will go into the sea.

Dr. JOHNSON. Unfortunately that is not the only hospital we have that has seismic problems.

Mrs. HANSEN. The agreement was they would move it where there was going to be a new medical complex.

Dr. JOHNSON. Right, we were going to move out with the Alaska Psychiatric Institute and Providence Hospital near the Alaska Methodist University.

Mr. McKay. Will the Chairlady yield?

Mrs. Hansen. Yes.

Mr. McKay. Do you in your planning and selection of sites consult with the Geological Survey or Bureau of Mines people who deal with these hazards?

Dr. Johnson. It has been there for over 20 years.

Mr. McKay. This is for your overall siting, so you don't sit on a fault everywhere you go, or you have some other seismic or geographic problem.

Dr. Johnson. One of the problems we are going to have, and I suspect we will be talking to this committee about in another year, there are some new standards that are being developed for seismic safety on hospitals. We haven't had a chance to get our hands on it and see exactly what that is going to mean but I suspect we are going to find more than the Anchorage hospital that is not going to be in compliance.

Mr. McKay. I think there are more things than seismic. In some areas you have water tables, slippage of foundations, all kinds of geological problems that can affect you.

Dr. Johnson. We are concerned right now with the hospital in Winslow, Ariz., which we know for a fact does not meet the seismic standards. We are doing a structural study on it right now to find out exactly what can we or should we do. It is a real serious problem with this whole group of facilities.

Mrs. Hansen. This is right on the edge of a bluff. There isn't anyplace to go but into the sea.

Dr. Johnson. It is a beautiful location.

Mrs. Hansen. It is, but it is not a very safe location. How much money is going into that Anchorage hospital?

Dr. Johnon. $150,000 this year for the fire and safety. This will bring the hospital up to fire and safety code standards.

Mrs. Hansen. Until your next calamity. How much goes into Bethel?

Dr. Johnson. $180,000.

Mrs. Hansen. And how much goes into Edgecumbe?

Dr. Johnson. $300,000.

Mrs. Hansen. How much longer are you going to patch that one up?

Dr. Johnson. That fortunately doesn't appear to be in a seismic zone and it is of sufficient size and quite sound construction. We believe we would be in there for quite some time. That is not one of our higher priorities.

Mrs. Hansen. Anchorage is one of your higher priorities to move, isn't it?

Dr. Johnson. Yes. The problem with Anchorage, of course, is the cost of the facility. With the kind of budget priorities you have to set——

Mrs. Hansen. Don't you wish you could have some of the hospitals they constructed in Vietnam?

Mr. Miller. Don't look at me.

CONSTRUCTION OF HAVRE COMMUNITY HOSPITAL

Mrs. HANSEN. You seemed to be the appropriate one to look at. You are requesting $530,000 to participate in the construction of a general community hospital at Havre, Mont. What are the complete details of this? Maybe you might get the State of Alaska to participate with you in Anchorage.

Dr. JOHNSON. The basic reason for the Havre hospital is that they used to have a couple of hospitals in Havre and neither one of them was adequate. They have combined them into the Northern Montana Hospital, and have gone forward to build a new facility which is only 30 miles from the Rocky Boys Reservation.

It seemed to us that it would be appropriate for us to participate in the building of this, so that we would be sure that there would be an adequate, safe place.

Mrs. HANSEN. What percent of the bed space will be used by the Indian community?

Dr. JOHNSON. We figure about 12 beds out of the 119 would be the Indian share.

Mrs. HANSEN. What is our share of the cost?

Dr. JOHNSON. Our share of the cost is $530,000.

Mrs. HANSEN. What is the total cost?

Dr. JOHNSON. $5,004,234.

Mrs. HANSEN. You are just within the vicinity of the 12 beds.

Dr. JOHNSON. The funding for that is coming out of Hill-Burton grant, Hill-Burton loan, the mental health grant and an FHA loan plus our contribution. That is what makes up the $5 million.

ROLE OF HILL-BURTON PROGRAM

Mrs. HANSEN. Why isn't it possible to have Indian health facilities constructed under Hill-Burton?

Dr. JOHNSON. Actually the Hill-Burton program has been the program that has administered these joint community hospitals.

Mrs. HANSEN. But, the funding has come out of Indian Health Services.

Dr. JOHNSON. The funding under the Hill-Burton program, of course, has gone to the States. The States set their priorities. Indian communities frequently don't fit their priorities.

Mr. MCDADE. And there is a one-third matching requirement from the applicant.

Dr. JOHNSON. Right. The Indian community would not have that. We have explored this. We have gone into some detail. We were close to getting together on one in the Dakotas, and then certain things have happened to make that not useful.

Mrs. HANSEN. Since the Indian is an American citizen, there isn't any reason why an Indian facility can't be included within the State participation.

Dr. JOHNSON. I am sure there are legal and regulatory barriers that somehow or other have made this an extremely difficult thing to come to grips with.

Mrs. HANSEN. How much does Hill-Burton have per year to spend on construction; the two-thirds Federal share?

Dr. JOHNSON. I wouldn't be able to give you that.

Mrs. HANSEN. You should know.

Mr. MILLER. Well, this year the Congress appropriated, I think, about $190 million, but, of course, we are proposing not to spend any grant money under Hill-Burton, either in fiscal year 1973 or 1974.

Mrs. HANSEN. I know that, but what is your total construction budget?

Dr. JOHNSON. $41 million. That includes the sanitation.

Mrs. HANSEN. I mean on hospital facilities alone.

Mr. CHADWICK. The Zuni hospital is it?

Mrs. HANSEN. $4 million.

Mr. CHADWICK. For construction of hospitals.

Dr. JOHNSON. Plus the $530,000 contribution to Havre.

Mrs. HANSEN. I am speaking about purely Indian health construction, $4 million. Yet you have a $200 million deficit in Indian hospital facilities.

Dr. JOHNSON. $236 million.

SANITATION FACILITIES

Mrs. HANSEN. You are requesting $31,945,000 for sanitation facilities for new or improved housing construction by other agencies. This is your 1974 proposal which we discussed earlier. Do you have anything to add to that?

Dr. JOHNSON. I don't believe so, Madam Chairman. We went over the list of housing by the various categories. This is the inter-agency agreement for the major part of it.

Mrs. HANSEN. You are requesting $3,779,000 for other sanitation facilities. These are the regular housing projects.

Dr. JOHNSON. Right, existing houses in nonproject areas.

Mrs. HANSEN. Which we did discuss earlier.

Dr. JOHNSON. That is correct.

Mrs. HANSEN. $455,000 is requested for special projects. What is this?

Dr. JOHNSON. That is a variety of emergency projects.

Mrs. HANSEN. Such as?

Dr. JOHNSON. Such as a pump that burns out prematurely, a pumphouse that burns down, a flood as we had at one time that wiped out a section of waterline, this type of thing that the community itself is not really in place yet to support.

Mrs. HANSEN. Have you any facilities in the line of the Mississippi flood?

Dr. JOHNSON. No; not that far down.

Mrs. HANSEN. Mr. Evans.

Mr. EVANS. How much of the increase in your budget represents an actual increase in services to Indian people as opposed to increases in the cost of your present program for items such as increases in IHS staff salaries and benefits, and increases in office expenses?

Dr. JOHNSON. The total increase requested for 1974 represents mandatory costs only. No funds are requested in 1974 for increased services.

Mr. EVANS. On page 5 of your budget justification, you relate alcoholism to the high suicide rate among Indians. Are existing programs of alcohol prevention and control sufficient to make progress in reducing the alcoholism rate?

Dr. JOHNSON. Existing programs of alcoholism prevention and control, if continued, will have some impact in reducing the alcoholism rate.

Mr. EVANS. What are the ratios recommended by the professional societies for the number of doctors, dentists, ophthalmologists, et cetera, to the Indian population and the general population?

Dr. JOHNSON. Population ratios recommended by the physician, dental, nursing, and pharmacy professional societies vary because of the need and desire for care in different communities. For example, estimates on an ideal ratio for physicians have varied from one physician per 500 persons to one physician per 1,000 persons; estimates of an ideal dental need have varied from one dentist per 450 persons to one dentist per 1,000 persons. Ophthalmologist societies recommend one ophthalmologist per 10,000 population and optometry societies recommend 1 optometrist per 8,000 persons.

Mr. EVANS. How do these ratios compare with the actual ratio that exists now and the ratios recommended by the Indian Health Service?

Dr. JOHNSON. I will provide that for the record.

[The information follows:]

	Current ratio	IHS recommended ratio
Physicians	1/938	1/700
Dentists	1/2,800	1/1,650
Otolaryngologists	1/120,000	1/20,000
Audiologists	1/480,000	1/30,000
Ophthalmologists	1/54,222	1/12,000
Optometrists	1/69,714	[1] 1/10,000
Pharmacists	22/100,000	65/100,000
Social service workers	1/7,283	5/10,000
Registered nurses	207/100,000	458/100,000
Public health nurses	29/100,000	40/100,000

[1] Schoolchildren.

Mr. EVANS. What percent of the Indian population's vision care needs were met last year?

Dr. JOHNSON. About 58 percent.

Mr. EVANS. What percent of the Indian population's dental care needs were met last year?

Dr. JOHNSON. 40.3 percent of the total estimated need for dental services was provided in 1972.

Mr. EVANS. How can you achieve even the modest increase in dental services you are setting as your goal when the increase you propose in the budget covers only the increase of costs in your present program?

Dr. JOHNSON. The dental program uses a system of priorities that concentrate its preventive and corrective service efforts among chil-

dren and attempts to treat them annually. Once brought to a healthy condition, a person can be maintained periodically at less time and effort since new disease does not have a chance to progress to a serious stage. This permits the staff available to provide services to additional persons.

Mr. EVANS. The 1972 housing survey indicated there are some 103,300 families for which only 30,100 existing dwellings are in standard condition. How many Indian homes have adequate sanitation facilities, and how much work remains to be done?

Mr. LARSON. With the completion of all projects undertaken since the inception of the program through fiscal year 1973, approximately 46,500 existing Indian and Alaska Native homes will have been provided new or improved sanitation facilities. In addition, facilities will have been constructed for approximately 32,000 new or improved homes built under Federal or tribal housing programs. The fiscal year 1974 budget request for this item includes funding for projects to serve 8,500 additional new and improved homes to be provided through Federal or tribal housing programs, 1,500 existing homes at project sites and 1,989 existing Indian and Alaska Native homes at other locations. It is estimated that after completion of the projects planned for fiscal year 1974, some 18,843 homes will still need sanitation facilities and 18,968 homes will require upgrading of their existing sanitation facilities.

Mrs. HANSEN. We will insert page 1 concerning administrative provisions in the record.

[Page 1 follows:]

ADMINISTRATIVE PROVISIONS, HEALTH SERVICES, AND MENTAL HEALTH ADMINISTRATION

SEC. 1001. Appropriations contained in this act, available for salaries and expenses, shall be available for services as authorized by 5 U.S.C. 3109 but at rates not to exceed the per diem equivalent to the rate for GS–18.

SEC. 1002. Appropriations contained in this act, available for salaries and expenses, shall be available for uniforms or allowances therefor as authorized by law (5 U.S.C. 5901–5902).

SEC. 1003. Appropriations contained in this act, available for salaries and expenses, shall be available for expenses of attendance at meetings which are concerned with the functions or activities for which the appropriation is made or which will contribute to improved conduct, supervision, or management of those functions or activities. (Department of the Interior and Related Agencies Appropriation Act, 1973.)

Mrs. HANSEN. Mr. McKay, do you have any further questions?

Mr. MCKAY. No further questions.

Mrs. HANSEN. Mr. McDade.

Mr. MCDADE. No questions.

Mrs. HANSEN. Thank you very much, Dr. Johnson. We appreciate having you and your staff here.

As usual, both you and Mr. Chadwick were tremendous sources of information.

Dr. JOHNSON. Thank you, Madam Chairman, and the committee for the support of the program.

Mrs. HANSEN. The committee is always very proud to support your program because we are greatly concerned.

WEDNESDAY, APRIL 11, 1973.

INDIAN CLAIMS COMMISSION

WITNESS

JEROME K. KUYKENDALL, CHAIRMAN

Mrs. HANSEN. We now have the Indian Claims Commission.

We have as our principal witness a very distinguished fellow Washingtonian, Mr. Jerome K. Kuykendall, Chairman of the Commission.

GENERAL STATEMENT

I am sure you have a general statement, Mr. Kuykendall. Do you want to put that in the record and summarize it or do you want to read it?

Mr. KUYKENDALL. I will just put it in the record.

[The information follows:]

The Commission is requesting an appropriation of $1,086,000 for fiscal year 1974. Our appropriation for the current fiscal year is $1,075,000. The additional $11,000 will cover modest increases in each of several categories of supporting costs. Increased personnel costs which will result from the January 1973 general salary increase are not included.

NATURE AND DURATION OF THE COMMISSION

The Indian Claims Commission is a temporary independent agency engaged in the adjudication of Indian claims filed under the Indian Claims Commission Act, as amended. The Commission's existence will terminate on April 10, 1977. If it can maintain its current rate of progress it will complete its work within its remaining life. Any unfinished work will, however, be automatically transferred to the Court of Claims at the time the Commission expires.

STATUS OF WORK

Two charts are attached to the statement I am now reading. Chart 1 is a graph depicting the number of dockets completed by the Commission in each fiscal year from 1949 through 1972. Since fiscal year 1973 is more than half completed we believe we can predict quite accurately our progress during that period and it therefore is shown on the chart by a dashed line. A dotted line representing the work to be done between July 1, 1973, and April 10, 1977, shows that we will get the job done by April 10, 1977, if we keep up the pace of fiscal year 1973.

Chart No. 2 shows the number of dockets completed by monetary awards (not including dismissals) in each fiscal year from 1947, when the Commission came into being, through fiscal year 1972. This information is portrayed both by a graphic line and by bars placed at 5-year intervals on the chart. The chart discloses that more dockets were completed by monetary awards made in the 5 fiscal years of 1968 through 1972 than were made during the entire prior life of the Commission.

AUTHORIZATION

The amendment to the Indian Claims Commission Act of March 30, 1972, which extended the life of the Commission to April 10, 1977, also provides that appropriations for fiscal years subsequent to fiscal year 1973 shall be made only to the extent thereafter authorized by Congress.

The Commission's fiscal year 1974 Senate authorization bill, S. 721, was passed by the Senate on March 6, 1973; and on March 28, 1973, the House bill, H.R. 4967, was ordered reported favorably to the House. Both of these bills carry an authorization limit of $1,200,000.

SUMMARY

The Commission appreciates this Subcommittee's continuing interest and concern. You may be sure that we will continue to dispose of claims as rapidly as possible while exerting our full efforts to adjudicate them fairly.

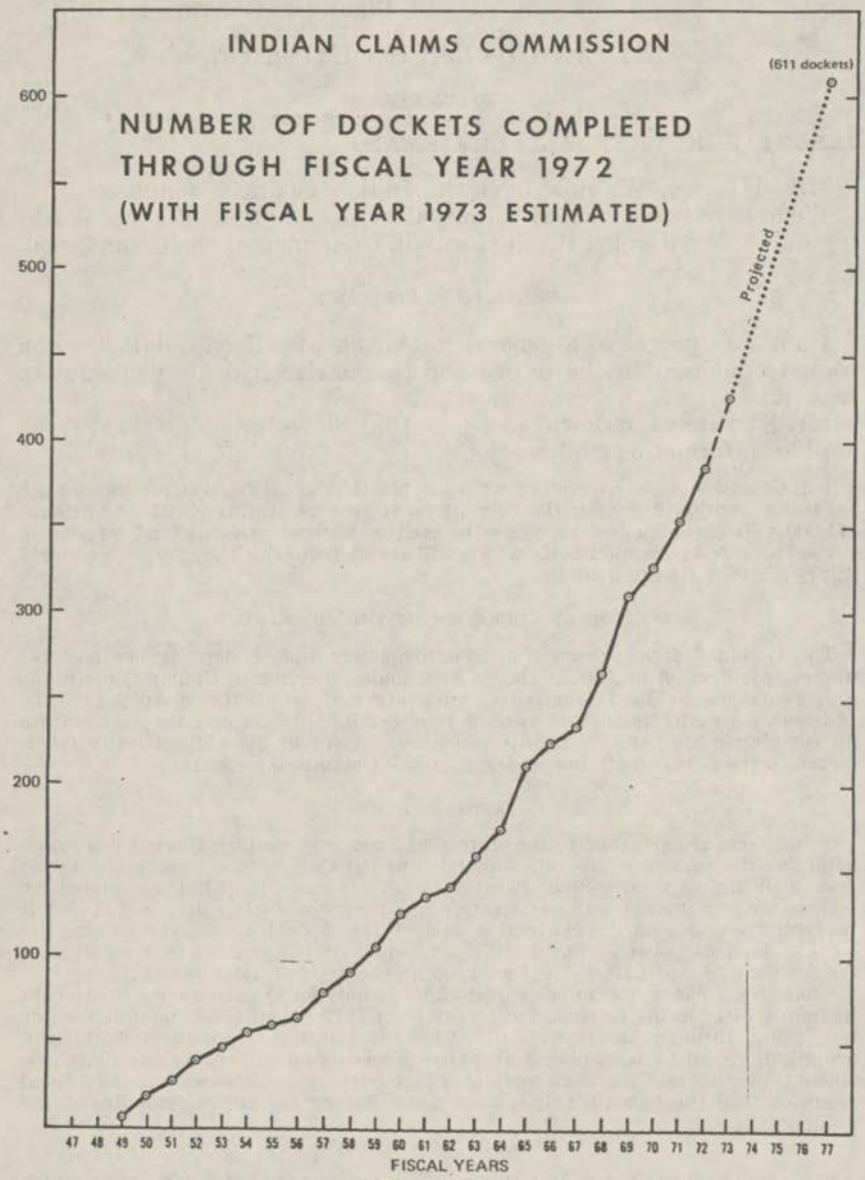

INDIAN CLAIMS COMMISSION
NUMBER OF DOCKETS COMPLETED
THROUGH FISCAL YEAR 1972
(WITH FISCAL YEAR 1973 ESTIMATED)
(611 dockets)
Projected
600
500
400
300
200
100
47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77
FISCAL YEARS

CHART NO. 1

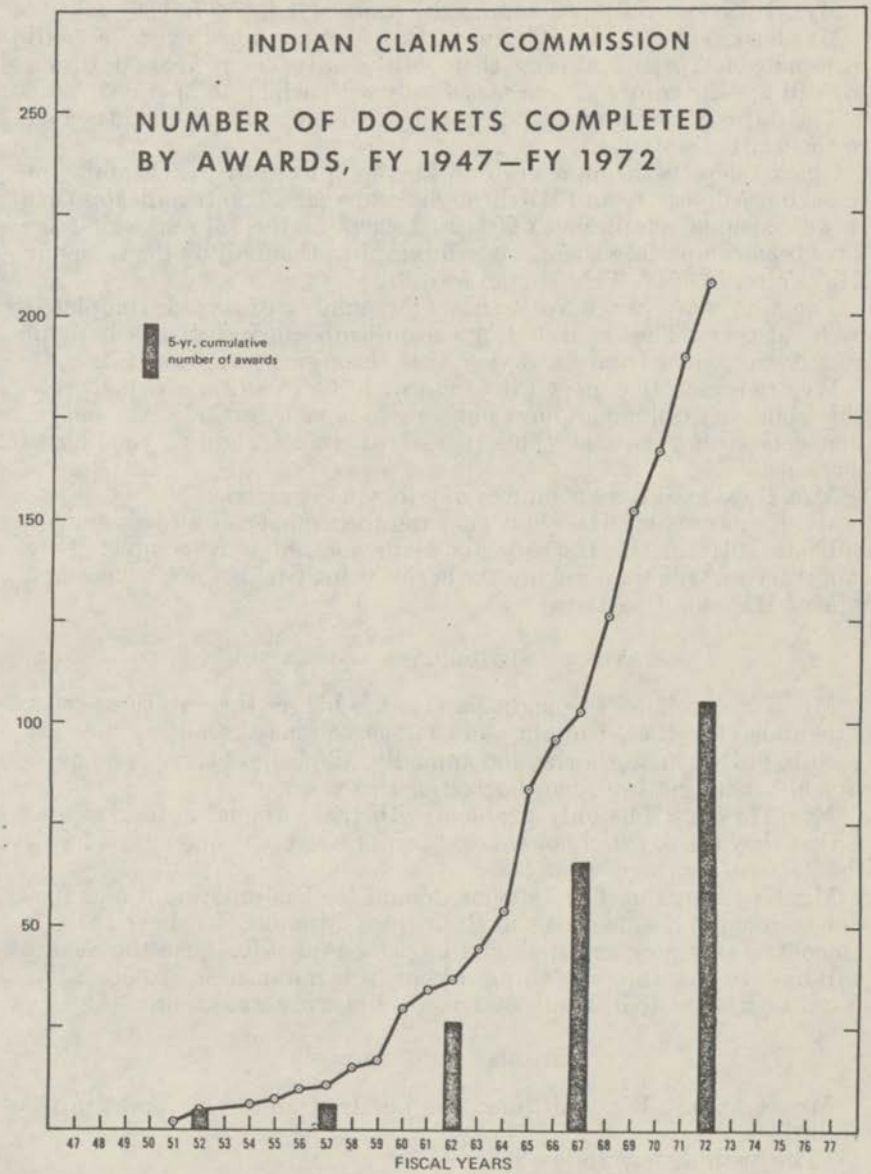

INDIAN CLAIMS COMMISSION
NUMBER OF DOCKETS COMPLETED BY AWARDS, FY 1947—FY 1972
5-yr. cumulative number of awards
250
200
150
100
50
47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77
FISCAL YEARS

CHART NO. 2

Mrs. HANSEN. Will you summarize your statement for us.

Mr. KUYKENDALL. As you know, this Commission's existence will terminate on April 10, 1977, so there will be only 3 more years in which we will appear before you to seek funds with which to operate.

The status of our work is indicated by two charts which are attached to the written statement.

Chart 1 depicts the number of dockets completed by the Commission in each fiscal year from 1947 through fiscal year 1972. It indicates that if we continue completion of these dockets at the rate at which we have been completing them, we will complete them all by the time our life expires in 1977. That is chart No. 1.

The next chart, chart No. 2, shows the number of awards completed by fiscal years. That is excluding cases dismissed, just cases where an award was made, from fiscal year 1947 through fiscal year 1972.

We are presently engaged in a case with the Cowlitz, which I probably shouldn't talk about now, but we will have a further order out on that very soon, this week. This tribe is, of course, right in your home territory.

Mrs. HANSEN. I have a number of tribes in my district.

Mr. KUYKENDALL. The chart showing the number of awards simply indicates that in the last 5 years more dockets were completed by monetary awards than during the entire prior life of the Commission.

Mrs. HANSEN. I see that.

STATUS OF AUTHORIZING LEGISLATION

Mr. KUYKENDALL. The right-hand bar is longer than all these other bars added together. I might add that, as you may recall, we now are required to get an authorization annually. We believe there is no question about our getting an authorization this year.

Mrs. HANSEN. The only problem with these annual authorizations is that they are so often not enacted before we report our bill. What is the status of this legislation?

Mr. KUYKENDALL. The Interior Committee has reported it out. It is due to come to the floor of the House next Monday. I believe there is no controversy now and it should be passed quickly. Then the Senate will have to pass the same thing. I know it is a nuisance. We don't like it but we have to do it. I believe that concludes my statement.

SALARIES AND EXPENSE

Mrs. HANSEN. We will insert the justification at this point in the record.

[The justifications follow:]

JUSTIFICATION OF 1974 BUDGET ESTIMATE

Requirements for FY 74. The Indian Claims Commission is requesting an appropriation of one million eighty six thousand dollars, of which $1,001 thousand is for personnel costs and $85 thousand is for other purposes.

Establishment and Adjudicatory Duties of the Commission. The Indian Claims Commission is an independent quasi-judicial agency, created by the Indian Claims Commission Act of August 13, 1946, (60 Stat. 1049), codified as Section 70 of Title 25, United States Code. The Commission consists of five members appointed by the President by and with the advice and consent of the Senate. It is responsible for the hearing and adjudication of claims existing up to and including August 13, 1946, as defined under Section 2 of the Act.

Status of Work. A total of 611 claims of Indian Tribes, bands or other identifiable groups of American Indians have been docketed. On December 31, 1972, 384 dockets had been finally disposed of, and 227 dockets were pending.

OBJECT CLASSIFICATION STATEMENT

11. Personnel Compensation. It is estimated that $923 thousand will be required for personnel compensation. This amount is unchanged from FY 1973, reflecting continuing limitations on personnel costs.

12. Personnel Benefits. It is estimated that $78 thousand, an increase of $1 thousand, will be required under this object to cover the Government's contribution, in accordance with existing legislation, to employees' group life insurance, group health benefits, retirement, and FICA taxes.

21. Travel and Transportation of Persons. The Commission may require up to $15 thousand for travel, principally for the conduct of hearings in the field. The requested increase of $5 thousand will afford the Commission needed latitude with respect to hearing locations.

23. Rent, Communications, and Utilities. It is anticipated that $15 thousand, an increase of $1 thousand, will be required for these expenditures. This amount will cover telephone service including FTS, telegraph service and penalty mail.

24. Printing and Reproduction. It is estimated that $1 thousand will again be required for this object to cover the cost of obtaining stationery and other material printed or bound outside the Commission.

25. Other Services. It is estimated that $42 thousand, an increase of $2 thousand, will be required for this object to cover such costs as court reporting services; xerox rental; maintenance of office machines; and other administrative services.

26. Supplies and Materials. It is anticipated that $10 thousand will be required to cover the cost of miscellaneous office supplies. This represents an increase of $1 thousand.

31. Equipment. It is estimated that $2 thousand will be needed for this purpose. The additional $1 thousand will permit needed replacement of typewriters.

SALARIES AND EXPENSES

Appropriation FY 1972	$1,045,000
Appropriation FY 1973	1,075,000
Budget Estimate FY 1974	1,086,000

REQUIREMENTS FOR FISCAL YEAR 1974

The estimate for funds allowed by the Office of Management and Budget to operate the Indian Claims Commission in fiscal year 1974 is $1,086,000.

SUMMARY OF INCREASES, 1974
(in thousands of dollars)

Personnel Compensation	0
Personnel Benefits	+1
Travel	+5
Rent, Communications and Utilities	+1
Printing and Reproduction	0
Other Services	+2
Supplies and Materials	+1
Equipment	+1
	+11

PERSONNEL COMPENSATION
(dollar amounts in thousands)

	1972 Actual	1973 Estimate	1974 Estimate	Change in 1974 from 1973
1. Number of permanent positions	42	42	42	0
2. Number of other positions	2	2	2	0
3. Salary cost of permanent positions	$922	$978	$982	+$4
4. Salary cost of other positions	$18	$22	$19	-$3
Total personnel services	$940	$1,000	$1,001	+$1

PERSONNEL SUMMARY

	1972 Actual	1973 Estimate	1974 Estimate
Total number of permanent positions	42	42	42
Full-time equivalent of other positions	2	2	2
Average paid employment	44	44	44
Average GS-grade	11.7	12.2	12.2
Average GS-salary	$19,283	$19,816	$19,900

OBJECT CLASSIFICATION
(in thousands of dollars)

		1972 Actual	1973 Estimate	1974 Estimate	Change in 1974 from 1973
11.	Personnel Compensation	$ 871	$ 923	$ 923	$0
12.	Personnel Benefits	69	77	78	+1
21.	Travel	4	10	15	+5
23.	Rent, Comm. and Utilities	20	14	15	+1
24.	Printing and Reproduction	1	1	1	0
25.	Other Services	37	40	42	+2
26.	Supplies	8	9	10	+1
31.	Equipment	2	1	2	+1
	Total Obligations	$1,012	$1,075	$1,086	+$11

ANALYSIS BY ACTIVITIES
(in thousands of dollars)

Activities	Amount Available 1972	Amount Available 1973	Estimate 1974	Change in 1974 from 1973
Hearing and adjudication of claims	$1,012,000	$1,075,000	$1,086,000	+$11,000
Unobligated balance no longer available	33,000	-	-	-
Total	$1,045,000	$1,075,000	$1,086,000	+$11,000

Note: Explanation of language change--It is proposed that the limitation on travel be increased from $10,000 to $15,000 per year as set forth in the estimate for fiscal year 1974.

Mrs. HANSEN. Also, please insert in the record a listing of the current membership of the Commission.

[The information follows:]

Jerome K. Kuykendall, chairman.
John T. Vance, commissioner.
Richard W. Yarborough, commissioner.
Margaret H. Pierce, commissioner.
Brantley Blue, commissioner.

COMMISSION BACKLOG

Mrs. HANSEN. On the current status of your work, how many claims do you have remaining?

Mr. KUYKENDALL. 223 dockets.

Mr. MCKAY. How many is that less than last year or more?

Mr. KUYKENDALL. 43 less than a year ago.

Mr. MCKAY. You are making headway.

Mr. KUYKENDALL. Excuse me, 41. I don't want to exaggerate.

Mrs. HANSEN. These are very complicated cases.

Mr. KUYKENDALL. Yes; many of these dockets are consolidated and will be tried together, so there won't be 223 separate trials required to dispose of all of them.

Mr. MCKAY. How many will there be?

Mr. KUYKENDALL. I don't know. It will be considerably less than that. I would say less than half.

TRAIL OF BROKEN TREATIES PROPOSALS

Mrs. HANSEN. What implications would the Trail of Broken Treaties proposal for renegotiated treaties have on settled claims or those pending settlement?

Mr. KUYKENDALL. None at all that I know of. We are not affected by these current events. We are dealing with the past in all the claims before us.

Mrs. HANSEN. Supposing there was a treaty review commission established. Would that have any affect on you?

Mr. KUYKENDALL. No; I don't think it would. Of course, it would depend on the act which created such a commission and what it said.

Mrs. HANSEN. Another proposal is judicial recognition of the Indian right to interpret treaties. Could that possibly involve any of the settlements that have been made?

Mr. KUYKENDALL. No; I don't see how it could. Those are history. Those are accomplished facts now. It would take another case or additional legislation to do anything different about those cases that have been disposed of.

Mrs. HANSEN. One of the proposals is the restoration of the Native American Land Base.

Mr. KUYKENDALL. That is completely outside of our domain. All we can do is give a monetary award.

Mrs. HANSEN. For the land that was theirs?

Mr. KUYKENDALL. Compensation for the land, yes.

Mrs. HANSEN. And the lands were part of the treaties?

Mr. KUYKENDALL. Yes; in most cases.

The Cowlitz, for example, never had a treaty. They were just gradually moved out by the whites.

Mrs. HANSEN. How many tribes in Washington did have treaties?

Mr. KUYKENDALL. Most of them did.

Mrs. HANSEN. Did the Chinooks?

Mr. KUYKENDALL. Yes.

Mrs. HANSEN. But the Cowlitz did not?

Mr. KUYKENDALL. No.

Mrs. HANSEN. Did the Makah's?

Mr. KUYKENDALL. Yes.

Mrs. HANSEN. The Cowlitz are the only one?

Mr. KUYKENDALL. It is the only one I can think of right now.

UPDATING OF ACCOUNTING RECORDS

Mrs. HANSEN. $2,280,000 is included in GSA's fiscal year budget for Indian tribal claims to expand the accounting reports from 1951 to date of trial. What effect will the updating of accounting records have on your work?

Mr. KUYKENDALL. It will enable us to adjudicate those claims and award whatever we may find due to the tribe. Those reports have only been brought up to 1951, the Government contending that it need not account further.

We have held and the Court of Claims has held that a continuing matter, continuing wrong which started before 1946 and continued thereafter, should be pursued by the Commission and relief given for the whole transaction, and not simply cut off at 1946.

The Department of Justice contends otherwise. We expect that the Supreme Court ultimately will affirm our position and the position which the Court of Claims has taken, but we don't know what these accounting reports are going to show as to what happened after 1946.

There will be many cases where what occurred prior to 1946 did not occur afterward, I suppose. In that case, the matter is dead.

Mrs. HANSEN. Will that delay the adjudication of claims at all?

Mr. KUYKENDALL. It may. We should be getting those accounting reports soon, but we won't get them for awhile. It is true that GSA is now recruiting and tooling up, so to speak, for them. I don't know when we will get our first supplemental accounting, but in the meantime we have work to do, and I couldn't say we are seriously delayed yet and I trust that before we run out of other work that we will begin receiving these accounts so that they can be litigated and adjudicated by us.

Mrs. HANSEN. Do you anticipate an increase in the amount of claims because of this work?

Mr. KUYKENDALL. You mean the amount in dollars? Yes, I imagine some increase is going to be produced. I don't know how much. I mean the amount of awards, not the amount of claims.

STATUS OF AUTHORIZING LEGISLATION

Mrs. HANSEN. As you have explained, Public Law 92–265 extended the Indian Claims Commission until 1977. However, your appropriation was authorized only for fiscal year 1973. You mentioned that the

House had reported an appropriation authorization for 1974. What is the status in the Senate?

Mr. KUYKENDALL. The Senate has reported out a bill giving us our authorization, but the House bill includes an authorization of $900,000 which is not in the Senate bill, to augment the loan fund which the Department of Interior has to provide funds to the Indian tribes which need to hire experts. There still remains the legislative action to be taken by both Houses, but we think that all disputes have been settled and the measure will go right through both Houses.

Mrs. HANSEN. The Senate and the House will have to go to conference then.

Mr. KUYKENDALL. Yes, but I don't even think there will be a conference. I think the Senate will accept the House bill.

Mrs. HANSEN. You have 42 permanent positions authorized. How many vacancies currently exist?

Mr. KUYKENDALL. None.

Mrs. HANSEN. What is the requirement for the increase in your language limitation for travel from $10,000 to $15,000?

Mr. KUYKENDALL. That is because of faster work, increased production which we anticipate.

Mrs. HANSEN. Thank you very much, Mr. Kuykendall.

WEDNESDAY, APRIL 11, 1973.

NATIONAL COUNCIL ON INDIAN OPPORTUNITY

WITNESSES

NATIONAL COUNCIL ON INDIAN OPPORTUNITY

ROBERT ROBERTSON, EXECUTIVE DIRECTOR
DALE WING, ASSISTANT EXECUTIVE DIRECTOR FOR MANPOWER
JAMES BEARGHOST, ASSISTANT EXECUTIVE DIRECTOR FOR EDUCATION
DANIEL McDONALD, ASSISTANT EXECUTIVE DIRECTOR FOR ECONOMIC DEVELOPMENT

DEPARTMENT OF THE INTERIOR

RICHARD BAKER, BUDGET ANALYST, OFFICE OF BUDGET

Mrs. HANSEN. We now have the National Council on Indian Opportunity. Our principal witness is Mr. Robert Robertson, the Executive Director.

GENERAL STATEMENT

Mr. Robertson, I think you have quite an extensive general statement. If you want to place it in the record and review it, that is fine.

Mr. ROBERTSON. With your permission I would prefer not to read it.

Mrs. HANSEN. We will place it in the record.

[The statement follows:]

Madam Chairman: We are pleased to appear before you today to review the accomplishments and aspirations of the National Council on Indian Opportunity (hereinafter called the Council) and to speak in support of its fiscal year 1974 budget request.

THE COUNCIL

The Council was established by Executive Order No. 11399 on March 6, 1968. It was authorized by the Congress in late November of 1969 and the first appropriation was given to the Council in December, 1969.

The Council membership consists of the Vice President, who is chairman; the Secretary of the Interior, the Secretary of Agriculture, the Secretary of Commerce, the Secretary of Labor, the Secretary of Health, Education, and Welfare, the Secretary of Housing and Urban Development, the Director of the Office of Economic Opportunity, and the Attorney General. Eight Indian members are appointed for staggered terms by the President of the United States (the President amended the Executive order in November, 1972 allowing for the appointment currently of four members for 2 year terms and four members for 1 year terms, with the next appointees to serve full 2 years terms). The eight new Indian members appointed in December 1972 are:

Term expiring August 31, 1973

Irene Cesspooch Cuch, Ute, Fort Duchesne, Utah (member, Uintah and Ouray Tribal Business Committee).

Neal A. McCaleb, Chickasaw, Edmond, Okla. (self-employed civil engineer).

Paul J. Smith, Pima, Maricopa, Hopi, Warm Springs, Scottsdale, Ariz. (tribal chairman).

William Buffalo Tiger, Miccosukee, Hialeah, Fla. (tribal chairman).

Term expiring August 31, 1974

Robert B. Jim, Yakima, Toppenish, Wash. (tribal chairman).

Antalo David Lester, Creek, Los Angeles, Calif. (executive director, Urban Indian Development Association).

Robert E. Lewis, Zuni, Cherokee, Zuni, N. Mex. (governor, Zuni Pueblo).

Webster A. Two Hawk, Rosebud Mission, Sioux, S. Dak. (president, National Tribal Chairmen's Association).

THE COUNCIL AND THE INDIAN COMMUNITY

In line with the President's Indian policies of consultation and involvement, the council members and its staff are, day-to-day, in touch with both federally and nonfederally recognized Indian organizations and individuals.

Increasingly over the past 2 years, council staff has worked directly with the elected leadership to do everything possible, within the charges given to the council, to meet the priorities set by these Indian leaders. The council has maintained as one of its leading priorities the need to do everything possible to assist elected Indian officials strengthen tribal government through the delivery of Federal program resources which are versatile enough to accomplish this end.

The council has served, since its beginning, as a force in drawing together Indian communities, organizations, representatives of those elements of the Federal Government who manage program resources being sought. In the broad sense the council has identified areas of need of great importance to the development of Indian communities and has drawn together key Federal officials in order to effect better overall delivery of Federal programmatic resources. Along this same line, at the request of Indian individuals and communities, the Council has arranged details of their visits to Washington in order that their time could be spent more productively, including the setting up of specific appointments for individuals and groups with Federal officials and members of congressional delegations.

Indian reservations and other groups send to the council many casework requests. All such requests are handled expeditiously and quite often recommendations are given to the petitioners to assist them in working directly with Federal agencies.

We in the council are in full accord with the President's state of the Union message on human resources, particularly that section of it which deals with American Indians. So far as its charges allow it, the council will strive energetically to carry out the President's Indian policy which was stated in the first two paragraphs of this section:

For Indian people the policy of this administration will continue to be one of advancing their opportunities for self-determination, without termination of the special Federal relationship with recognized Indian tribes.

Just as it is essential to put more decisionmaking in the hands of State and local governments, I continue to believe that Indian tribal governments should

assume greater responsibility for programs of the Bureau of Indian Affairs and the Department of Health, Education, and Welfare which operate on their reservations. As I first proposed in 1970, I recommend that the Congress enact the necessary legislation to facilitate this takeover of responsibility. Also, I recommend that the 1953 termination resolution be repealed. Meanwhile the new statutory provisions for Indian tribal governments under general revenue sharing will assist responsible tribal governments in allocating extra resources with greater flexibility.

THE COUNCIL AND ITS PROGRAM

The council centers its work program around four program functions which are as follows:

1. To encourage full use of Federal programs;
2. To encourage interagency coordination and cooperation;
3. To measure impact and progress of Federal programs; and
4. To suggest ways to improve the delivery of services.

The council is a direct link between the Indian people and the Cabinet officials of eight departments. In carrying out the council's work in encouraging full use of Federal programs by Indians, outreach actitviies have been developed with Federal agencies on the council through accelerated personnel recruitment, and arrangements for followup meetings with specific tribes and groups in the field. Specific requests coming from tribes are responded to by a team effort from the several departments working in concert. The council holds meetings for the Indian desk representatives of the departments who report Indian program activity and coordinate field efforts. Ad hoc meetings involving individual Indian tribes and their requests are held in the council office with Indian desk representatives in attendance.

During the course of the meetings with Federal departments assessments of the activities and goals of the agencies are reviewed and communicated to the Indian members of the council as well as to the general Indian population through the NCIO Newsletter.

The council's work activities are handled by four professionals, an administrative assistant and two secretaries.

The council reviews budget projections for the member departments and provides opportunity to coordinate projects proposed for interdepartmental funding. Further, the council serves as a clearinghouse for proposals from Indian tribes and organizations to the several agencies.

Within its physical limitations the council accepts all possible invitations to attend important national and regional Indian meetings. Attendance at these meetings provides the opportunity for the Indian members and the staff to discuss at length the substantive issues facing Indian people in all parts of the country.

SPECIFIC COUNCIL ACTIVITIES

Economic development.—The importance of economic development for Indians continues to occupy a high priority with the council. The council continues to press for job producing activities that will provide the basis for a viable economic condition for Indians. The council is convinced that given the opportunity to earn a decent living that Indians will progress maximally in all fields. Without the opportunity to earn a decent living, all other programs (e.g. housing, education, community development, etc.) have very little chance of success.

The primary activity of the council in supporting economic development for Indians is to encourage the Federal departments that have economic development programs to expedite delivery of their services and programs to Indians. The Federal departments which have economic development programs of benefit to Indians are primarily the Bureau of Indian Affairs, the Economic Development Administration of the Department of Commerce, the Office of Economic Opportunity, the Department of Labor, and the Department of Housing and Urban Development program. The coordination and delivery of these programs require a considerable effort and occupy a considerable portion of the council's time.

One of the major obstacles to Indian economic development was the lack of technical expertise in the planning and application procedure and process required to acquire the benefits of many Federal programs. For several years the council worked with the Economic Development Administration to provide planning grants to all of the Indian communities of the country. During fiscal year 1973, with the direct assistance of the Vice President, the Economic Development Administration was able to obtain appropriations for this purpose. All

Indian tribes desiring this type of assistance were provided planning grants by the Economic Development Administration. The council believes that the implementation of this program will prove to be very beneficial to the Indian tribes and will cause an acceleration of economic development in job producing activities for Indians.

Another effort of the council was to continue to pursue, with the Bureau of Indian Affairs, the efforts of the Vice President in calling together a number of major industrial concerns to elicit their assistance in providing job producing activities for Indians. The Bureau has advised the council that a number of those industries who attended the meeting with the Vice President have shown considerable interest in the Indian situation and are negotiating with several Indian tribes for expansion of existing plants or the establishing of new plants that will provide jobs for Indians. This is a continuing effort and will be encouraged to the greatest degree possible in the future.

Housing.—The council is continuing in its efforts to assure the Indian people that the goal of 6,000 units of housing and urban development financed housing units is achieved each year. The 6,000-units goal was established in the 3-party agreement finalized in 1969 between the Bureau of Indian Affairs, Indian Health Service, and the Department of Housing and Urban Development. The council was instrumental in achieving this agreement.

In fiscal year 1972 the number of housing and urban development financed housing units again did not reach the target goal of 6,000. Because the overall goal of 6,000 units per year is now behind schedule the council convened representatives of three departments on several occasions to develop and encourage strategy for accelerating this effort. Following these meetings, the council was advised by the Department of Housing and Urban Development that with the work previously done by the 3 departments and the amount of preliminary planning that has been completed, that there was a potential for the production of 9,000 units of HUD-financed housing during this fiscal year. The Department of Housing and Urban Development, with urging from the council, continued to expand all of its services and programs to Indians.

In addition to housing production, sction 701 planning grants, the model cities program, and the annual arrangement approach are promoted. These programs have a high utility for Indian reservations and provide some of the funding and basic planning requried for further development of the Indian areas. In the 701 planning grant program HUD has previously required that all planning grants be handled through the appropriate State organization. The Council discussed this matter with HUD officials and it was agreed that the Indian tribes should receive 701 planning grant moneys directly from HUD and not have to comply with the State pass-through requirements.

The annual arrangement agreements for financing development and planning on the Standing Rock Sioux Reservation is continuing and is very much to the benefit of that tribe.

The model cities program on the Gila River Reservation in Arizona continues and it provides another means of comprehensive planning and financing for that tribe. Both of these are excellent examples of wha can be done on an Indian reservation and other Indian communities are desirous of participating in this type of program.

The Alaska housing situation continues to present many problems because of the various constraints associated with housing production in Alaska. Some of these constraints are the high cost of construction, the short construction season and the economic feasibility of the projects under the subsidized housing program. The Council has been working with the Department of Housing and Urban Development officials to try to resolve some of these problems and to encourage the greatest possible amount of housing production in Alaska. We are hopeful that the HUD officials with whom we have been working, and who have been most cooperative, will be able to arrive at solutions to the problems faced.

Education.—In the President's Indian message to the Congress of July 8, 1970, he established the Special Education Subcommittee, composed of nine Indian educators selected by the eight Indian member council and appointed by the Vice President. The Indian educators, tribal affiliation and professional qualifications are listed as follows:

Will Antell, White Earth Chippewa, Stillwater, Minn. (Director of Indian Education).

John Borbridge, Jr., Tlingit, Juneau, Alaska. (President and Chairman of the Board, Sealaska Corp.).

Ned A. Hatathli, Navajo (deceased), Many Farms, Ariz. (President, Navajo Community College).

Overton James, Chickasaw, Oklahoma City, Okla. (Administrator, Indian Education Division, Oklahoma State Department of Education and Governor, Chickasaw Nation).

John Rainer, Jr., Taos Pueblo-Creek, Provo, Utah. (Student and Counselor in General College, Brigham Young University).

Linda St. Peter, Wailaki-Wintun, Billings, Mont. (Education student at Eastern Montana College).

Alonzo T. Spang, Northern Cheyenne, Lame Deer, Mont. (Superintendent, Northern Cheyenne Agency).

Jon C. Wade, Santee-Sioux, Aberdeen, S. Dak. (Education Specialist, B.I.A Aberdeen Area Office).

Dave Warren, Santa Clara Pueblo-Chippewa, Santa Fe, N. Mex. (Director, Research and Cultural Studies Center, Institute of American Indian Art).

In carrying out their specific charges, hearings and documentations were held throughout the country.

The consultant fees, travel and per diem costs of the subcommittee were principally financed through the cooperation of the Division of Education of the Bureau of Indian Affairs. The Office of Education of the Department of Health, Education, and Welfare provided $21,000 through a contract with the National Indian Education Association to provide field consultant services, editing, printing, and publishing costs of the first report on Indian education. Within this conservative budget the Indian members of this subcommittee with a commitment of personal and professional concerns diligently pursued to provide recommendations to improve the quality of education for their Indian and Alaskan Native experiences.

The subcommittee comprehensive report on Indian education has been completed and submitted to the Vice President for his review.

The Special Education Subcommittee stands ready to cooperate with Federal agencies to help bring about positive responsiveness to the needs of improving the quality of Indian education at all levels in the public and Federal schools, colleges, and universities wherever Indian students are attending.

In order to keep alert to current educational activities in areas of headstart, kindergarten, elementary, secondary, postsecondary, vocational, and higher education programs, including the adult education programs, it is necessary the Special Education Subcommittee and Council staff be aware of the needs and problems for coordination of Federal, State, and private agencies dealing with human and funding resources. Contacts and conferences are being attended to with national Indian education and Indian organizations, State colleges, universities, and local tribal governments. A particular focus is on the public school districts located on and off reservations, as well as the large metropolitan areas where urban Indian children attend schools. The transition of funding resources from Federal agencies to local education agencies is a fundamental element in implementing the concept of self-determination of the Indian people, wherever they reside, on and off reservations, urban and rural areas. Inasmuch as the field of education covers the breadth and depth of citizens activities in the home and communities affecting health, welfare, socioeconomic concerns across the board, the subcommittee is keenly aware and concerned of the proliferation of advisory councils and committees, caused by Indian involvement which is essential, but asks for closer coordination in order to minimize counterproduction and impede progress.

Indian consumer education project.—The National Council on Indian Opportunity coordinated a multidepartmental funding program to operate a pilot Indian consumer education project which is being carried out in the New Mexico Indian pueblos. The project originated with the All Indian Pueblo Council comprised of governors of 19 pueblos. The primary need for the program was based on the fact that pueblo people have had consumer problems for many years, further complicated by language and distance-from-the-market problems.

The pueblos first brought the problem to the Council whereupon the Council called on the Office of Consumer Affairs for technical assistance. Following this, the Council assisted the All Indian Pueblo Council in its negotiation with a number of Federal agencies for the multidepartmental funding. Under this project of consumer education, classes and counseling in consumer education are being held in all 19 pueblos. In addition, informal research into local buying conditions is underway and an exploration of cooperative buying is being done.

Suicide prevention.—The Council coordinated efforts of several Federal agencies to address the issue of Indian suicides. As a result of the interagency meetings that followed, four workshops were funded which were held in Indian country. The workshops were held at Warm Springs, Oreg.; Aberdeen, S. Dak.; Phoenix, Ariz.; and Albuquerque, N. Mex. The principal agency for sponsoring and doing the field coordination of the workshops was the Division of Special Mental Health Programs of the National Institute on Mental Health. The program for the workshops was developed with the cooperation of Indian tribal leaders and Federal agency representatives. Speakers at the workshop included Indian leaders from the local area where the workshop was being held, and Federal employees who had a responsibility in related areas such as the Bureau of Indian Affairs, Department of Welfare; the National Institute of Alcohol Abuse and Alcoholism, and consultants to the Indian Health Service.

Additionally, Indian tribal leaders spoke about local conditions. Attendees at the workshops included local tribal leaders, Federal employees who work for the program as well as Indian citizens, and representatives from the youth segment of the Indian population. Special invitations went to the tribal judges of tribal courts as well as community health workers, tribal members on health boards, and local representatives from law and order programs. Five items were included in each workshop: (1) Statement of the problem and the discussion; (2) discussion of the causes of suicides among Indians; (3) the identification of potential suicides; (4) the prevention of potential suicides—what to do; and (5) the discussion of the availability of community resources that could be of help to Indian leaders who wish to develop suicide prevention programs for reservation or Indian communities. It is felt that this workshop program represented a major first step toward overcoming the Indian suicide problem. The response from the Indians on an informal basis has been favorable.

Comprehensive manpower plan for Alaska.—The Council participated in a discussion with the Labor Department regional office in Seattle in order to provide for a contract to develop a comprehensive training and employment manpower plan for Alaska. Further negotiation resulted in moneys being made available by a contribution of a share of the funds from several State departments and from the regional office of the Department of Labor. The money was used to enter into a contract with a private firm to do a comprehensive manpower plan for Alaska and to provide ongoing technical assistance for Alaska manpower programs.

The major objective of the program was to assess the training needs that were now required in the State to determine what part of the assessment was needed by the Alaska Native communities; to determine the number of training slots which Alaska Natives needed to prepare them to enter into those employment opportunities and to set up a mechanism to coordinate the efforts of the various divisions of training and employment within Alaska. Also the plan called for a linking of efforts with Federal representatives who have programs in Alaska.

The last element of the contract was designed to provide ongoing technical assistance to the Alaska manpower program to provide an opportunity for developing the means to implement the plan that was developed for the State.

Several meetings were held and the contract was let, the assessment was made and the followup services are being provided to the State manpower programs. Throughout this process of negotiating and followup on this Alaska manpower plan contact was maintained with the Office of Management and Budget.

This document constitutes the master plan for manpower planning activities for Alaska for Indians and Natives.

Warm Springs Reservation—McQuinn Strip.—The Council provided continuing support for the Warm Springs Reservation in Oregon in helping to get 61,360 acres returned to them. Public Law 92–427 which was signed by President Nixon restored this area referred to as the McQuinn Strip and had mostly been within the Mount Hood and Willamette National Forest. This acreage had been admitted from the reservation because of erroneous surveys in the long history of controversy. The land will be held in trust by the Secretary of the Interior along with other Warm Springs land.

Department of Transportation demonstration project—Fort Berthold Reservation.—The council coordinated a project with the Department of Transportation to identify Indian reservations who have expressed an interest in developing a transit system to meet the needs of the local Indian population. From a number of candidate reservations the Department of Transportation selected Fort Berthold in North Dakota as a site for a demonstration project. At the present

time the project is supporting a transportation system on the reservation which is the first of its kind in the country.

Special attention by the Department of Transportation staff assisted the tribe in preparing the proposal and getting it funded. The Department of Transportation continues to assist the tribe in the matter of managing the transportation enterprise.

Because of the efforts which have been sustained to this program the Department of Transportation has considered for the current fiscal year the funding of an additional project. At the present time several reservations are being considered as a location for additional demonstration projects.

Legislation.—The council has supported fully since August 1970 the President's legislative package which attended his message on Indian affairs to the Congress of July 8, 1970. The council is fully supportive of the President's comments in this regard which were included in his state of the Union message of March 1, 1973.

IN CONCLUSION

We have attempted to list above some of the major activities of the council. There are many more specific involvements which it is not necessary to detail since merely being busy is not a true indicator of far-reaching accomplishment.

Falling within the case work category are the problems of urban, nonfederally recognized Indians. Many problems in this critical need area where handled during the past year. As we have testified priorly, the council led the way in recognizing for the first time the needs of Indian people in urban areas through its hearings in 1968–69. The model urban Indian center project the President called for in his 1970 message to the Congress is still in place and is being evaluated; additionally, a number of other urban centers have been funded.

The council will in the months ahead, in carrying out the charges given in it its Executive order, advocate the Indian interests at the highest levels working with agencies, the counselor to the President for Human Resources, White House staff, and any others who can help constructively in the interest of the American Indians and Alaska Natives.

Our Chairman, the Vice President of the United States, has played a major role in all of the important advancements which have been made in Indian affairs during this administration. We look forward to his continuing and future support.

Again, we thank you for this opportunity to appear before you in support of our budget request for fiscal year 1974.

Mr. ROBERTSON. The statement outlines the acitvities of the Council over the past year, specific activities in various areas of interest to Indian people. The Council, as the statement indicates, is striving to follow energetically the President's policies of self-determination or self-government, if you will, consultation with the Indian leaders, and involvement of them in the work activities of the Council.

Mrs. HANSEN. Do you have anything else to add?

Mr. ROBERTSON. I don't think I can add too much more outside of any direct questions that you might have, Madam Chairman, that aren't included in the prepared statement.

NEED FOR NATIONAL COUNCIL ON INDIAN OPPORTUNITY

Mrs. HANSEN. I have recently heard people ask why we need to continue the National Council on Indian Opportunity when there are other Indian organizations to look out for Indian interests. Do you have any comment on that?

Mr. ROBERTSON. I think, Madam Chairman, if we were to boil down our reason to be as a council it probably would be this: We exist to render every appropriate assistance to the elected Indian leaders of the country in seeing that the life of the Indian people on the reservation is bettered. The Council exists in the scheme of things because it is at the executive level, it is an office of advocacy for Indian interest within the Executive Office. The Vice President of the United States is chairman of it.

COUNCIL MEETINGS

Mrs. HANSEN. How many meetings did you have this year?
Mr. ROBERTSON. We can supply that.
[The information follows:]

Listing of meetings in which the NCIO participated, fiscal year 1972–73

1972

July 7–9	Yakima, Wash.: Return of Mt. Adams to the Yakima Reservation.
July 9–11	Juneau/Anchorage, Alaska: Special Education Subcommittee.
July 10	San Francisco, Calif.: Second National Conference of Minority Business Opportunity Committees.
July 12	Seattle, Wash.: National Indian Education Association/Overview Convention Headquarters.
July 27–28	Fairbanks, Alaska. Meeting with Alaska Natives.
July 29	Portland, Oreg. Northwest Indian Centers.
July 29	Sheridan, Wyo. All American Indian days.
July 30	Phoenix, Ariz. Phoenix Indian center.
Aug. 3	Flagstaff, Ariz. Tribal leaders youth program.
Aug. 6–11	Eugene, Oreg. Meeting with National Tribal Chairmen's Association in annual convention.
Aug. 9–11	St. Paul, Minn. Special Education/board of directors, National Indian Education Association (NIEA).
Aug. 11	Seattle, Wash. Regional conference/Labor Department.
Aug. 25–27	Denver, Colo. Special Education Subcommittee.
Aug. 27–Sept. 3	Ft. Duchesne, Utah. Ute Agency Conference.
Aug. 30	Washington, D.C. Meeting with Secretary Peter G. Peterson, Secretary of Commerce.
Aug. 31	Syracuse, N.Y. Meetings with Northeast Tribal Leaders.
Sept. 5–7	Duluth, Minn. Chippewa Tribe—Federal Assistance Review (FAR).
Sept. 21–22	Albuquerque, N. Mex. Southwest Indian Polytechnic Institute/Mrs. Spiro Agnew.
Sept. 26–28	Aberdeen, S. Dak. Suicide prevention workshop.
Sept. 27–29	Pascagoula, Miss. Employment assistance.
Oct. 12–13	Roswell, N. Mex. Roswell Employment Training Center/Vice President Agnew.,
Oct. 15–20	Sarasota, Fla. Meeting with National Congress of American Indians in annual convention.
Oct. 18–19	Gallup, N. Mex. Funeral of Special Education Subcommittee Member Ned A. Hatathli.
Oct. 22–23	Dallas, Tex. Girl Scouts of America Convention.
Oct 24–26	Minneapolis, Minn. Urban Indian Centers Conference.
Oct. 29–Nov. 1	Portland, Oreg. Bureau of Indian Affairs/Johnson O'Malley State Directors Conference.
Nov. 4	Syracuse, N.Y. Iroquois Confederation Conference.
Nov. 11–12	Ogden, Utah. Operation Navajo, Utah Air Force Association Hill Air Force Base.
Nov. 15–17	Denver, Colo. American Indian Press Association Convention.
Dec. 12–14	Tuscon, Ariz. Papago training conference.
Dec. 12–17	Denver, Colo. National Indian Education Association/Executive Committee Conference.

1973

Jan. 4–6	Albuquerque, N. Mex. Roswell Training Center/ Thiokol.
Jan. 16–18	Newark, N.J. Boy Scouts of America Convention.
Jan. 25	St. Paul, Minn. Indian graduate program, University of Minnesota.
Jan. 26	Juneau, Alaska, Alaska Federation of Natives.
Jan. 29	Brigham City, Utah. Sixteenth American Indian Tribal Leaders Conference.
Feb. 6–7	Lake Charles, La. Louisiana Indian Conference.
Feb. 7	Bangor, Maine, Civil rights meeting.
Feb. 12	Tucson, Ariz. National Tribal Chairmen's Association Convention.
Feb. 13–14	Billings, Mont. Indian leadership conference.
Feb. 22–23	Silver Spring, Md. National Conference on Indian Alcoholism.
Feb. 28–Mar. 1	Albuquerque, N. Mex. National Congress of American Indians/Economic Development Conference.

RULE OF THE VICE PRESIDENT

Mr. LONG. Isn't the fact that the Vice President is chairman regarded as some symbol of esteem or prestige.

Mr. ROBERTSON. In part, yes, sir, I think that is true. I think, practically speaking, and I have a frame of reference outside my past experience here in working for the Vice President in Washington. I worked as an executive administrator to a Governor of Nevada. Certainly a high official like the Vice President can be utilized from time to time in appropriate ways to break logjams, to cut redtape, on a peer-to-peer basis, and talk with cabinet officers about specific problems that Indian leaders have indicated are important to them.

ACCOMPLISHMENTS IN PAST YEAR

Mrs. HANSEN. Can you tell me specifically some of your accomplishments?

Mr. ROBERTSON. Over the past calendar year or going all the way back? I would like to call on several members of the staff. We have listed in outline form some of the accomplishments just over the past calendar year which are important. Several of them are in your home State, the Yakima land return situation which we can talk about if you like, and our involvement in that, the Vice President's involvement.

Mrs. HANSEN. That was between the Departments of Interior and Agriculture.

Mr. ROBERTSON. But other things occurred, Madam Chairman, at the executive level which resulted in those Departments taking the action they did. In the area of economic development, for instance, which I may say is to us the top priority situation for reservation Indian people, I would like to have Assistant Executive Director Dan McDonald speak to you very briefly on that point and what has been accomplished and what we hope to do in the future.

Mr. MCDONALD. Madam Chairman, we basically work with the people in the departments that have economic development programs

in trying to get delivery of those programs to the Indian people on a more timely basis than they have been. One of the programs that we advocated and pushed the Economic Development Administration for was the planning grant program whereby they gave money to tribes to hire planners. Over a year ago we tried to get money for every Indian reservation. We were successful in that, every Indian reservation that wanted a planning grant from EDA received one.

PROPOSED ELIMINATION OF EDA FUNDING

Mrs. HANSEN. Were you called into consultation on the abolition of EDA?

Mr. ROBERTSON. No, ma'am.

Mrs. HANSEN. Is this going to have an impact on you? Unless the legislation proposed by the Administration is passed, there is going to be quite a gap in Indian development, isn't this correct?

Mr. MCDONALD. The money theoretically goes through Interior for the same broad purposes.

Mrs. HANSEN. I mean if EDA is out of operation, then you have to replace it with some other mechanism. There is a proposal for a $25 million development fund. It is still in the Interior Committee. Have you had any discussions with them on this?

Mr. MCDONALD. Only broad discussions, informal type discussions with people on Interior.

Mrs. HANSEN. It seems to me you had better have some discussions with the Interior Committee.

Mr. MCDONALD. They have advised us, not the committee, but the Interior people, that they would be asking for meetings with us to discuss the type of legislation and guidelines that were needed.

REPLACEMENT OF OEO FUNDING

Mrs. HANSEN. This is just one example of a program proposed for elimination which has had quite a meaningful impact on the people in the Indian community. What input are you having right now with HEW on what is going to replace OEO programs? For example, Headstart and the CAP programs are now in limbo. What are you doing with these agencies, HEW specifically, to make sure that you have a continuation of head start in the reservation areas? I am sure you are aware that Headstart has been a very successful program. The same is true with the community action program in some areas. The summer programs, which was a joint funding effort with BIA and HEW will certainly not have nearly enough money to handle all the needs. What has been your input there?

Mr. ROBERTSON. Our input is to advocate the Indian interest in these programs.

Mrs. HANSEN. Have you had meetings with HEW to see what they are going to come out with? The strange thing is they haven't announced to us what they are going to do. This Government can't run itself in an air of mystery with veils drawn between departments. For example, in the summer program HEW has not advised us in any way what there will be in their part of the program. Money had been provided for kindergarten but there is no similar notification to us on what Headstart will be providing. But the degree of kinder-

garten activity depends somewhat on Headstart programs. I want to know what you have done to coordinate this.

Mr. ROBERTSON. As I say, in these general areas, you can call them citizen programs because head start is not just an Indian program, as you well know. It is a program for all.

Mrs. HANSEN. My principal concern is that it is being wiped out. As the chairman of this committee, it should be this committee's obligation to find out what participation is planned for the Indian people.

Mr. ROBERTSON. We have not received direct answers to our questions, Madam Chairman, specifically on head start.

However, the language in the fiscal 1974 budget for OEO from the President, insofar as the dismantling of OEO is concerned, and the $32.1 million, if I recall the figure correctly that will be transferred over to HEW, is that of all of the moneys in there for a class of people. I think Indians are the only class that have been treated this way outside of the migrant workers. The language indicates that the base intent of these moneys, so far as the reservation governments are concerned is that they be more or less versatile moneys. For instance, their CAP moneys in name going over, if the tribal council would determine that all, part of or none of in a CAP operation should continue they have that latitude under self-determination, and if as a part of their rationale, given the word say that the Head Start program was reduced or jeopardized entirely, that that tribal council could use funds that were coming that way to them for that particular purpose. They can use general revenue sharing moneys for versatile uses like that on the reservation.

Mrs. HANSEN. Your general revenue sharing isn't going to be enough to take care of the many tribes that have interests in the summer programs and other programs. I suspect that the revenue sharing activities will assist some of their economic programs.

Mr. ROBERTSON. But it could be, as I see it, in the continuum one part of a series of moneypots which could be used for self-determination purposes.

Mrs. HANSEN. That is right. We would like to see what the total of these moneypots are before we go ahead and have the rest of our hearings on BIA.

Mr. ROBERTSON. Yes. I had a lengthy conversation yesterday with HEW about their end of it. I had a lengthy conversation about the Indian money end of it at OEO last Friday, about guidelines and about activities, and no definitive answers can even be given to me now on that, in terms of how much and how, and what the guidelines will be. This is what we are waiting to see, but we have inputed our desires in this direction, and our desires really are to see that the moneys, for instance, in the OEO $32.1 million that go to the reservations be as versatile as possible, so that in fact those tribes can be more self-determinative insofar as the management of their own governmental system is concerned.

ASSISTANCE TO TRIBAL COUNCILS

Mrs. HANSEN. When you work with a tribal council what is your input to that tribal council?

Mr. ROBERTSON. Fundamentally it will be in three directions. If we visit the reservation oftentimes we are invited to appear before the total council or the Pueblo Council be it as it may, the villages of Alaska or whatever.

The second way, of course, is dealing directly with the chairman or individual council members who approach us to meet with us on various and sundry problems, and we do. We have never turned down anyone who has come in and requested a meeting with us that way.

The third way, of course, is when entire tribal council delegations come to Washington. We will arrange Indian desk meetings for them, multidepartmental meetings so that they don't have to run all over town visiting five or six different agencies when we can bring the key program people together before them. At their request—we don't volunteer—we will even set up appointments with your respective staffs, if they require it, as a service to them. These are the ways that we relate with the tribal councils.

SALARIES AND EXPENSES

Mrs. HANSEN. We will insert the justifications at this point in the record.

[The information follows:]

NATIONAL COUNCIL ON INDIAN OPPORTUNITY
SALARIES AND EXPENSES

Appropriation/Total available, 1972..... $275,000

Appropriation/Total available, 1973..... 290,000

Summary of Increases and Decreases, 1974

	Base for 1974	Increase 1974	
Administration:			
Increased employment of the eight member Indian Council.....	$290,000	$10,000	10,000
Budget estimate, 1974.....			300,000

Analysis by Activity

Activity	F.Y. 1972 Amount Available	F.Y. 1973 Amount Available	F.Y. 1974 Estimate	Increase (+) or Decrease (-) 1974 Compared with 1973
Administration.....	$274,628	$290,000	$300,000	$+10,000
Unobligated balance lapsing.....	372	---	---	---
Total.....	275,000	290,000	300,000	+10,000

JUSTIFICATION

Administration: Fiscal year 1973, $290,000; fiscal year 1974, $300,000; increase, $10,000. The increase consists of:

Increase (+) or Decrease (-) Amount	Positions	Total Program	Total Positions	Explanation
$+10,000	--	$300,000	8	Increased employment of the eight member Indian Council.

Cost Factors Involved in Increases

Increased employment of the eight Indian Council Members, 50 days @ $100 per day, $5,000; travel requirements resulting from the increased employment, $5,000.

An appropriation of $300,000 is being requested to finance the National Council on Indian Opportunity for fiscal year 1974. This is an increase of $10,000 over the fiscal year 1973 appropriation.

The National Council on Indian Opportunity was established by Executive Order No. 11399, March 6, 1969. The Congress authorized the Council in November, 1969 and limited the appropriation to $300,000 annually for a five-year period. The original executive order has been amended twice. The first amendment added the attorney general plus two additional Indian members to bring the full Council to

eight cabinet officers and eight Indian leaders, with the Vice President of the United States as Chairman. The second amendment provides for staggered terms for Indian members. The eight departments represented on the Council include the Department of Interior, Department of Labor, Department of Commerce, Department of Health, Education and Welfare, Department of Housing and Urban Development, Department of Agriculture, Department of Justice, and Office of Economic Opportunity.

The principle functions of the Council are to (1) encourage full use of Federal programs to benefit Indians, (2) to encourage interagency coordination and cooperation, and (3) to measure impact and progress of Federal programs as they serve Indian communities, and (4) to suggest ways to improve such programs. The Council, through the Indian members of the Council, serves as a direct link with the administration and the Indian people.

During the past year the Council has continued its program of convening meetings in Indian country to examine the effects of the Federal programs, to identify current issues and to stimulate courses of action which will be productive for Indian communities. These meetings have been chaired by the Indian members of the Council about once a month. In this way, the elected leadership and other Indian people were able to discuss directly with Indian members of the Council the issues and problems confronting them. In turn, the Indian members brought these matters directly to the attention of selected cabinet officers in Washington. Specifically, meetings were held with Secretary Hodgson of Labor and Secretary Peterson of Commerce.

Daily contact is made with the Office of the Vice President and with the various offices of the Departments. A substantial amount of the Council's full time staff was allotted to preparation for the Indian member meetings in the field and with the Departments as well as continuous follow up.

The Indian members of the Council have been active in effecting communications with Indian communities and organizations, in advocating Indian priorities within the Administration, and with setting forth solutions to Indian problems. The activeness of the Indian members during their two years in office caused them to be much in demand to participate in local Indian meetings. Because of their close and continuous contact with grass roots representatives, the quality of input to Federal agency meetings by the Indian members has been excellent.

SPECIFIC COUNCIL ACTIVITIES

President Nixon in his Indian policy message has made consultation with Indians a point of foremost importance.

The Council has experienced an increased frequency of meetings and visits by Indian leaders, tribal council members, directors of Indian programs and Indians with specific problems and concerns. Because of this direction from Indians the Council has been guided in its day-to-day activities.

ALCOHOLISM

The Council has coordinated the activities of the Division of Special Programs, NIAAA; the special programs on drugs, NIH, the Office of Judicial, Prevention, and Enforcement Services of the Bureau of Indian Affairs, and the Indian Affairs Desk of LEAA in the matter of providing coordinated services to Indians for the treatment of alcohol problems. The emphasis on utilizing alcoholism treatment and prevention programs in Indian communities is to link up the services with Indian employment programs in Indian country to try to provide aid to those who are employed and who have an alcohol problem as well as directing attention to the non-employed Indian alcoholic. The screening and review process for Indian applications is handled on a twice-a-year basis.

HOUSING

In spite of dramatic increases over the past four years in reservation housing construction starts, the Council continues to be faced with delays and coordinating problems. Still in effect is the tri-agency agreement which the Council conceived in 1969 (the Indian Health Service, the Department of Housing and Urban Development, and the Bureau of Indian Affairs). Meetings called by the Council have served as a forum for the discussion of Indian housing authority problems and those of the involved agencies. The Council will continue to do everything possible to sustain the progress in housing construction.

ECONOMIC DEVELOPMENT

The Council has been coordinating and has held several interagency meetings to stress planning activities and tourism. It has continued to follow up on progress with loan applications for Indians.

Support and assistance has been made available to the newly formed Board for the development of an Indian National Bank. The Council has worked with Alaska natives and coordinated discussion with the National Federal Credit Union. This has resulted in the establishment of the first Native Federal Credit Union in Alaska by the Thlingit-Haida Central Council. The goal of funding economic development planning staff for Indian tribes across the country is being realized.

Several bills have been submitted by the Administration which are directed to assist Indian tribes with financing. Cooperation with the Office of Minority Business Enterprise in the development of the Business Development Offices has afforded Indians another, type of technical assistance in the area of business development.

EDUCATION

The Council's Indian Education Subcommittee, made up of nine Indian educators recommended by the eight Indian Council members and appointed by the Vice President, has completed its first report for the President regarding evaluations and recommendations on Indian education.

The Subcommittee addressed itself to the three charges outlined in the President's Message of July 8, 1970. In addition to the principal functions of the Council, the Subcommittee will provide technical assistance to Indian communities wishing to establish school boards, will conduct a nationwide review of educational status of all Indian school children in whatever schools they may be attending, and evaluate and report annually on the status of Indian education, including the extent of local control. The Subcommittee recorded its observations and findings in the field and made fifteen major recommendations as a result of its activities and deliberations in the report entitled "The First Report to President of the United States, Between Two Milestones."

The Council follow through on the recommendations made by the Subcommittee, assuring that all Federal and state agencies dealing with Indian education receive copies of the report.

LAW ENFORCEMENT AND PREVENTION

The Montana Supreme Court "Blackwolf" decision determined that tribal judges may not assign Indians convicted in tribal court to state operated correctional institutions because the state has no jurisdiction in Indian court matters. This has resulted in loss of facilities in Montana for Indians to use. The Council has convened one interagency meeting to discuss the matter. A similar situation in New Mexico has been resolved by the state legislature action which permits tribes to use state and local facilities on a payment basis. The Council is looking into several options for solution of the Montana situation.

The study on criminal jurisdiction which the Council referred to the Justice

Department has been funded and is being prepared in connection with the National Indian Tribal Judges Association. The part dealing with P.L. 280 is near completion, and the larger part concerning Criminal Jurisdiction is about 25% completed.

Coordination of training for tribal leaders utilizing input from the Law Enforcement Assistance Administration and the Bureau of Indian Affairs has also been accomplished.

INDIAN HEALTH

The formulation of a program of Indian Health Advisory Boards at the local, area and national levels has assisted the Council in its role of coordination. This evidence of Indian self-determination provides a next step level of demonstrated Indian ability.

Secondly, because Indians are involved in operating their own health programs, it became a natural adjunct to link up training and educational opportunities for Indians in health and medical fields.

The Council has begun coordination of agency programs from the Office of Health Manpower Programs in HEW, BIA and Labor training programs. The goal is to increase the proportions of Indians in health and medical professions

CHILD CARE

The task force group assembled by the Council has directed its attention to providing and arranging for technical assistance to Indian communities requesting such help.

Secondly, the members are directing attention to an examination of operational problems. Of particular note is the attempt to link the services of grandparents with resident child care to bring out the characteristics of Indian culture and heritage.

REVENUE SHARING

The Council has participated in the discussions on revenue sharing eligibility and certification for Indian tribal governments, has provided liaison between Treasury and the Indian tribes and has supported Indian position on eligibility and allocation of funds.

MANPOWER

The Council has coordinated manpower activities among several agencies through planning, program activities, and evaluation of programs. One new program effort has been the funding of 36 offices in the Indians' home territory to coordinate the manpower programs between Indian tribes and Federal agencies. This action is resulting in having Indians be better informed of programs available, in developing programs, seeking funding, and in evaluating programs in operation. It is a vehicle for Indians to become more productively involved in federal manpower activities at the local level.

With the establishment of the special program division in the Washington office for Labor Department, Indian requests have a direct link to the ongoing programs. The role of the Council is to further examine other manpower problems on the local delivery level and to arrange for response from the agencies to Indian needs.

EAST COAST INDIANS

On December 9, 1972, Indians of the Eastern Seaboard met in Washington, D. C. and formed the coalition of Eastern Native Americans. Two objectives were put forth

by the coalition. They are (1) to make Federally funded programs available to Indians of the East Coast as Indians, and (2) to increase the involvement of Indians in the education process and to make education opportunities available to Indians of the East Coast in greater proportion.

The Council has been working with Eastern Indians for several years and supported them in the activities leading them to the formulation of the coalition group.

NCIO - OFFICE OF MANAGEMENT AND BUDGET

The Council has worked with OMB in the matter of a twice a year cross-cutting budget review of program for agencies who have Indian programs. Secondly, the Council has worked with the OMB and involved Indian tribes in the analysis of the delivery of services, decentralizing program authority, and retention of Indian desks in Washington, D. C. The Council has supported the Indian position in the negotiations, discussions and meetings with Indians and OMB.

SUMMARY

As was mentioned in the prior year statement, the Council has addressed itself to the issues involved in welfare, health, education, business development, reservation planning, jurisdiction, training and refinement of managerial skills. The Council is cooperating with the National Institute of Mental Health in the program to conduct four drug prevention workshops in Indian country during the year. Programs involving cooperatives and exploration of new or increased training activities is also being responded to as Indian requests come to the Council on an individual or community basis.

The most notable boost for jobs for reservation Indians came from the increase in tribal involvement with management of Federal programs and some help was gained through the Public Employment Program of Labor as well as the policy shift by the Bureau of Indian Affairs for employment assistance money to develop reservation placement in preference to sending Indians to urban areas.

In order to provide increased utilization of Federal services for off-reservation Indians, the Council has encouraged Federal Regional Councils to establish Indian task forces at the regional level to address problems and needs of Indians off-reservations as well as on reservations.

Special funding directed to meeting the unique needs of Indians living off the reservation is not in great abundance so one great need is to identify the required services through non-Bureau of Indian Affairs Federal programs in the regions.

The results of funding seven urban Indian centers as model urban centers is still being assessed as the program is not completed.

In addition, we would anticipate the Council will continue to extend the consultation with Indians as done with Federal agencies to areas not now being accomplished. Finally, we will continue to evaluate the impact of Federal services to Indians. Then we will endeavor to suggest ways to improve the delivery of the quantity and quality of Federal programs and services for Indians.

FUNDING OF THE NATIONAL COUNCIL ON INDIAN OPPORTUNITY

With full implementation of self-determination, Indians are seeking and demanding services of Federal agencies and putting pressure on the Council for responsiveness. The National Council on Indian Opportunity requests the full authorized ceiling of $300,000 be appropriated for its 1974 program year. These funds will cover the following costs: $225,000 is necessary to fund the small Council headquarters staff essential in providing support to the Indian members of the Council, for the coordination among Federal agencies in providing the programs needed in Indian

country. $75,000 is necessary for the eight Indian members of the Council. This will provide $35,000 for per diem, $30,000 for travel, and $10,000 for the Indian consultants to the Council.

PERSONNEL SUMMARY

	1972 Actual	1973 Estimate	1974 Estimate
Total number of permanent positions	8	8	8
Full-time equivalent of other positions	1	2	2
Average paid employment	9	9	9
Average GS grade	13.1	13.1	13.1
Average GS salary	$23,060	$23,060	$23,075

ITEMIZATION OF ESTIMATE

Appropriation Title: Salaries and Expenses — National Council on Indian Opportunity

	1972 Actual	1973 Estimate	1974 Estimate	Increase (+) or Decrease (-)
Program and Financing:				
Total obligations	$274,628	$290,000	$300,000	$+10,000
Unobligated balance lapsing	372	---	---	---
Budget authority (appropriation)	275,000	290,000	300,000	+10,000
Object Classification:				
11 Personnel compensation	177,928	193,000	198,000	+5,000
12 Personnel benefits	15,357	16,000	16,000	---
21 Travel and transportation of persons	49,474	52,000	57,000	+5,000
22 Transportation of things	114	---	---	---
23 Rent, communications, and utilities	18,260	15,000	15,000	---
24 Printing and reproduction	2,323	2,000	2,000	---
25 Other services	9,426	10,000	10,000	---
26 Supplies and materials	1,315	1,500	1,500	---
31 Equipment	431	500	500	---
Total obligations	274,628	290,000	300,000	+10,000

INCREASED FUNDING REQUEST

Mrs. HANSEN. You are requesting an increase of $10,000 for increased employment of eight-member Indian council. This will bring you up to the full amount of your authorization, $300,000. What are the details?

Mr. ROBERTSON. This would be for maximal involvement of the Indian members in performing their own work program. Mr. Baker may have some other details on that so far as the added $10,000 is concerned, but fundamentally it is to allow the Indian members of the council maximum flexibility in doing the job as they see it should be done.

Mr. BAKER. It is broken down $5,000 for salary payments and $5,000 for travel.

Mrs. HANSEN. What is the pay and travel allowance of council members?

Mr. ROBERTSON. $100 a day WAE—when actually employed.

NCIO ROLE IN SELF-DETERMINATION

Mrs. HANSEN. What is the council's role in advancing Indian opportunity for self-determination?

In the furtherance of Indian opportunity for self-determination, the Zuni's and the Miccosukees are involved very heavily in contract management. What is your input to this program?

Mr. ROBERTSON. We are supportive in advocating the position of Buffalo Tiger and Governor Robert Lewis in accomplishing what they want accomplished. So far as each one of those tribes was concerned, they really carry out the day-by-day operations themselves. We merely assisted them on request to open a few doors and that sort of thing. The Zuni Pueblo, for instance, had excellent cooperation from the Bureau of Indian Affairs in accomplishing that end, even to the extent that there were accusations from certain members of the Congress that the Interior Department had overstepped its bounds in allowing self-determination to this extent to occur, absent of proper legislative authority.

You are familiar with these problems. Madam Chairman. We feel very, very strongly that some sort of takeover bill and some sort of civil service bill as proposed by the President to the Congress, following his message of July 1970, the legislative package came up in August——

Mrs. HANSEN. I wish he would follow his message with some good budget recommendations for Indian hospitals and some more good budget recommendations for Indian scholarships in the field of medicine. That is what I want to see.

Mr. ROBERTSON. Yes, ma'am. But just as a budget implements a message, so does the request for enabling legislation to allow the base policies of self-determination to work.

Mrs. HANSEN. You proposed enabling legislation last year and it has been introduced again this year. As you know, in order to provide budget appropriations, that enabling legislation must be passed.

Mr. ROBERTSON. I personally feel that even absent the budget problems, which are serious, that self-determination would be really given a boost forward for the tribes if the proper enabling legislation were to

be enacted. I am not in any way, Madam Chairman, denigrating the budget problems at all.

INDIAN CONSULTANT OBLIGATIONS

Mrs. HANSEN. Self-determination is great, but you still have to have money, because the same amount of money is required as far as the contracts that carry out self-determination as those that have been in effect through BIA or in the other places.

How much have you spent to date in fiscal year 1973, and what do you estimate for fiscal year 1974 for Indian consultants?

Mr. BAKER. Fiscal year 1974 first, Madam Chairman. The estimate is $75,000. To date this fiscal year there has only been $11,000 spent.

Mrs. HANSEN. Insert in the record a tabulation indicating the individual, the amount of remuneration, and the subject for consultation work in fiscal year 1973, and insert an estimate in for fiscal year 1974.

[The information follows:]

COST OF CONSULTANTS, FISCAL YEAR 1973

With the exception of the Indian members of the Natoinal Council on Indian Opportunity, there has been no consultants employed to date. Listed below are the costs incurred by the Indian council members and the date, location, and subject of the various meetings that they attended.

FISCAL YEAR 1973 INDIAN COUNCIL MEMBERS AND REMUNERATION TO DATE MARCH 3, 1973

Member	Salary and benefits	Travel	Total
Frank Belvin	$1,105	$919	$2,024
Laura Bergt	1,104	783	1,887
Betty Mae Jumper	789	553	1,342
Earl Old Person	421	477	898
John Rainer	1,210	1,167	2,377
Harold Shunk	1,315	736	2,051
Martin Senaca		382	382
Total	5,944	5,017	10,961

July 27–28, 1972	Fairbanks, Alaska. Meeting with Alaska Natives.
August 6–11, 1972	Eugene, Oreg. Meeting with National Tribal Chairmen's Association in annual convention.
August 30, 1972	Washington, D.C. Meeting with Secretary Peter G. Peterson, Secretary of Commerce.
August 31, 1972	Syracuse, N.Y. Meeting with Northeast Indian tribal leaders.
October 15–20, 1972	Sarasota, Fla. Meeting with National Congress of American Indians in annual convention.

COSTS OF CONSULTANTS, FISCAL YEAR 1974

The budget request for the Indian members of the National Council on Indian Opportunity for fiscal year 1974 is $75,000. This amount includes $45,000 for salary and related benefits and $30,000 for travel. Each Indian member is allocated approximately $9,400 to cover his expenses throughout the year.

The NCIO plans to hold two full council meetings in fiscal year 1974. In addition, the funding allocation will provide sufficient resources for each member to attend 13 additional meetings with Indian officials. Attention will be devoted to area or reservation meetings, regional council meetings, and national Indian meetings.

COUNCIL ACTIVITIES—ALCOHOLISM

Mrs. HANSEN. In your justifications, you mention some specific council activities. One is alcoholism. The second is housing. The third is economic development, eduction, law enforcement, prevention, Indian health, child care, revenue sharing, manpower, East Coast Indians, and so forth.

What have you done specifically on some of these things? Let's start with alcoholism.

Mr. ROBERTSON. Mr. Wing is staff assistant executive director responsible in this area.

Mr. WING. Madam Chairman, the matter of the alcoholism program has been established where thye have a twice-a-year budget review for proposals that the Indian communities have submitted. We were instrumental in setting up a review committee that is now functioning with Indian members and representatives from the Federal establishment.

Mrs. HANSEN. Do they select their own members to participate?

Mr. WING. Yes, ma'am.

Mrs. HANSEN. Do you assist in receiving grants from other agencies other than Indian Health or BIA on alcohol problems?

Mr. WING. Madam Chairman, the way it used to be is that the Bureau of Indian Affairs had some funds to pay staff to give assistance. This function or responsibility is continuing. They do not have grants to provide for alcoholism programs for tribes. At one time OEO had responsibility for funding alcoholism programs. That has been transferred to NIAAA. Those programs are being picked up in the Indian budget and NIAAA.

The third category of funding of course was with the National Institute of Health, and the new Institute of Alcohol Abuse and Alcoholism has been established, and they are the exclusive agency who are providing funds for Indian programs. This committee that I started talking about is the review committee that reviews all Indian proposals twice a year. Following their recommendations it goes to the National Advisory Committee for recommendation for funding.

Madam Chairman, our activity has been to monitor the program of the generation of proposals to the committee for review. We respond to specific requests for assistance. We then negotiate with the technical assistance people and NIAAA to provide the service to the Indian communities to help them with their proposals.

INDIAN EDUCATION

Mrs. HANSEN. You have the Council's Indian Education Subcommittee made up of nine Indian educators recommended by eight council members. Your committee addressed itself to changes outlined in the President's message. You are to provide technical assistance to Indian communities wishing to establish school boards at whatever schools they may be attending, et cetera. The BIA has had a program of training Indian school boards and they have worked on this for some time.

What do you do that is different?

Mr. ROBERTSON. I would like to call on Mr. James Bearghost.

Mr. BEARGHOST. Madam Chairman, the subcommittee made up of nine Indian educators addressed themselves to this situation of what was happening across the country, in all schools that Indian children attend, including parochial as well as public schools on or near reservations. They tried in their report to suggest ways and give assessment of the needs for more involvement of parents in their school. This was the result of having meetings across the country, meetings with regional people of HEW as well as the local school superintendents, and the Indian people themselves.

LAW ENFORCEMENT

Mrs. HANSEN. What have you accomplished in your law enforcement and prevention program?

Mr. ROBERTSON. Mr. Wing will speak to that, Madam Chairman.

Mr. WING. Madam Chairman, we have been dealing with the Law Enforcement Assistance Agency in order to provide a responsiveness to Indian communities for law enforcement activities. We have also arranged meetings with the Bureau of Indian Affairs in order to coordinate emphasis on programs in specific areas in that matter.

Second, we recommended a year ago the development of a study on jurisdiction, criminal jurisdiction, which is underway. That was funded by the LEAA program. It is about halfway finished. We have been keeping in touch with them on that matter. Beyond that point we responded to specific requests from tribal councils concerning their program requests for funding from LEAA, and in some instances have arranged for meeting in order to clarify requirements and program areas with them.

NCIO STAFF

Mrs. HANSEN. Please insert in the record the grade, title, salary, and location of your eight permanent positions.

Mr. ROBERTSON. Those are all located in Washington and Mr. Baker can insert that.

[The information follows:]

NATIONAL COUNCIL OF INDIAN OPPORTUNITY AUTHORIZED STAFFING COMPLEMENT

Title	Grade	Salary
Executive Director	GS–18	$36,000
Assistant to Director for Manpower	GS–15	29,589
Assistant to Director for Economic Development	GS–15	29,589
Assistant to Director for Education	GS–15	27,795
Assistant to Director for Community Programs	GS–15	[1] 26,898
Administrative assistant	GS–12	16,682
Secretary	GS–9	13,162
Secretary (stenographer)	GS–7	9,520

[1] Position vacant due to lack of funds.

Mrs. HANSEN Mr. McKay.

NCIO'S COORDINATING RESPONSIBILITIES

Mrs. MCKAY. What do you do that could not be done by the BIA?

Mr. ROBERTSON. I think when we first came up for our authorization in 1969, the late Senator Ellender wished us good luck on the charge of coordinating interdepartmental activities in the Federal system, because of the complexity that is injected into any multidepartmental situation. I think it is the nature of the beast, sir, that any department has its charges and is performing those within its own shop, but when it really comes to crossing the line, that department having to work with another department, ofttimes it isn't the easiest situation in the world, so there is a definite need for a third party, a disinterested third party interest. That essentially is the function that the council and the Vice President's Office plays.

Mr. MCKAY. Aren't you placed automatically in that same position?

Mr. ROBERTSON. In what way?

Mr. MCKAY. As another agency to deal with another agency.

Mr. ROBERTSON. No, sir; we have no program ax to grind. We have no program moneys. We are limited to a small amount of money, $300,000. On this amount of money we accomplish in as objective and disinterested way an interest in the Indian programs interdepartmentally.

Mr. MCKAY. The BIA's particular charge is the total interest of the Indian, isn't it, so then whatever is of value to the Indian that agency should be concerned about how that is delivered, shouldn't they?

Mr. ROBERTSON. Yes. But I think, sir——

Mr. MCKAY. You are saying they don't do it?

Mr. ROBERTSON. No; I am saying that it is not in the nature of the beast. That it is the easiest thing in the world for that Bureau located in a department to deal with other departments like Justice, Commerce, Labor, OEO, and so forth. In the last 20 years the total outlays, identifiable outlays for Indian people have risen from somewhere in the vicinity of $78 million today to an approximated total today, well in excess of $1 billion for all Indians.

I am not just talking about reservation Indian people. Twenty years ago the really identified Indian people of this country were the ones who specifically were living on the Federal trust reservations of the country. Ninety-five percent, to mention a figure, of the dollar resources available in the Federal system for Indian people as they were identified was available through the Bureau of Indian Affairs.

Subsequent to that time, we have citizen programs that are not specifically written for Indian people, but in which they participate. Today these programs are scattered over eight major departments and in a number of independent agencies like the Small Business Administration and others, so that the need for a coordinative instrument was seen by President Johnson when he called for the creation of this council as a part of his message of March 6, 1968.

It is really a coordinating instrument. It's awfully difficult for the Bureau of Indian Affairs, of and by itself, to coordinate programs across the broad base. We are there at a small outlay to the taxpayers to assist the Bureau of Indian Affairs, the Indian Health Service, and

the other agencies to coordinate their activities. That is a part of our functions as a council.

Mrs. HANSEN. Mr. McDade.

Mr. MCDADE. I haven't any questions.

Mrs. HANSEN. Mr. Evans.

BIA BUILDING OCCUPATION

Mr. EVANS. In your budget justification (page 2) you state that one of the principle functions of the NCIO is to "serve as a direct link with the Administration and the Indian people." What, then, has been the role of NCIO in the negotiations resulting from the occupation of the Bureau of Indian Affairs Building and the current problem at Wounded Knee?

Mr. ROBERTSON. The Council does serve in that role as a direct link between the elected Indian leadership and the administration. This is done through meetings between the full Council and the Indian members of the Council, between specific Secretaries of Departments and the Indian members of the Council as well as meetings in Indian country which are scheduled.

The matter at Wounded Knee is principally one which involved the breaking of the law by the militant Indian group, as a consequence the Department of Justice has been handling the negotiations. The Council anticipates being involved in helping the duly elected tribal leaders in the reconstruction period, so to speak, which will need to take place once the Wounded Knee matter has been settled. We have been supportive of the positive efforts of the elected tribal leadership there.

CURRENT ISSUES CONSIDERED BY COUNCIL

Mr. EVANS. You state that the Council has convened meetings for the purpose, among other things, of identifying "current issues." Could you enumerate some of the issues which the NCIO, through these meetings, has identified and tell the subcommittee what actions the NCIO has recommended to deal with them.

Mr. ROBERTSON. I would like to respond to your question by addressing first the matter of meetings involving larger groups of Indians in which several issues were discussed.

In July 1972, we met with the Alaska Natives in Fairbanks. Some issues discussed included housing, OEO, education, manpower, and EDA.

The Council has recommended to HUD that an additional number of units be allocated for Alaska. The Fairbanks Indian Center is one of the model urban Indian centers which the President called for in his Indian message of 1970. The Council has recommended that OEO continue funding the center for the full 3 years of the study. In education, the Council negotiated on behalf of the Alaska Natives that the Wildwood Center be developed to help the Natives meet a much needed local Alaska educational facility and program.

In order to develop a manpower plan for Alaska to involve opportunities for Natives, the Council convened a meeting with labor representatives and other agencies which resulted in funding of a survey and development of a manpower plan for the State. The second phase, which calls for implementation of recommendations, is now underway.

In August the Council met with Secretary Peter G. Peterson, Secretary of Commerce. Main issues discussed were the moving ahead of funding for Indian reservation planners which the Council has long advocated.

There was discussion and agreement for increased activity for Indian projects in Office of Minority Business Enterprise. Agreement was reached to clear up some project processing problems in Indian country.

In August the Council met with the Iroquois Confederacy in New York to discuss the matter of Federal programs. Because of their current position on what their treaty with the U.S. Government does and does not provide, the Council was able to identify needs for additional scholarship help as one issue area. The Council did recommend additional scholarship aid be made available to tribal members and this has been done.

Also in August of 1972, the Council met with the National Tribal Chairmen's Association in annual convention at Eugene, Oreg.

From this meeting came the need to focus attention on increased consultation with the elected reservation Indian leadership. In keeping with that issue, the Council has reaffirmed its position based on the Council's Executive Order 11399 to deal with the elected tribal leadership of Indian reservations as a primary responsibility. This position has been carried out by increased meetings with the tribal leadership either with individual tribes or with tribal groups.

In October the NCIO met with the National Congress of American Indians in annual convention in Sarasota, Fla.

The Council was requested to respond to NCAI Resolution 72–36, which requested that OMBE consider establishing a contact with the NCAI National Economic Policy Board and that consultation with Indians be increased.

The Council recommended that OMBE be more responsive in this respect. To date, an Indian office has been established and increased participation is being directed through the Indian office. For example, three additional Indian business development offices have been funded for Sarasota, Fla.; Minneapolis, Minn., and Albuquerque, N. Mex.

The Council had addressed itself to the general area of Indian education through the activities of the NCIO Special Education Subcommittee. The subcommittee has delivered its report through the Council to the White House for analysis and recommendations for follow-up action.

In addition, the Council participated in 37 smaller meetings throughout Indian country.

COORDINATION PROBLEMS

Mr. EVANS. On page 3 you refer to "delays and coordinating problems" you face in regard to reservation housing construction. What are some of these delays and problems?

Mr. ROBERTSON. Those delays which were referenced have been discussed with HUD. A breakthrough for Indians has been made and was acknowledged in a statement made by Secretary James T. Lynn of HUD at a recent testimony before the Subcommittee on Housing and Urban Affairs which I will quote as follows:

Thus far I have been discussing projects that will be allowed to proceed because, generally speaking, they reached a certain stage of processing in HUD offices. But as I said earlier, we are also going to honor, as promised by Secretary Romney, bona fide commitments irrespective of the processing stage the projects satisfying such commitments had reached on January 5.

The areas in which these commitments fall include: Project Rehab, Operation Breakthrough, State and local government arrangements, Indian housing, new communities, disaster areas, urban renewal, and housing for the elderly. I might categorize all these situations as ones in which, either because of normal HUD procedures or communications by officials authorized to make such commitments, developers, sponsors, or units of government were entitled to believe that they had a commitment that the Department would make units available for specified purposes.

OFF-RESERVATION INDIANS

Mr. EVANS. What has the NCIO done to deal with the problems of urban Indians, rural Indians living off-reservation, and State reservation Indians?

Mr. ROBERTSON. The President, in his Indian policy message of 1970 recognized the increasing number of Indians living off reservations. He stated that the Bureau of Indian Affairs is organized to serve the 462,000 reservation Indians.

He directed OEO to undertake leadership in dealing with off-reservation urban Indians. Specifically, OEO has undertaken joint funding with several other agencies to fund four model urban Indian centers to study over a 3 year period the articulated urban Indian position that urban Indian centers be the mechanism for running Indian programs in urban areas. The model urban Indian program has one more year to run.

State reservation Indians have not participated in the range of services which Federal reservation Indians have. The Council has recommended to EDA, to Labor, and to HUD, in response to requests from elected tribal leadership of State reservations and has taken up matters with the Federal agencies on their behalf.

The Council participated with Office of Revenue Sharing, Treasury Department, in reviewing State reservations for revenue sharing. There are now 10 State reservations participating in revenue sharing.

Mr. EVANS. How would you characterize the reactions of the Indian community to the activities of NCIO to date?

Mr. ROBERTSON. The reactions of the elected tribal leadership has been to continue working with the Council in matters affecting their reservations and communities. A close working relationship has resulted in better communication between the administration and elected tribal leaders toward advancing the policy of self-determination through tribal government.

Mr. EVANS. Have you established a continuing relationship with some of the more militant and "Red Power" Indian groups?

Mr. ROBERTSON. No.

BIA BUILDING OCCUPATION

Mr. EVANS. Would you please summarize what the general complaints are of the more militant Indians and if there is anything that you are recommending the Federal Government do to resolve these problems.

Mr. ROBERTSON. The November takeover of the BIA building and resultant destruction of property and theft of important files and valuable Indian art and artifacts was indeed a tragedy. When the administration chose not to evict the occupiers of the building, it chose human life over property.

The negotiations between the activist Indian leaders and the administration resulted in 20 proposals which were responded to by the White House on January 9, 1973. In summary those proposals included:

1. Restoration of treaty-making authority;
2. Establishment of treaty commission to make new treaties;
3. The President and Indians should address the Congress.
4. Create a commission to review treaty commitments and violations;
5. Resubmit unratified treaties to the Senate;
6. All Indian people should be in a treaty relationship with the United States;
7. Mandatory court injunctions against alleged treaty violations;
8. Judicial recognition of Indian right to interpret treaties;
9. A new congressional committee structure;
10. Land reform and restoration of a 110 million acre native land base;
11. Revision of 2T U.S.C. 163, restoration of rights to Indians terminated by enrollment and revocation of prohibitions against dual benefits;
12. Repeal of State laws enacted under Public Law 280 (1953);
13. Resume Federal protective jurisdiction for offenses against Indians;
14. Abolition of the BIA by 1976: a new structure;
15. Creation of an Office of Federal Indian Relations and Community Reconstruction;
16. Priorities and purpose of the proposed new office;
17. Indian commerce and tax immunities;
18. Protection of Indians' religious freedom and cultural integrity;
19. National referendums, local options, and forms of Indian Organizations; and
20. Health, housing, employment, economic development and education.

Mrs. HANSEN. Thank you very much.

THURSDAY, APRIL 12, 1973.

TERRITORIAL AFFAIRS

ADMINISTRATION OF TERRITORIES

WITNESSES

STANLEY S. CARPENTER, DEPUTY ASSISTANT SECRETARY FOR TERRITORIAL AFFAIRS

THOMAS F. DUNN, TERRITORIAL OFFICER

DONALD R. MOYSEY, GOVERNMENT COMPTROLLER OF THE U.S. VIRGIN ISLANDS

Mrs. HANSEN. The committee will come to order. This afternoon we have the Office of Territorial Affairs.

We have as our principal witness Stanley S. Carpenter, Deputy Assistant Secretary for Territorial Affairs. Mr. Carpenter, I am sure you have a general statement. If you will, please place it in the record, or read it, as you wish.

Mr. CARPENTER. It is relatively short. If you don't mind, I will read it.

May I say in advance we understand the hearing today is mainly on the Virgin Islands, so I have confined my statement to that subject.

OPENING STATEMENT

Madam Chairman, it is an honor and a pleasure for me to appear again before this subcommittee this afternoon to discuss certain aspects of the relationship of the Virgin Islands with the United States, in particular the role of the government comptroller.

As background to this discussion, I would like to briefly outline in this prepared statement some of the recent political developments in the Virgin Islands, as well as the remaining subject areas where the Secretary of the Interior has direct responsibility and authority for programs or policies affecting the Virgin Islands.

RECENT DEVELOPMENT IN THE VIRGIN ISLANDS

The territory has moved rapidly toward internal self-government in recent years. In 1970, Virgin Islanders for the first time elected their governor, pursuant to legislation enacted by the U.S. Congress in 1968. Just last November, the territorial electorate went to the polls to select for the first time their representative in the Congress, a nonvoting delegate, pursuant to another act of Congress.

With these changes the role of the Secretary of the Interior in the Virgin Islands is greatly reduced and falls within four general areas. First is the Virgin Islands Conservation Fund, under the provisions of which the Secretary is responsible for approving expenditures from the fund for conservation purposes. The fund itself is composed of royalty payments under an oil import allocation with Hess Oil. Second, the so-called Virgin Islands Matching Fund is established in the Organic Act and provides for a Federal payment to the territory equal to United States duties on Virgin Islands products, mainly rum.

Expenditures from the fund must be approved by the Secretary, as the President's designated representative. Third, the Secretary has responsibility for administration of submerged lands in the Virgin Islands pursuant to the Territorial Submerged Lands Act of 1963.

GOVERNMENT COMPTROLLER OF THE VIRGIN ISLANDS

Fourth, Congress has established the position of the Government Comptroller, who is an appointee of the Secretary of the Interior, and is under the general supervision of the Secretary. This official is charged with the responsibility for audit of all revenues and expenditures of all departments and agencies of the Territorial Government of the Virgin Islands; additionally, he is to bring to the attention of the Secretary of the Interior and the Governor of the Virgin Islands all failures to collect amounts due the government, and ex-

penditures of funds or uses of property which are irregular and not pursuant to law. The statute spells out that the audit activities of the Government Comptroller should be directed so as to: (1) Improve the efficiency and economy of programs of the Government of the Virgin Islands, and (2) discharge the responsibility incumbent upon the Congress to insure that the substantial Federal revenues which are covered into the treasury of the government of the Virgin Islands are properly accounted for and audited. Further, he is obliged to make to the Secretary and the Governor an annual report of the fiscal condition of the government. The Secretary submits this report along with his comments and recommendations to the Presiding Officers of the U.S. Congress.

The Government Comptroller is also to make such other reports as may be required by the Governor, the Secretary of the Interior, or the Comptroller General of the United States. Finally, the comptroller's office and activities are subject to review by the Comptroller General of the United States, with copies of the latter's reports to be made to the Governor, the Secretary of the Interior, and the Presiding Officers of the U.S. Congress.

CHANGES RECOMMENDED BY VIRGIN ISLANDS

Before closing, I should mention that among the recent recommendations of the Virgin Islands Constitutional Convention, established by the Territorial Legislature, were suggestions for change in each of the four areas I have mentioned. The convention proposal was put before the electorate last November and was approved by only a small margin. It has no binding effect on the Organic Act, but carries the weight of recommendations desired by the voters of the Virgin Islands. Specifically, the changes suggested are:

(1) That Conservation Fund and Matching Fund grants no longer be approved by the Secretary, but simply be treated as normal Virgin Islands Legislature appropriations;

(2) That the responsibility for submerged lands be turned over to the territorial government; and

(3) That the Government Comptroller be appointed by and under the supervision of the Governor of the Virgin Islands.

I would note that the administration has taken no position as yet on these proposals.

Madam Chairman, this concludes my prepared statement and I shall be pleased to answer any questions which you or members of the committee may have.

I have with me, if I may introduce them, the Federal Comptroller from the Virgin Islands, Mr. Donald R. Moysey, who came up the day before yesterday, and Mr. Thomas Dunn from my office. You know Mr. Francis Wiles.

PROPOSED REORGANIZATION

Mrs. HANSEN. Mr. Carpenter, please describe for us how the proposed reorganization of the Interior affects the Office of Territorial Affairs.

Mr. CARPENTER. Under the proposed reorganization in the Department of the Interior my present office, which has been a part of the staff

of Mr. Loesch, Assistant Secretary for Public Land Management, will be placed directly under the Secretary as the Office of Territorial Affairs. My title will be Director instead of the present title of Deputy Assistant Secretary. The internal workings of my office will remain essentially the same, the major change being that I will be reporting directly to the Secretary rather than through an Assistant Secretary, such as Mr. Loesch. I will go into the organization chart, if you wish. I think this has been submitted to your committee.

Mrs. HANSEN. Do you have anything specifically to add on the structure of your office?

Mr. CARPENTER. Let me say that we have generally two territorial officers, Mr. Dunn being one, and Mr. John DeYoung is the other. Mr. Dunn concentrates on the Virgin Islands, with some other collateral duties, and Mr. DeYoung on the trust territory and Guam, and more recently has picked up some of the American Samoa activities.

JUSTIFICATION MATERIAL

Mrs. HANSEN. Please insert justification pages 1 through 7 at this point in the record.

[The pages follow:]

TERRITORIAL AFFAIRS

ADMINISTRATION OF TERRITORIES

Highlight Statement

The fiscal year 1974 budget request for Administration of Territories totals $15,000,000

American Samoa

The proposed 1974 program for American Samoa is $14,000,000 which is a decrease of $1,030,000 from the current year. This program provides $556,000 for the Governor's Office and the Judiciary, and a program of $13,444,000 in Interior Grants. Local revenues and other Federal Grants added to Interior funds make a total program of $32,144,000 for fiscal year 1974.

Fiscal year 1974 major emphasis continues on the development of the basic infrastructure to encourage economic growth and sustain the momentum toward self-sufficiency and self-determination. Major increases in the Operations programs are in Education and Medical Services. The principal capital improvement project for fiscal year 1974 will be the further development of new water sources and the addition of 1 1/2 million gallons of new water storage capacity. This is considered to be among the highest priorities of the territory both to preclude potential health hazards and to encourage economic growth.

Guam

The sum of $1,000,000 in grant funds is requested for the Guam Economic Development Fund which will provide for needed economic expansion.

Federal Comptrollers

The fiscal year 1974 budget provides new funding of $420,000 for the Government Comptroller, Guam and $645,000 for the Comptroller for the Virgin Islands. The funds for both these activities are provided under the provisions of P.L. 90-496 and P.L. 90-497, which will be transferred to the Administration of Territories appropriation.

DEPARTMENT OF THE INTERIOR
TERRITORIAL AFFAIRS
ADMINISTRATION OF TERRITORIES

Appropriation, 1972	$21,699,000	
Transferred to "Salaries and Expenses, Office of the Secretary" due to abolishment of the Office of Territories	-395,000	
Total appropriation, 1972		$21,304,000
Transferred from "Internal Revenue Collections for Virgin Islands" (P.L. 90-496)	458,360	
Transferred from "Guam Sec. 30 Funds" (P.L. 90-497)	367,000	
Net transfers		825,360
Total available, 1972		22,129,360
Total appropriation, 1973		22,375,000
Transferred from "Internal Revenue Collections for Virgin Islands" (P.L. 90-496)	470,000	
Transferred from "Guam Sec. 30 Funds" (P.L. 90-497)	469,000	
Net transfers		939,000
Total available, 1973		23,314,000

DEPARTMENT OF THE INTERIOR
TERRITORIAL AFFAIRS
ADMINISTRATION OF TERRITORIES

Summary of Increases and Decreases, 1974

	Base for 1974	Increase or Decrease 1974	
Virgin Islands:			
Comptroller's Office - Funding by amount transferred as authorized by P.L. 90-496	$ (470,000)	$ +(175,000)	
Guam:			
Guam Rehabilitation Projects	6,345,000	-6,345,000	
Guam Economic Development Fund	1,000,000	---	
Comptroller's Office - Funding by amount transferred as authorized by P.L. 90-497	(469,000)	(-49,000)	$-6,345,000
American Samoa:			
Operating costs for the Governor's Office and Chief Justice and High Court	520,000	+36,000	
Grants for both operations and capital improvements	14,510,000	-1,066,000	-1,030,000
Net decrease, 1974 (New Budget Authority)			-7,375,000
Budget Estimate, 1974 (appropriations requested)			15,000,000

The program of $16,296,091 for fiscal year 1974 includes $221,091 carryover from fiscal year 1972 applied to fiscal year 1974 programs, transfers authorized by P.L. 90-496 and 90-497 totalling $1,065,000, and estimated reimbursements of $10,000. This represents a net amount of $15,000,000 in new appropriations; there is a net decrease of $7,375,000 from the amount available in the current fiscal year, exclusive of carryover totalling $11,191,527, transfers authorized by P.L. 90-496 and 90-497 amounting to $939,000, and estimated reimbursements of $10,000. Net increase or decrease for fiscal year 1974 is distributed as follows:

1. Guam:	
(a) Loans	$-3,937,260
(b) Grants	-2,407,740
(c) Economic development fund	---
Subtotal, Guam	-6,345,000
2. American Samoa:	
(a) Governor's Office	+12,000
(b) Chief Justice and High Court	+24,000
(c) Grants	-1,066,000
Subtotal, American Samoa	-1,030,000
Net Decrease for Fiscal Year 1974	-7,375,000

ADMINISTRATION OF TERRITORIES

Analysis by Activity

Activity	F.Y. 1972 Amount Available	Fiscal Year 1973 Total Appropriation	Transfers	Unobligated Balance	Amount Available
1. Virgin Islands:					
(a) Transfers to Comptroller's Office (P.L. 90-496).....	$ 407,172	$ ---	$+470,000	$ 99,000	$ 569,000
2. Guam:					
(a) Loans.....	1,018,176	3,937,260	---	5,837,824	9,775,084
(b) Grants.....	516,513	2,407,740	---	3,650,487	6,058,227
(c) Economic Development Fund..	---	1,000,000	---	---	1,000,000
(d) Transfers to Comptroller's Office (P.L. 90-497).....	331,700	---	+469,000	26,000	495,000
Subtotal, Guam.....	1,866,389	7,345,000	+469,000	9,514,311	17,328,311
3. American Samoa:					
(a) Governor's Office.....	254,046	272,000	---	10,474	282,474
(b) Chief Justice and High Court.....	242,346	248,000	---	6,863	254,863
(c) Grants.....	12,448,679	14,510,000	---	1,339,788	15,849,788
Subtotal, American Samoa.....	12,945,071	15,030,000	---	1,357,125	16,387,125
4. Anticipated Reimbursements.....	7,433	10,000	---	---	10,000
Subtotal.....	15,226,065	22,385,000	+939,000	10,970,436	34,294,436
5. Other Balances Reserved for Fiscal Year 1974 Programs.....	---	---	---	221,091 1/	221,091
GRAND TOTAL.....	15,226,065	22,385,000	+939,000	11,191,527	34,515,527

1/ Balance of transfer authority for the Comptroller's Office in the Virgin Islands and Guam to be applied to the fiscal year 1974 program.

ADMINISTRATION OF TERRITORIES

Analysis by Activity

Activity	F.Y. 1972 Amount Available	F.Y. 1973 Amount Available	F.Y. 1974 Estimate	Increase (+) or Decrease (-) 1974 Compared with 1973	Page Reference
1. Virgin Islands:					
(a) Transfers to Comptroller's Office (P.L. 90-496) - Subtotal, Virgin Islands	$ 407,172	$ 569,000	$ 746,037	$ +177,037	8
2. Guam:					
(a) Loans	1,018,176	9,775,084	---	-9,775,084	11
(b) Grants	516,513	6,058,227	---	-6,058,227	11
(c) Economic Development Fund	---	1,000,000	1,000,000	---	11
(d) Transfers to Comptroller's Office (P.L. 90-497)	331,700	495,000	540,054	+45,054	12
Subtotal, Guam	1,866,389	17,328,311	1,540,054	-15,788,257	
3. American Samoa:					
(a) Governor's Office	254,046	282,474	284,000	+1,526	22
(b) Chief Justice and High Court	242,346	254,863	272,000	+17,137	25
(c) Grants	12,448,679	15,849,788	13,444,000	-2,405,788	28
Subtotal, American Samoa	12,945,071	16,387,125	14,000,000	-2,387,125	
4. Anticipated Reimbursements	7,433	10,000	10,000	---	
Subtotal	15,226,056	34,294,436	16,296,091	-17,998,345	
5. Unobligated balance applied in fiscal year 1974	---	221,091	---	-221,091	
Grand Total	15,226,065	34,515,527	16,296,091	-18,219,436	

BUDGET AUTHORITY REQUESTED FOR F.Y. 1974
ADMINISTRATION OF TERRITORIES
BY ACTIVITY

	F.Y. 1973	F.Y. 1974	Increase (+) Decrease (-)
Guam:			
Rehabilitation Projects.....	$6,345,000	---	$-6,345,000
Economic Development Fund.....	1,000,000	1,000,000	---
Total Guam.....	7,345,000	1,000,000	-6,345,000
American Samoa			
Governor's Office.....	272,000	284,000	+12,000
Judiciary.....	248,000	272,000	+24,000
Grant - Operations.....	9,934,000	10,873,000	+939,000
Grants - Construction.....	4,576,000	2,571,000	-2,005,000
Total American Samoa.....	15,030,000	14,000,000	-1,030,000
Total Appropriation Request (Budget Authority).....	22,375,000	15,000,000	-7,375,000
Transfers:			
Comptroller for the Virgin Islands.....	470,000	647,000	+175,000
Comptroller for Guam.....	469,000	420,000	-49,000
Total.....	939,000	1,065,000	+126,000

FUNDING AND PERSONNEL OF TERRITORIAL AFFAIRS OFFICE

Mrs. HANSEN. The tables in these pages reflect funding for the Virgin Islands, Guam, and American Samoa. The expenses for your office, Mr. Carpenter, are provided in the Office of the Secretary appropriation. What is the funding level for your office for 1973 and the request for 1974. Also how many permanent positions are provided for these 2 years?

Mr. CARPENTER. The funding level for my office for the present fiscal year is $363,900, and the proposed fiscal year 1974 funding is $366,000, an increase of $2,100 over the previous fiscal year. The total number of positions remains the same at a level of 13.

With regard to the present situation, some of the individuals who have been working in territories under my direct supervision have been from Mr. Loesch's staff.

This goes back in history. Two or three of them were on paper as part of Mr. Loesch's staff. My office of course was a direct component of Mr. Loesch's staff.

Mrs. HANSEN. What do you mean "on paper"? Do you mean they were unfilled positions?

Mr. CARPENTER. They were there, but Mr. Loesch, of course, considered our office part of his. Although in one or two cases the position titles called for a man to be special assistant to Mr. Loesch, he was working more for me than he was for Mr. Loesch. It was an internal realinement of working individuals.

Mrs. HANSEN. The committee went into "paper" positions at one time at great length with another agency. That is the reason we asked the question.

VIRGIN ISLANDS

Please insert justification pages 8 through 10 in the record at this point.

[The pages follow:]

1. VIRGIN ISLANDS

Comptroller's Office, Virgin Islands: Fiscal year 1973, $470,000; fiscal year 1974, $645,000; increase, $175,000. The increase consists of:

Increase (+) or Decrease (-) Amount	Positions	Total Program	Positions	Explanation
$+175,000	+ 8	$746,000	34	$645,000 new funds requested; $101,000 balance financed from prior year savings.

	1972	1973	1974	Increase
Funded by Transfer Authority.....	458	470	645	$+175
Funded by Unobligated Carryovers.....	37	99	101	+2
Total Program Requirement.....	495	569	746	+177
Full-time Permanent Positions. Authorized.....	22	26	34	+8

Cost Factors Involved in Increase

The total estimated program for 1974 is $746,000 of which $645,000 is required in new transfer authority with the balance of $101,000 being financed from prior year savings.

Approximately $143,000 is required to cover the cost of salaries, benefits, and allowances for eight new positions (1 GS-13, 4 GS-9's, and 3 GS-7's) An additional $34,000 is needed to cover anticipated transportation costs in connection with official transfers and other increase costs for current staff operations.

Need for Increase

The Government Comptroller for the Virgin Islands is charged with the responsibility for audit of all revenues and expenditures of all departments and agencies of the Territorial Government of the Virgin Islands of the United States. In a law enacted in 1968 the Congress spelled out that the audit activities of the Government Comptroller should be directed so as to (1) improve the efficiency and economy of programs of the Government of the Virgin Islands and (2) discharge the responsibility incumbent upon the Congress to insure that the substantial Federal revenues which are covered into the treasury of the Government of the Virgin Islands are properly accounted for and audited.

In the budget estimates for fiscal year 1974 we are requesting an increase of 8 positions which are urgently needed to increase the scope of our audit operations and provide for systems and procedures assistance to the Virgin Islands Government. These additional positions together with an increase of four positions during FY 1973 will be used to decrease the existing audit backlog that has accumulated during the past several years principally due to inadequate staffing, and to reactivate the Comptroller's branch office on the island of St. Croix.

Federal Grants

Under Bureau of the Budget Circular No. A-88 the Comptroller's Office is being called upon to audit and approve claims for reimbursements against Federal grants and contracts with the Government of the Virgin Islands. This office is also being called upon to make post audits of Federal grants and contracts and to assist and advise Territorial agencies in such matters. There were about 110 different grants and contracts involving at least $16.5 million in Federal funds in effect during Fiscal Year 1971. Two of the requested positions would be fully employed in the audit of Federal Grants and contracts with the Government of the Virgin Islands.

Matching Funds

Pursuant to Section 28(b) of the Revised Organic Act of the Virgin Islands, as amended, and Section 7652(b) of the Internal Revenue Code, the Secretary of the Treasury of the United States determines the total of taxes collected each year under the Internal Revenue laws of the United States on products of the Virgin Islands entering the United States. Such collections less 1% and less estimated amounts of refunds and credits are paid to the Government of the Virgin Islands. A total of $123,246,830 in matching funds has been received by the Government from FY 1963 through FY 1972.

The last comprehensive audit of Matching Funds made by this office was through Fiscal Year 1962. Currently, one of the Program Directors of this office is performing a special audit of the Matching Funds projects for Fiscal Year 1971. When this audit is completed a determination will be made as to the advisability and extent of the audit coverage of Matching Fund projects for Fiscal Year 1963 through 1972.

It is planned that at least two of the additional positions requested will be assigned on a full time basis to audit approved Matching Fund projects to insure primarily that the allotted funds are used for the intended purposes. As part of the audit work the incumbent will review all contracts, change orders, and purchase orders to insure that the Government complies with the procurement regulations established by the Virgin Islands Code.

Systems and Procedures Assistance

During the past several years the Territorial Government has spent considerable amounts on professional and consulting services to improve its financial and accounting practices. Much of this effort has been wasted because of the inability of the Government to implement valid recommendations. Two of the new positions requested will be devoted exclusively to providing systems and procedures assistance to the Government. These employees will not only assist the Government in designing new systems and in streamling procedures, but, with the approval of the Government, they will also train employees and remain on the job long enough to insure that the new procedures are actually implemented and functioning smoothly.

Audit Backlog

A review made in FY 1969 indicated a need for 25 man-years of direct audit time to bring the audit work of this office to a current status. Due to inadequate staffing and increase in volume of activites of the Government of the Virgin Islands, this audit backlog has increased and was estimated at July 1, 1972 to be over 31 man-years (8009 man-days) as shown in Exhibit (G).

The importance of updating this work has been brought out by the numerous deficiencies reported in the Comptroller's Annual Reports for Fiscal Years 1969-1971, and also by the General Accounting Office report issued on March 2, 1971, concerning improvements needed in the financial management system of the Virgin Islands Government. The intolerable conditions of the Government's financial records should have been brought out sooner. The long standing understaffing of this office is responsible for our failure to find and reveal such weaknesses.

Reactivation of Comptroller's St. Croix Office

In 1967, the Government Comptroller obtained office space at no cost from the Government of the Virgin Islands at Government House, Christiansted, St. Croix for the purpose of establishing a branch office in St. Croix. Subsequently, that office was equippped and staffed with two auditors and a clerk. Because of recruiting difficulties, these positions were not filled when the employees resigned in 1969 and 1970. Since then the office has been used only when our auditors visit St. Croix.

There is an urgent need for reactivating this branch office with at least two auditors and a clerk to insure proper audit coverage of the two main U.S. Virgin Islands: St. Thomas and St. Croix. Recently, the U.S. Census reported a total population count of 62,468 for the Virgin Islands broken down among the three islands as follows: St. Croix - 31,779, St. Thomas - 28,960 and St. John - 1,729. Most of the departments and agencies of the Government have branches in St. Croix and the main offices of two of the Departments (Labor and Agriculture) are located in St. Croix. The recent influx of heavy industries on the island of St. Croix has also greatly increased governmental operations and services on that island.

The scope of most of the audits conducted by this office includes the operations of St. Croix. However, to perform this work our auditors either commute by airboat daily or remain for several days in St. Croix. This situation not only increases the cost of the audits but we have found that because of the inconveniences brought about by having to travel, our audits in St. Croix are sometimes deficient. Some auditors and Program Directors are also reluctant to travel via the airboats since at times these trips become unusually rough due to heavy swells in the harbors. Our audit coverage in St. Croix would be greatly improved if audit personnel were recruited and stationed permanently on that Island.

RESPONSIBILITIES OF INTERIOR FOR VIRGIN ISLANDS

Mrs. HANSEN. Please briefly summarize for the committee the responsibilities of the Department of the Interior as they affect the government of the Virgin Islands, if you have anything to add to your earlier statement.

Mr. CARPENTER. I don't think there is anything to add. I think it is covered well in the prepared statement.

Mrs. HANSEN. Literally you have very little responsibility except for the operations of the Federal Comptroller's Office; isn't that correct?

Mr. CARPENTER. That is right. Actually in effect we just have the residual responsibilities left with us, which remained when the Governor was elected. We primarily, of course, have the Federal Comptroller operation, and then review of the matching and conservation funds and the administration of submerged lands.

COMMITTEE INVESTIGATION

Mrs. HANSEN. Last year in our hearings, the committee found that there had been substantial underpayments of funds from the Treasury Department to the Virgin Islands government. In January of this year, the committee requested an investigation of the management of the Comptroller's Office and of the capability of the Office to properly audit the revenues and expenditures of the Virgin Islands government. At this time I would like to ask a few questions concerning the findings of that report.

REVIEW OF FEDERAL INCOME TAX RETURNS

What effort is being made by the Office of Territorial Affairs to have the Governor of the Virgin Islands grant permission to the Office of the Comptroller to review Federal income tax returns filed by residents and businesses operating in the Virgin Islands? This question is in regard to a statement in the investigative report as follows:

> Under section 17 of the Organic Act as amended, the government Comptroller has the responsibility to audit all accounts pertaining to revenue and receipts of the government of the Virgin Islands, yet the Tax Division, Department of Finance, Virgin Island government, has refused the government Comptroller access to the Federal income tax returns, the largest single source of revenue.

Mr. CARPENTER. I would like Mr. Moysey to start on that if he may, Madam Chairman.

Mrs. HANSEN. He certainly may.

Mr. MOYSEY. Madam Chairman, this has been a continuing problem for at least 2 years. I have met and discussed the problem with Virgin Island government officials on numerous occasions.

Mrs. HANSEN. So the committee has discovered.

Mr. MOYSEY. Yes, ma'am. Let me speak of the progress that has been made first. At the Governor's suggestion we have arranged jointly for an audit by the U.S. Internal Revenue Service of the Tax Division of the Office of Commissioner of Finance, Virgin Islands Government. I am supposed to be permitted to make suggestions to be included in the audit.

Mrs. HANSEN. What do you mean "supposed to be?" Don't you have a definite commitment?

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Mr. MOYSEY. Yes, ma'am. Quite recently I have received a copy of their audit program. I have submitted in writing some suggestions to them. Whether or not they will be adopted I don't know. I hope they will. Some controversy exists as to access to their findings and report. The Government of the Virgin Islands has made the prior year's report, and also has agreed to make current reports available to me personally, providing I keep them confidential, and do not permit members of my staff nor anybody else to see or have access to these reports.

Mr. MCDADE. How many reports are there?

Mr. MOYSEY. I have seen one, sir, last year's report. Is that what you were asking me?

Mr. MCDADE. No. You said you can look at the reports that are going to be audited, as I understand it.

Mr. MOYSEY. To clarify that, during the course of the audit they will issue individual reports as the audit progresses. I am to receive copies of those, so I have been told.

Mr. EVANS. May I pose a question there, Madam Chairman?

Mrs. HANSEN. Yes.

Mr. EVANS. What is your understanding about what you can do with copies of the reports which you get.

Mr. MOYSEY. Sir, that is what bothers me. I can read them. I can discuss them with the auditors and discuss them with the government of the Virgin Islands, and beyond that, at the moment I am not permitted to go. Does that answer your question, sir?

Mr. EVANS. Yes; and it is the most difficult and hard to understand situation I have heard of in a long time.

Mr. LONG. May I ask a question?

Mrs. HANSEN. Yes.

Mr. LONG. You can't reproduce copies?

Mr. MOYSEY. By agreement I keep them in a brown envelope marked "To be opened by the controller only" in a locked safe.

Mr. LONG. You can't make a copy and keep it?

Mr. MOYSEY. No, sir.

Mr. LONG. Who is responsible for these rules?

Mr. MOYSEY. Well, sir, I guess the head of the Government of the Virgin Islands has assumed the responsibility. However, I would like to stress that this does constitute progress, because prior to this time no one ever saw these reports.

Mr. LONG. That is very nice of them, very generous of them, to share this with us, but why do we have to put up with their indulgence?

Mr. DUNN. If I may interject, this has been quite a controversy, as you may guess. Getting income tax returns is a controversial subject. We had an opinion by our solicitor saying that we have the right. Their attorney general has an opinion which supports that. However, there is the Governor's legal adviser who claims that he does not think we are legally entitled to them.

Mr. LONG. By what law?

Mr. MOYSEY. I haven't been able to find that law.

Mr. LONG. A U.S. law?

Mr. MOYSEY. He says that when it was changed from an appointive to an elected Governor, that there were changes. We have been unable to find them in the law itself is what I mean to say.

Mr. LONG. Why do you put up with this?

Mr. MOYSEY. Sir, what would you suggest I do?

Mrs. HANSEN. The Virgin Islands Legislature and the Governor are both elected by the people of the Virgin Islands. Isn't this correct?

Mr. MOYSEY. Yes, ma'am.

Mrs. HANSEN. The Virgin Islands have a comptroller to review their accounts to determine the amount of matching funds.

Mr. MOYSEY. Sir, I think we should recognize that in this country the General Accounting Office does not have access to income tax returns filed. Of course it is my contention that the situation is different in the Virgin Islands because of the Organic Act, and because of the fact that most of their revenue is provided by the U.S. Government.

CUSTOMS DUTIES

Mrs. HANSEN. The next statement made in our investigative report is:

> Under the industrial incentive program of the Virgin Islands, the legislature passed a bill which authorized the refund of 100 percent of the customs duties paid by the Hess Oil Corp. on imports to the Virgin Islands. Other businesses receive a maximum of 90 percent of customs duties paid on imports of raw materials. The 100-percent subsidy is without any deductions for administrative costs. The favored treatment to Hess Oil Corp., if paid at the 100 percent, will actually cost the Government of the Virgin Islands over $1 million annually in administrative cost to collect the customs duties and to pay the subsidies.

What discussions have been had with the Governor by the Office of Territorial Affairs to point out to him that this favored bill works an uneconomical hardship on the financial condition of the Government of the Virgin Islands and that he should encourage the legislature to revise the legal authority for the 100-percent subsidy without any deduction for administrative costs?

Mr. MOYSEY. May I clarify that. At the present time administrative costs are being paid by Hess Oil. They are pressing for compliance with the bill which you have cited, which would mean they would get a refund of 100 percent. Since administrative costs are averaging around 6 percent, they would in effect get back more than 100 percent, but as of now they are paying administrative costs.

Mr. DUNN. If I could add to that, just to explain the situation a little bit, Hess' agreement with the Virgin Islands government states that Hess should get back 100 percent of the import duty actually paid in the Treasury of the Virgin Islands. Hess contended that there was some question, so there was a clarifying law passed in 1968 stating when the act said 100 percent actually paid in the Treasury of the Virgin Islands they meant 100 percent actually paid in the Treasury of the Virgin Islands. Our Comptroller's Office took exception to that, saying it was a special law.

We have had discussions with the Governor and Mr. Hess. We found out that the Virgin Islands Government was deducting 10 percent of the 6 percent actually paid in the Treasury of the Virgin Islands, while customs was only deducting 3 to 6 percent, so up to now Hess has been paying the percentage. There was a point where Hess was withholding the royalty payments while this dispute was going on. However, that was worked out and they are paying now.

Mrs. HANSEN. How long have they been paying?

Mr. DUNN. They are up to date.

Mrs. HANSEN. Were they withholding in January, for instance?

Mr. DUNN. No.

Mrs. HANSEN. I just wanted that clarified.

Mr. DUNN. This goes back about a year and a half, when they were withholding for a short period of time. They came in and paid up, and they have been paying. The Virgin Islands government has been taking deduction from the customs payments. Hess was arguing that really they were at a disadvantage because they keep collecting 90 percent of the customs duty which amounts to quite a sum, since there is a 450,000-barrel-a-day refinery and the Virgin Island government is very slow in refunding the money to them. As a result, at any one time the Virgin Islands government has about $15 or $16 million of Hess' money.

Mrs. HANSEN. Why are they slow?

Mr. DUNN. There was some problem with customs giving a report on just how much they collected, and then there were some problems with the Virgin Islands Government not moving very quickly to refund the money.

Mrs. HANSEN. Why can't they improve their payment procedures?

Mr. MOYSEY. There seems to be a problem, Madam Chairman, in the Virgin Islands in paying bills.

Mr. LONG. Who owns the bank in which the $16 million is being kept?

Mr. DUNN. I think Chase Manhattan. I really don't know which bank is holding the money.

Mr. EVANS. Madam Chairman, is this a Virgin Island or a United States law?

Mr. DUNN. Virgin Islands agreement with Hess Oil Co.

Mr. EVANS. I don't understand why they bother to collect it if they are going to turn around and give it back.

Mr. DUNN. This has been Hess' contention, but customs, if I recall, feels that the agreement or the statutes under which they collect customs down there requires them to collect the amount, not waive it.

Mr. EVANS. Are these customs laws, U.S. Laws?

Mr. DUNN. U.S. Internal Revenue laws.

Mr. EVANS. They are laws of the United States?

Mr. DUNN. Right; which says that the U.S. Customs will collect 6 percent duty.

Mr. EVANS. And then the Virgin Islands have decided "Well, we will be very happy to take that money we collect under the laws of the United States and just give it back to the company from which it was collected."

Is that basically it?

Mr. DUNN. No; it is not under the laws of the United States. I would like to furnish the actual factual material for the record, but it goes back to the Danish law really, the 6 percent.

Mr. EVANS. It may have begun under the Danish law, but obviously our Government must have passed some law.

Mr. MOYSEY. It is U.S. law. It originated as Danish, but it is a U.S. law.

Mr. EVANS. It is now currently a U.S. law.

Mr. MOYSEY. Yes, sir.

Mr. EVANS. And the Virgin Islands has decided all by themselves that they are going to forgo the benefit of this income for their own governmental purposes and they are going to turn around and hand it back to the oil company; is that right?

Mr. DUNN. To encourage industry down there. Hess is not the only company that is getting a rebate.

Mr. LONG. Then, of course, we give them all kinds of subsidies to enable them to keep going, because it is a kept government; isn't it?

Mr. MOYSEY. Already, 81 percent of the revenues comes as financial assistance from the U.S. taxpayers.

Mr. CARPENTER. No direct appropriations, but various grant programs.

Mr. DUNN. They are basically in the same situation as Puerto Rico.

Mr. LONG. Which is a kept country, too.

Mr. MOYSEY. I would like to just comment on this point. I think the reason they have done it this way is at one time the Congress raised some objections to the subsidy program, and I think by handling it this way they met with the laws of the United States.

Mr. EVANS. And the laws of the United States allow them through their own government to——

Mr. MOYSEY. Collect and then pay it back as an expense.

Mr. EVANS. And we also allow them, I suppose, to make a decision on their own to forgo the enjoyment of these funds and to give it back to the companies from which they were collected?

Mr. MOYSEY. Yes, sir, that is their industrial incentive program.

CUSTOMS DUTY ON RUM

Mrs. HANSEN. The next statement follows:

The Government Comptroller apparently relied upon the Bureau of Customs to collect the internal revenue tax on rum shipments to the United States and returns these collections, less a 1-percent administrative cost, to the government of the Virgin Islands. It was not until 1970 the Government Comptroller discovered by accident that the Bureau of Customs had continuously failed to refund to the government of the Virgin Islands several millions of dollars in revenues that had been collected.

How could the Government Comptroller have certified, year after year that he had properly accounted for all of the revenue and receipts of the government of the Virgin Islands when it was later discovered that a substantial part of the revenue had not been remitted to the government by the Bureau of Customs? Related to this matter is another statement from the investigative report:

It was only by accident that the Government Comptroller made a quick computation of the gallons of rum shipped to the United States during 1969 and the collections paid to the government of the Virgin Islands. As a result of this computation it was obvious that the matching funds received by the government of the Virgin Islands fell far short of the $10.50 per barrel duty imposed on the number of barrels reported as shipped from the Virgin Islands. The U.S. Bureau of Customs, which had the responsibility for collecting the internal revenue tax, rechecked its records and discovered computer programing errors totaling several million dollars for 1960, 1970, and 1971.

Now please answer my question.

LACK OF ACCESS TO CUSTOMS RECORDS

Mr. MOYSEY. First of all, the Government Comptroller does not have access to the records of the U.S. Bureau of Customs. I have made a request that we be permitted to audit pertinent records of the Bureau of Customs.

Mrs. HANSEN. How can you perform an audit if you don't have access to the material?

Mr. MOYSEY. I think we should have access Madam Chairman, and I have said so in my letters to customs. One possibility might be to accept their audit after reviewing their working papers, but I don't know for sure that they make an audit. These errors were detected because the shipments were known and computing at $10.50 per barrel it was quite apparent that the proper amount of revenue had not been turned over to the Virgin Islands government. The amount the Bureau of Customs has paid or agreed to pay comes to approximately $10 million.

Mrs. HANSEN. Whose account did the funds end up in?

Mr. MOYSEY. The Bureau of Customs.

Mrs. HANSEN. It wasn't the Virgin Islands?

Mr. LONG. Not in somebody's pocket.

Mr. CARPENTER. No; it has not been refunded to the Virgin Islands.

Mr. MOYSEY. They at the present time have suggested a final settlement of $3.9 million. I contend that it should be about $1,500,000 more than that. I am hoping that we can convince the Bureau of Customs that this the correct amount.

Mrs. HANSEN. Isn't your contention based on the number of gallons shipped?

Mr. MOYSEY. Yes. I believe they should honor it, there are some adjustments that have to be estimated, such as the inventory. We have no way of knowing what that is, but they estimated it in the case of the later years. They proposed a settlement for 1965 through 1971, I believe it was, and it is my contention that the records are available, and we have completed an audit for fiscal years 1963 and 1964, which were included in the original Comptroller's contention, and we feel that an additional $1,500,000 is due. These errors are described by the Bureau of Customs as coding errors. In other words, the documents which would identify the amounts to be entered in the right account were inconsistent in many cases.

Mrs. HANSEN. The collectors at the port of entry were not properly instructed on the manner of coding tax collections apparently. I am quoting from our report: "He—Commissioner of Customs—advised that effective July 1, 1972, new procedures were established for properly accounting."

Mr. MOYSEY. There was also $26 million collected in 1972 by Bureau of Customs employees in the Virgin Islands as 6-percent customs duties. In view of the errors they made on the matching funds I have submitted several requests to the Bureau of Customs for access to their records to audit these funds. To date my letters have not been answered.

Mr. CARPENTER. Trying to determine the extent of customs error on this was quite a laborious job. We had to go back to the distilleries and check their records going as far back as they were available, and compare them with shipment records, and so on. As Mr. Moysey has

pointed out, there was agreement reached with Customs for the years from 1965 on.

Mrs. HANSEN. Here is another quote:

The Commissioner of Customs advised the investigative staff that he had received the letters from the Government Comptroller requesting an audit of customs collections and had referred the matter to his General Counsel for an answer. He indicated that he did not want to perform the audit because it would take substantial personnel to perform the audit and to bring the documentation together would be almost impossible.

That is not a very good excuse.

Mr. MOYSEY. At least it would mean the recent years' documents would be readily available.

TAX ON RAW MATERIAL IMPORTS

Mrs. HANSEN. The next statement is:

The Bureau of Customs is also responsible for collecting customs tax on imports of raw materials to the Virgin Islands and remitting the collections, less the administrative costs, to the government of the Virgin Islands. According to information received by investigative staff, no audits have ever been made of these collections and the Government Comptroller is now concerned that the Bureau of Customs may have made similar mistakes in refunding the import customs duties.

My question on that statement is how can the Government Comptroller continue to certify to the revenue and receipts of the government of the Virgin Islands when neither he nor the Bureau of Customs have ever made an audit of the import customs duties collected by the Bureau of Customs?

Mr. MOYSEY. I have made no such certification. If I do, it will be a qualified certification.

Mrs. HANSEN. Because you couldn't possibly perform the audit?

Mr. MOYSEY. That is correct.

DUPLICATION OF AUDIT WORK

Mrs. HANSEN. The investigative staff made this statement:

The relationship between the Office of the Government Comptroller and the commissioner of finance, Virgin Islands government, appear to be strained in view of the fact that the Comptroller has not been granted access to the internal audit reports prepared by the audit division, department of finance, Virgin Islands government. By not having access to the internal audit reports, the Comptroller is probably duplicating audit work that has already been done by the audit division. Since neither the audit division nor the Comptroller's Office are fully staffed and both are doing only limited audits, they can ill afford to waste their time duplicating each other's work.

What effort has been made to resolve any problems of conflict between the Government Comptroller's Office and the commissioner of finance in order to gain access to the reports of the audit division so that the audit work of both agencies can be coordinated and supportive rather than duplicative?

Mr. MOYSEY. I would like to comment first of all that in spite of the problem my relations with the commissioner of finance are fairly good. However, he takes orders from higher up and I understand his instructions are that these reports not be made available to me.

Mrs. HANSEN. Is that the Governor's instructions or the legislature's.

Mr. MOYSEY. It is my understanding it is the Governor's instructions. I cannot personally vouch for that.

Mr. LONG. Do you have the impression that there will be a widespread scramble to get out of the Virgin Islands if an audit were underway?

Mr. MOYSEY. I don't know, sir. Some of the difficulties are of long standing.

GAO REPORT

Mrs. HANSEN. In case you are interested, the Governor did ask for an audit and report by GAO on the activities and this is the comment made in our investigative report:

According to the Government Comptroller, the Governor has indicated displeasure that he ever asked for the review by GAO since the report's release to the Congress has resulted in his spending considerable time and effort in responding to congressional criticism regarding matters discussed in the report.

The GAO report concluded that the Virgin Islands government's control over its assets was inadequate and the principal deficiencies were noted as follows:

(1) Accounting records did not provide reliable information on the amount of cash on deposit in banks. Errors made by the banks and by the government months, and even years, before had not been corrected. Bank reconciliation procedures provided no assurance that all checks paid by the banks were recorded properly in the records of the government.

(2) Accounts receivable records did not provide a reliable record of the amounts owed to the government. Many receivables remained unpaid for long periods, and little effort had been made to collect these receivables.

(3) No reliable record existed of the government's investment in land, buildings, and equipment because fixed asset records had not been maintained properly and because the required physical inventories had not been taken.

(4) Similarly, no reliable records existed of the government's investment in materials and supplies.

LACK OF FISCAL CONTROL

This is the statement of our investigators in this regard:

A review of the annual reports prepared by the Office of the Government Comptroller, by the department of finance, Virgin Islands government, and reports prepared by a number of outside consulting firms, noted substantial deficiencies on control over assets, the maintenance of inadequate accounting records, the lack of budgetary control over the obligation and expenditure of funds, and a general disregard for fiscal responsibility. These same comments appear year after year with no appreciable improvement in fiscal control.

My question is, other than pointing out these deficiencies each year and making recommendations for corrective action, what stronger measures can the Federal Government take to improve fiscal control and efficient administration of the government of the Virgin Islands?

Mr. MOYSEY. I would like to add to my staff a systems accountant or two who would follow up on deficiencies and perhaps spend 8 months to a year working right with the Virgin Islands government employees in an attempt to assist them and provide training.

Mrs. HANSEN. Suppose they won't let you work with them?

Mr. MOYSEY. I believe they will.

Mr. CARPENTER. We do have in our fiscal year 1974 appropriation request a request for two systems and procedures specialists and we have an agreement with the Governor that these people would be a welcome addition in this whole area, and it is a very serious area, of further educating the staff. We would like to help in trying to improve the general efficiency of the Governor's operation.

CERTIFICATION OF FUNDS

Mrs. HANSEN. Yes; because the investigation staff has noted:

Many of the departments of the Virgin Islands had not been audited by the Government Comptroller for 6 or 7 years and others had never been audited.

How can the Government Comptroller, year after year, certify to the expenditure of funds and property pertaining to the government of the Virgin Islands as required by the Organic Act, as amended, if the Comptroller has not audited the various departments?

Mr. MOYSEY. Again, ma'am, I would have to say that in my capacity as Comptroller I would have to qualify my certification. However, the original purpose of the certification was to be sure the revenues exceed the matching funds. Today the revenue so far exceed the maching funds that it isn't close at all. But the certification in my opinion should be qualified.

LEASING POLICIES

Mrs. HANSEN. There is another statement:

The Government Comptroller reviewed the leasing policies and practices of the government of the Virgin Islands with the investigative staff. Several of the leases mentioned disclosed no basic specifications or standards for leasing, no centralized control over leasing, favoritism in granting leases, and wide variances in lease rental costs.

What steps are being taken by the Office of Territorial Affairs to bring under control the leasing policies of the government of the Virgin Islands in order to avoid such leasing practices?

Mr. MOYSEY. Some of these reports are brandnew, Madam Chairman, and we hope that the government of the Virgin Islands will pay more attention to their leasing practices in the future.

Mr. DUNN. I might add, many of these leases go back some time too, prior to the existing government.

Mr. MOYSEY. Yes, they are not all recent years. Some of them go back over a number of years.

INCREASED GOVERNMENT COMPTROLLER STAFF

Mrs. HANSEN. The investigative staff says:

The Office of the Government Comptroller sought and received an increase of four additional personnel for fiscal year 1973, which brought his authorized strength to 26. However, at the present time he has a staff of only 17, including himself. For fiscal year 1974, he seeks an additional 8 positions to bring the authorized strength to 34. The Comptroller has had difficulty staffing his office with qualified personnel due to the increased living costs and crime problems in the Virgin Islands.

What assurance can be given that the additional personnel being requested can be hired?

Mr. MOYSEY. Right now in the last 6 weeks we have hired four people. We placed some advertisements in professional papers, such as the Federal Government Accountants Association, and we received over 70 applications. They are being screened and people are being hired and I believe we will fill all our vacancies for the first time.

Mrs. HANSEN. Wouldn't it be better to improve the relationship between the Comptroller and the commissioner of finance, Virgin Islands

government, so that the audits made by the audit division, department of finance, could be made available to the Comptroller and then the Comptroller's efforts could be diverted toward establishing his office as supervisory to the audit functions of the department of finance? This arrangement should free the Government Comptroller from the day-to-day detailed audit work so that the time of his staff could be devoted to audit inspections, review of the audit work being performed by the department of finance for accuracy and adequacy, and improvement of accounting systems to correct deficiencies.

Mr. MOYSEY. I think it is a very fine idea to make full utilization of their audit work. I am not familiar with their audit work since we have not been permitted to see the reports. We hear that they use their auditors for putting out fires. For example, the director of the audit staff, department of finance, served as the director of the lottery for some time.

Mrs. HANSEN. Director of what?

Mr. MOYSEY. The lottery. They have a lottery in the Virgin Islands.

POSSIBLE MISUSE OF SUBSIDY PAYMENTS

Mrs. HANSEN. I have one more statement:

In the leasing of Government property to Mr. Hodge, it was provided that Mr. Hodge clear the leased premises, at his own expense, of bush and acacia trees and maintain the properties in a clean and orderly condition. The Government Comptroller advised the investigative staff that Mr. Hodge received $9,429.60 in Federal subsidy payments under the agricultural conservation program and an additional $17,551.40 from a supplemental special conservation fund of the Virgin Islands government for clearing the leased land, which the leases required be done at his own expense. The payments received by Mr. Hodge covered almost the same period of time and may have been duplicate payments for the same work.

What effort has been made to have Mr. Hodge return these payments for clearing lands leased by him and which were to be cleared at his own expense?

Mr. MOYSEY. That report has not been released yet due to a difficulty on one question. The Governor's comments have been obtained and he has said he will direct the commissioner of finance to determine any amounts due from Mr. Hodge and collect them.

Mrs. HANSEN. This was only a brief summary of the investigative report. But I think you can understand that the committee was somewhat concerned, when the people in the Virgin Islands probably are not living in luxury, that their government wouldn't want to have a complete audit and manage their finances in a very responsible fashion.

Mr. EVANS. Off the record, Madam Chairman.

[Discussion off the record.]

VIRGIN ISLANDS POPULATION

Mr. LONG. What is the population of the Virgin Islands?

Mr. DUNN. The official census, the 1970 census was 62,000 but almost any indication we have places it much higher. For instance, there are 20,000 registered voters. There are 22,000 children in the public school system, probably another 10,000 in the private school system. We feel there are around 75,000 to 100,000 people on the three main islands.

Mr. EVANS. Why did the census miss all these people?

Mr. DUNN. We have one main reason.

Mr. EVANS. The census always maintains that it misses about 3 percent of the population and it is hard to prove, anyway, that it is any more than that. I am talking about continental United States, except for the blacks.

Mr. DUNN. We have an unusual problem down there. We have a serious illegal alien problem which I might just point out to you. A little over a year ago, last February, the Immigration and Naturalization Service in cooperation with the Virgin Island government started an illegal alien roundup.

The plans for the roundup were to remove 1,000 illegal aliens within a 3-month period. In the first week they removed 8,000, and in total they removed about 12,000, many of whom have returned.

Mr. EVANS. Where do they come from?

Mr. DUNN. They come from down islands. They come from Jamaica, the British Virgin Islands, and Trinidad.

Mr. EVANS. For what reason?

Mr. DUNN. To work.

Mr. CARPENTER. The wage is relatively high in the Virgin Islands.

Mr. HANSEN. It has been a continuing problem in the Virgin Islands.

Mr. LONG. How do they get there?

Mr. DUNN. They can come in as visitors and stay. They come in by boats.

Mr. LONG. You mean their own small boats?

Mr. DUNN. Yes.

Mr. LONG. So then we have an open-ended problem.

Mr. DUNN. Yes. The Labor Department is trying to get a handle on it. They are only certifying about a hundred a year as legal aliens, but the problem is with the illegal aliens.

U.S. GRANTS TO THE VIRGIN ISLANDS

Mr. LONG. How much are we providing the Virgin Islands in the way of U.S. subsidies of one kind or another?

Mrs. HANSEN. Please insert a list in the record of all the grants received by the Virgin Islands.

[The information follows:]

FEDERAL GRANTS TO THE VIRGIN ISLANDS

To	From	Amount
Office of the Governor:		
Civil defense	Civil Defense Preparedness Agency	$42,444
Personnel	Department of Labor	258,976
	Civil Service Commission	52,690
Office of Community Services	Department of Labor	915,798
	OEO	70,741
Public TV system	HEW	168,750
Department of Health	HEW	3,859,808
Department of Education	HEW	1,845,252
	Department of Agriculture	615,818
Department of Social Welfare	HEW	1,425,756
	Department of Agriculture	30,516
Department of Conservation and Cultural Affairs	HEW	81,254
	Interior (Bureau of Outdoor Recreation)	188,756
Department of Public Works	EPA	80,438
	Department of Transportation	35,230
	Office of Emergency Preparedness	189,142
	Not identified as of Apr. 18, 1973	142,157
Department of Labor	U.S. Department of Labor	65,951
Agriculture:		
Forestry program	U.S. Department of Agriculture	11,000
Meat inspection program	do	21,994
Marketing service program	do	13,000
Employment agency:		
Employment Service Administration	U.S. Department of Labor	743,645
Unemployment compensation insurance	do	154,000
Manpower training program	do	147,565
Commission for Human Resources	HEW	704,104
	OEO	773,790
Total		12,638,584
Totals from each U.S. agency:		
HEW		8,084,933
Labor		2,285,935
Agriculture		692,328
OEO		844,531
EPA		80,438
DCPA		42,444
BOR		188,756
DOT		35,230
OEP		189,142
Civil service		52,690
Not identified		142,157

Mr. MOYSEY. It is about $135 million for 1972.

Mr. LONG. Now, to take your population figure of 100,000, that would be about $1,350 each.

VIRGIN ISLANDS INCOME TAXES

Mr. DUNN. I think, Mr. Moysey ought to explain that that is not $135 million of Federal grants. He is including, I am sure, income taxes paid by Virgin Islanders into the treasury of the Virgin Island government.

The system down there is in lieu of Federal income taxes. You pay the same rate of income taxes but it goes directly to the Virgin Islands government, similar to Puerto Rico and Guam.

Mr. MOYSEY. The law says you satisfy your income tax liability to the United States by paying your taxes to the Virgin Islands. I believe that the history of the law indicates quite clearly this was done in order to provide financial assistance to the Virgin Islands.

Mr. LONG. But this is an income tax collected by the Virgin Islands?

Mr. MOYSEY. Yes, sir. All permanent residents of the Virgin Islands satisfy their income tax liability by paying it to the Virgin Islands, even though their income may be in New York.

Mr. LONG. I understand that I want to find out to what extent we are subsidizing these people. Now, 100,000 people is the size of one unincorporated town in my congressional district. I have 650,000 people in one county which hasn't a single incorporated town or village.

They are all unincorporated. And here you have 100,000 people. You have plenty of towns of that size in the United States. You don't have to be very sophisticated, I wouldn't think, to run a community of that size but I want to know how much we are subsidizing these people per capita.

CATEGORIC GRANT PROGRAMS

Mrs. HANSEN I have asked them to insert a list of the grants in the record.

Mr. CARPENTER. I have a listing of the categoric grant programs.

Mr. LONG. Everything, direct, indirect, all the things and I would like to see whether we are subsidizing them per capita to a greater extent than we would be a community of 100,000 in my congressional district or Mrs. Hansen's congressional district.

Mr. CARPENTER. On the categoric grant programs we have a fiscal year 1973 estimate, $11,598,000. These are other Federal grant programs. Now, in addition, of course, there is the matching fund which is return of their customs duty and which runs about $18 million.

Mr. LONG. I get the impression because I once looked into the Puerto Rican situation, and I gather this is somewhat similar, that they have just about all the advantages of the U.S. citizens but none of the disadvantages, and we are giving them every conceivable kind of access to all sorts of Federal largess, but we are letting them keep their own money, whereas I would just love it if the State of Maryland, for example, could keep not only its State income tax but also keep all the Federal income tax collected in Maryland as part of the treasury. That would be a wonderful deal and I am sure Mrs. Hansen would like that for her district in Washington.

To what extent are we giving them a privilege that isn't available to people in the United States? It makes you wonder why the standard of living is so low if they are getting so much in the way of all these privileges from the United States.

Mr. MOYSEY. To begin, the only way I can answer is by saying that they received $135 million in 1972 which was intended by Congress, as I understand the law, to provide financial assistance.

This includes $12,639,000 categoric grants. Congress has seen fit to do it this way, by allowing them to keep the Federal income tax and the customs collections and to get back the matching funds.

The only grants they get are the categoric grants which are relatively small compared to their total budget.

Mr. LONG. Could we get an analysis to see to what extent this makes them better off than a comparable community in the United States?

VIRGIN ISLANDS INCOME SOURCES

Mr. DUNN. We could supply the income sources for the record.

[The information follows:]

Table VII

Government of the Virgin Islands
All Funds (Note 1)
COMPARATIVE STATEMENT OF STANDARD GOVERNMENT OPERATING REVENUES AND LOANS
Fiscal Years 1965 to 1972

Description	FISCAL YEARS 1972	1971	1970	1969	1968	1967	1966	1965
Revenues:								
Real Property Taxes	$ 4,335,109	$ 3,324,747	$ 2,602,706	$ 2,140,636	$ 2,285,928	$ 1,078,052	$ 955,676	$ 835,759
Income Taxes	56,629,102	47,671,242	43,461,668	36,270,997	24,759,409	21,935,030	16,722,669	13,233,677
Inheritance Taxes	291,709	203,665	85,650	114,296	77,385	820,963	89,870	24,786
Revenue Stamp Taxes	427,613	481,286	853,989	615,794	464,558	337,885	323,020	307,946
Trade, Excise, Corporation Franchise and Gross Receipts Taxes	12,757,686	11,485,250	11,208,859	9,794,853	7,994,996	6,375,572	5,317,683	4,252,254
Taxes Held in Escrow	19,811,966	28,143,308	14,199,469	8,789,385	4,096,904	5,100,217	1,899,959	720,703
Gasoline Taxes	1,129,879	986,976	828,896	742,587	626,920	532,257	582,387	342,442
Highway Users Tax	872,480	-	-	-	-	-	-	-
Prohibition Tax	60,600	31,937	51,321	24,556	388,984	-	135,300	10,228
U.S. Customs Dues	26,461,896	13,381,264	10,438,527	6,762,343	4,804,000	3,600,000	2,100,000	1,475,000
Licences, Fees and Permits	1,588,180	1,366,021	1,452,787	1,815,122	1,304,094	1,103,772	833,472	752,326
Fines, Forfeits and Penalties	148,058	153,704	171,962	154,750	118,180	86,134	77,603	71,073
Court Costs, Fees and Charges	24,500	26,134	23,418	17,186	15,289	17,585	15,504	14,743
Hospital Service Charges	1,446,881	2,015,729	1,355,407	775,661	870,613	498,812	315,622	264,129
Sewage Service Charges	29,095	21,882	27,008	35,814	40,674	32,531	32,708	36,493
Water Supply Service Charges	1,008,483	985,624	806,525	802,411	665,435	429,129	239,611	211,890
Harbor Service Charges	-	-	-	165,492	138,242	121,471	86,525	82,489
Revenue from use of Money and Property	3,371,474	3,703,696	2,069,303	2,349,085	1,699,248	1,198,503	392,445	312,150
Sale of Government Property	397,493	20,857	136,309	13,920	71,007	33,131	15,210	28,126
Internal Revenue Returns	19,415,523	13,208,853	14,111,028	12,627,871	12,367,772	11,073,732	10,405,984	8,313,413
Federal Grants-in-Aid	12,638,584	7,930,266	4,964,013	6,107,086	4,903,532	5,737,652	3,064,894	2,193,395
Proceeds from Royalties	2,737,500	2,737,500	2,737,500	1,380,000	-	-	-	-
Other Revenues	1,413,208	970,577	1,922,421	1,926,189	1,155,319	381,640	238,867	233,920
Total Operating Revenues	$166,997,021	$138,850,518	$113,508,766	$93,426,034	$68,848,489	$60,494,068	$43,845,009	$33,716,942

PER CAPITA INCOME

Mrs. HANSEN. What is your average per capita income in the Virgin Islands?

Mr. DUNN. I don't think I have it with me. I think it is $5,600 roughly but we can supply that for the record.

[The information follows:]

The latest per capita income figure available was taken from the 1970 census report, and is as follows: In 1970 the average per capita income in the Virgin Islands was $2,377 compared with $1,714 in 1960.

Mr. LONG. What percentage are on welfare?

Mr. DUNN. Fairly small.

Mr. LONG. Well, people down there tell me you can't get anybody to do any work. I talked to one fellow who built a house and he had to fly all the materials and all the workers down from the United States to get the house built and it cost him three times what the same house would cost in the United States in spite of the fact this is supposed to be a counrty of low wage rates and all that.

Mr. MOYSEY. This is a publication put out by one of the candidates for an office and it says that the Virgin Islands receives $964 per person compared with, for example, Puerto Rico, $285; Guam, $335; Panama Canal, $256. I cannot vouch for the accuracy of the figures.

Mr. LONG. I would like to see you put that in the record and also then I would like to see if you could get a comparison for a community in the United States.

If these are not solid figures, then let us see if we can get figures.

Mr. CARPENTER. We will supply for the record what you want.

[The information follows:]

The Virgin Islands received a total of $12,638,589 in direct Federal grants last year. We roughly estimate the population of the Virgin Islands to be about 75,000 people; therefore, the Virgin Islands Government receives an estimated $168.50 per person in direct Federal grants. We were unable to locate any recent figures for communities of like size; however, we did locate a breakdown by States. Some examples are as follows: Maryland, $139.37; Massachusetts, $193.54; Washington, D.C., $745.13, and New York, $242.04. The above estimate for the Virgin Islands does not include the Virgin Islands income tax, which is paid by residents in lieu of Federal income tax, nor does it include the rebate of the matching fund (taxes paid on articles imported from the Virgin Islands to the U.S. mainland). The income tax for fiscal year 1972 was $56,629,102 and the matching fund last year amounted to $19,415,523. These two amounts total $76,094,625. If you consider these Federal subsidies, then the Virgin Islands received approximately $1,217 per person during fiscal year 1972.

Mr. LONG. I would be very much interested because I have a feeling, because we are so concerned here in the United States and we are rather good natured in the country and somebody gets up on the floor and talks about the suffering masses down there, that we let them get away with murder compared with the treatment that we give to our own people, and of course we get no gratitude.

I understand down there a lot of people are leaving because of the crime I believe there is a tremendous resentment against American continentals visiting down there, and in many cases they feel somewhat menaced. It may be that the top people are stealing all the money. I am beginning to think so from this audit or failure to get an audit.

If that is so, I think we ought to look into that.

Mr. MOYSEY. Please don't let the record show that I said that anybody is stealing any money down there. I don't know.

ACCESS TO AUDIT REPORTS

Mr. LONG. You don't have to suggest it. I am just saying, and want it on the record, that there are plenty of communities in the United States where the officials steal the community blind even with an audit and I can't imagine what it would be like to run an American city or town without an audit, or a State either for that matter.

Mr. DUNN. I would like to clear one thing.

Our problem is getting audit reports. I think—Mr. Moysey, correct me if I am wrong—we have not had a problem getting into records. It is receiving the audits so that we won't have to duplicate their efforts.

Is that correct?

Mr. MOYSEY. Yes; I think we should utilize the work of the Virgin Islands Department of Finance auditors to the extent we can. We cannot do it because we cannot get their reports.

Mr. LONG. There must be a darned good reason for it. You know, any time you can't get any information out of the White House you assume they have something to hide. Any time that a newspaper reporter calls me up and I am unwilling, which has never happened, of course, but if I were, to be less than completely candid they would immediately assume the worst. That is all I have, thank you for your indulgency.

UNOBLIGATED CARRYOVER TO 1974

Mrs. HANSEN. Please explain the $101,000 unobligated carryover from 1973 to 1974.

Mr. CARPENTER. On page 8, as you note, we are asking for an additional eight positions for the Comptroller's operation.

Mrs. HANSEN. Yes; but you indicate an $101,000 carryover balance.

Mr. DUNN. I think that is basically positions we had allotted but haven't been able to fill.

Mrs. HANSEN. Do you expect a similar carryover from 1974 to 1975?

Mr. DUNN. We are hopeful to be able to fill the positions.

Mr. MOYSEY. I would say our recruiting is showing a good deal of promise right now.

INCREASE IN COMPTROLLER'S STAFF

Mrs. HANSEN. In light of the general appearance of lack of cooperation between the Commissioner of Finance and the Comptroller's Office, what benefit is derived from adding more people to the Comptroller's staff?

Mr. MOYSEY. We can make some of these audits to which you refer that have not been made and I still feel that there are a number of executives in the Virgin Islands government that do want to do something about conditions.

These audit reports would be very helpful to them in knowing what to do and what is wrong.

Mrs. HANSEN. Thank you very much for a very frank discussion.

Mr. EVANS. I just have one question, Madam Chairman.

Mrs. HANSEN. Yes.

Mr. EVANS. Are you authorized for fiscal 1974 all those positions you are asking for that you want to fill? Are they within the ceilings that have been established for you?

Mr. CARPENTER. Yes, they are.

Mr. EVANS. You have every indication that if you can find the qualified people for these positions they will be allowed to come on board and go to work?

Mr. CARPENTER. Yes, sir.

Mr. EVANS. Thank you, Madam Chairman.

Mrs. HANSEN. Thank you very much, Mr. Moysey and Mr. Dunn. We appreciate your testimony.

Mr. LONG. I want to say I appreciate the quality of the witnesses here. I think they have been very forthright.

THURSDAY, APRIL 12, 1973.

GUAM

WITNESS

STANLEY S. CARPENTER, DEPUTY ASSISTANT SECRETARY FOR TERRITORIAL AFFAIRS

Mrs. HANSEN. We will now consider the budget request of Guam.

Mr. CARPENTER. As you know, the Governor of Guam decided not to send anybody from his government since they are only down for the $1 million Guam economic development fund request.

Mrs. HANSEN. We will insert justification pages 11 through 13 at this point in the record.

[The pages follow:]

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2. GUAM

(a & b) Guam Rehabilitation Projects - Loans/Grants: Fiscal year 1973, $6,345,000; fiscal year 1974, -0-; decrease, $6,345,000. The decrease consists of:

	Increase (+) or Decrease (-) Amount	Positions	Total Program	Total Positions	Explanation
(a)	$-3,937,260	-0-	-0-	-0-	Reduction for rehabilitation projects (loans).
(b)	-2,407,740	-0-	-0-	-0-	Reduction for rehabilitation projects (grants).

Reason for Decrease

Appropriations for the full authorization of the Guam Rehabilitation Act ($75 million) were completed in fiscal year 1973.

(c) Guam Economic Development Fund: Fiscal year 1973, $1,000,000; fiscal year 1974, $1,000,000; no increase.

Increase (+) or Decrease (-) Amount	Positions	Total Program	Total Positions	Explanation
-0-	-0-	$1,000,000	-0-	Second grant request for Guam Economic Development Fund.

Need for Request:

Public Law 90-601, "Guam Development Fund Act of 1968" was passed for the purpose of promoting economic development within the Terr tory of Guam. This request of $1,000,000 is the second increment of the $5,000,000 which was authorized by the Act. Each $1,000,000 to be appropriated under the terms of this Act will be utilized according to the same formula: 15% for agricultural loans; 15% for fishery loans; 10% for tourist development, 40% for back-up facilities, and 20% for Industrial/ Commercial facilities. There is a great shortage of local capital available for investment on Guam. At the present time outside investors are dominating the market. The Guam Development Fund Act was enacted specifically to enable local residents to launch into competitive business enterprises, and to develop aspects of the economy at present neglected.

It is planned that the $1,000,000 will be loaned as follows:

Agriculture

Direct loans	$150,000
Back-up facilities	200,000

Fishing

Direct loans	150,000
Back-up facilities	200,000

Tourism

Direct loans	100,000
Industrial/Commercial facilities	200,000
Total	1,000,000

Government Comptroller Guam: Fiscal year 1973, $469,000; fiscal year 1974, $420,000; decrease, $49,000. The decrease consists of:

Increase (+) or Decrease (-) Amount	Positions	Total Program	Total Positions	Explanation
$-49,000	+1	$540,000	19	New funds requested are $420,000, a decrease of $49,000. The balance of the program is to be funded by $120,000 of unobligated carryover balance.

(in thousands of dollars)

	1972	1973	1974	Increase/Decrease
Funded by transfer.....	367	469	420	-49
Unobligated balance applied to budget program.....	96	26	120	+94
Total program requirement...	463	495	540	+45
Full-time permanent positions.	16	18	19	+1

Cost Factors Involved in Increase

An increase of $45,000 in total program and one additional position (1 Auditor, GS-11) consists of $20,000 for personnel compensation, benefits, moving and travel expenses. The remaining increase of $25,000 provides increases in current staff support, and for travel expenses for new and returning employees.

Need for Increase

Public Law 90-497 provided that the salaries and expenses of the Government Comptroller for Guam shall be paid from funds otherwise covered into the Treasury of Guam, pursuant to Section 30 of the Organic Act of Guam (64 Stat. 384, 48 U.S.C. 1422).

The program requested for fiscal year 1974 is $540,000 an increase of $45,000 over the estimated total program of $495,000 available for fiscal year 1973. The increase in new transfer funding for 1974 is a decrease from 1973 resulting from savings of $120,000 in the unobligated carryover.

During the 3 years operation of the Comptroller's office, limited audit coverage has been given to some 60 fiscal and accounting entities each year

in the preparation of the Annual Report which included a review of the contract public accounting firm's audit work. In addition, some 50 functional or management type audits have been completed or are in process on organizational entities, elements of entities or special requests or projects. Nevertheless, there are still about 25 audit organizational entities, and a substantial number of auditable functions and projects on which the management type audit has not been accomplished. The fiscal year 1974 request will enhance this office's plan to eliminate the audit backlog and give audit coverage to all Government of Guam audit entities on a realistic cycle.

Audits to date have identified possible savings amounting to millions of dollars. Unused assets in very substantial amounts have been disclosed by these audits. Improved management and accounting controls have been recommended and adopted. As a result of audit efforts, personnel and equipment have been transferred to more effective locations; work gangs have been reduced; standards of performance have been prepared; improved purchasing and bidding procedures have been effected; additional training and supervision have been provided; archaic methods of billing and collections have been discarded for more modern methods; wage scales have been reviewed; liquidated damages in contracts have been pursued; investigations have been conducted to use bulk purchases; brand names in contracts have been reduced to a minimum, and the accrual method of accounting has been adopted.

The increase of one additional audit position will enhance the office's efforts to provide audit coverages for the entire Government of Guam that benefits such as those mentioned above, resulting from audit, can be extended throughout the Government of Guam.

Mrs. HANSEN. Please briefly summarize for the committee the responsibilities of the Department of the Interior as they relate to the government of Guam.

Mr. CARPENTER. The only direct responsibility we now have is the Federal comptroller operation and the administration of submerged lands, those two responsibilities.

Mrs. HANSEN. Any other responsibilities?

Mr. CARPENTER. Not in Guam.

SOURCES OF REVENUES TO GUAM

Mrs. HANSEN. This committee provides direct appropriations for Guam and also transfer authority for funding of the comptroller's office. Please explain the other sources of income to the government of Guam.

Mr. CARPENTER. The major source of income is the income tax that they also receive. They don't pay Federal income tax but have their own treasury, and of course in addition to that they have other taxes of various kinds.

Mrs. HANSEN. Such as?

Mr. CARPENTER. They have such things as port taxes, land taxes, corporate taxes. It pretty much follows the general run of taxes——

Mrs. HANSEN. Of American taxes?

Mr. CARPENTER. American taxes, yes.

Mrs. HANSEN. What is the population of Guam?

Mr. CARPENTER. The population is 65,000, not including about 20,000 U.S. military on the island.

Mr. MCKAY. 65,000, plus about 20,000 U.S. military roughly, so a total population of about 85,000, including military and dependents.

GUAM REHABILITATION ACT

Mrs. HANSEN. You are requesting no new funds for the rehabilitation loan and rehabilitation grant programs since the full authorization has been appropriated. What is the status of these programs and what is the current situation with respect to repayment of the loans?

Mr. CARPENTER. We are not requesting additional funds, as you know, because they are using the last increment of the $75 million Rehabilitation Act that was passed by Congress some time ago. This was rehabilitation in the wake of one of their very bad typhoons, I believe in 1962.

As you know, Madam Chairman, last year there was some preliminary discussion with Guam about applying for a further extension of the basic Rehabilitation Act since they still had additional projects to complete.

It turned out that so much time has elapsed since the typhoon that almost all the additional money they might want would be for basic capital improvement type projects and the administration did not feel that we could endorse further extension of a rehabilitation program. There is no money included in the present budget for fiscal year 1974.

Mrs. HANSEN. I presume their legislature is going ahead with these programs?

Mr. CARPENTER. Yes; but it is our understanding that the Government of Guam is now considering submitting a request for an authorization for additional funds for capital improvement, calling it capital improvement rather than rehabilitation.

Mrs. HANSEN. What is the status with respect to the repayment of the loans?

Mr. CARPENTER. The basic fund was more or less on a 60-percent loan—40-percent grant program. They are repaying steadily on the loan side. I don't have the exact repayment schedule. I can submit that.

Mrs. HANSEN. Insert the information in the record.

Mr. CARPENTER. I will put that in the record.

[The information follows:]

REPAYMENT SCHEDULE FOR LOANS TO THE GOVERNMENT OF GUAM UNDER THE GUAM REHABILITATION ACT

Under Public Law 88-170 (90-511), the semiannual repayment is automatically deducted from the income taxes which are refunded to Guam. Thus, there is no way of defaulting on the rehabilitation loans.

As of December 31, 1972, the government of Guam had paid back $6,952,000. Of this amount, $5,344,000 was for interest and $1,607,000 for principal. Repayment and interest schedules run for 30 years.

STATUS OF DEVELOPMENT FUND

Mrs. HANSEN. Please review the current status of the Guam economic development fund. What impact has the program had on enabling local residents to enter business enterprises and how many loans have been made thus far?

Mr. CARPENTER. The basic Guam development fund was set up by the government of Guam sometime ago. They started it themselves with their own money. Then the U.S. Congress did pass the Guam Development Fund Act of 1968 to promote further economic development within the Territory of Guam.

We are now requesting an additional $1 million of the total $5 million which was authorized. This is the second million dollar increment from that fund. A plan has been submitted in accordance with the provisions of the legislation for the utilization of the money. They have developed a formula, which has been approved, of 15 percent for agricultural loans, 15 percent for fishery loans, 10 percent for tourist development, 40 percent for so-called backup or supportive facilities, and 20 percent for industrial-commercial facilities.

Mrs. HANSEN. Hasn't Guam had quite a growth in tourism?

Mr. CARPENTER. Tremendous in fact a tremendous economic growth. I think in the last 4 or 5 years it has been running close to 25 percent annually. The number of tourists has greatly increased, mainly from Japan.

Mrs. HANSEN. That is what I understand.

Mr. CARPENTER. And very large amounts of Japanese investment, Japanese capital, have come into Guam, with the encouragement of the local government.

There are something like six or seven large luxury hotels already operating, all built with Japanese capital, and there are additional plans for more such hotels.

Mrs. HANSEN. How many loans have been made?

Mr. CARPENTER. I will have to supply that for the record, Madam Chairman.

[The information follows:]

LOANS MADE PURSUANT TO THE GUAM ECONOMIC DEVELOPMENT FUND

On April 12, 1973, the first two loans were approved pursuant to the Guam economic development fund. One loan of $142,696 was for a poultry processing plant, the other of $120,000 for expansion and automation of an existing poultry facility.

RECRUITING PROBLEM OF COMPTROLLER

Mrs. HANSEN. Please explain the large unobligated balance of $120,000 from 1973 to 1974.

Mr. CARPENTER. This again has been largely due to the vacancy rate in the comptroller operation. We have, of course, some of the same problem in recruiting auditors for Guam as we have for the Virgin Islands.

Mrs. HANSEN. Don't people want to work in Guam?

Mr. CARPENTER. Well, it is rather far from home. Island living is not all that attractive to some people. The cost of living is relatively high. There is a certain amount of isolation involved and it is difficult to attract people to leave good jobs here to go out to Guam.

Mrs. HANSEN. How do we know that there will not be a similar carryover into 1975?

Mr. CARPENTER. We have a very energetic comptroller, as we do in the Virgin Islands, Mr. Floyd Fagg, who has been making greatly increased efforts in this field of recruiting and we have certainly every hope that we won't have that large carryover for the next year.

As you note, we are only asking for one additional position for the comptroller operation to give a total of 19.

SAVINGS IDENTIFIED BY COMPTROLLER

Mrs. HANSEN. You say in your justifications: "Audits to date have identified possible savings amounting to millions of dollars."

Do you have any kind of a list indicating what these amounted to?

Mr. CARPENTER. I can supply that for the record.

Mrs. HANSEN. Please do.

[The information follows:]

ESTIMATED ANNUAL SAVINGS REALIZED AS A RESULT OF EFFORTS OF FEDERAL COMPTROLLER OF GUAM

1. Commercial port operations	$1,393,450
2. Compensatory time regulations	34,500
3. Economy travel for government of Guam employees	510,000
4. Supply and procurement savings in education department	141,800
5. Land management department savings	261,000
6. Contract and consultant services, savings due to better controls	161,000
7. Use criteria of 64 lunch participants per employee	400,000
8. Enforcement of tax deeding to government	60,000
Total estimated annual savings	2,961,750

Mrs. HANSEN. You also say that improved purchasing and bidding procedures have been effective and additional training and supervision have been provided. Your wage scales have been reviewed.

Mr. CARPENTER. I think we have made very good progress there. Some of the problems we now have in the Virgin Islands I don't think we have in Guam, certainly to the same extent.

Mrs. HANSEN. Guam, at least from the people who appeared before the committee through the years, has been a very responsible government.

Mr. CARPENTER. They have some very impressive people in their government, the directors of the various departments and on down, very capable, energetic types.

Mrs. HANSEN. They were excellent witnesses. They understood their school system. They understood their planning programs and what the needs were.

Mr. CARPENTER. Yes.

Mrs. HANSEN. Please give the Governor our best wishes.

Mr. CARPENTER. I will.

Mrs. HANSEN. Thank you very much, Mr. Carpenter.

Mr. CARPENTER. Thank you.

MONDAY, APRIL 16, 1973.

AMERICAN SAMOA

GOVERNMENT STAFF

JOHN M. HAYDON, GOVERNOR
CARL MEEUWSEN, DIRECTOR OF ADMINISTRATIVE SERVICES
THOMAS A. MAHAR, PLANNING AND BUDGET OFFICER

SAMOAN LEGISLATURE

SALANOA AUMOEUALOGO, PRESIDENT OF THE SENATE
TUPUA LEIATO, SPEAKER OF THE HOUSE OF REPRESENTATIVES

DEPARTMENT OF THE INTERIOR

STANLEY S. CARPENTER, DEPUTY ASSISTANT SECRETARY FOR TERRITORIAL AFFAIRS

INTRODUCTION OF WITNESSES

Mrs. HANSEN. The committee will come to order.

This afternoon we have American Samoa. We have as our principal witnesses Governor Haydon, and the Deputy Assistant Secretary for Territorial Affairs, Mr. Carpenter.

Governor Haydon, will you introduce the members of the Samoan Legislature at this time.

Governor HAYDON. Yes.

Salanoa Aumoeualogo, president of the senate; speaker of the house, Tupua Leiato; Senator Fofo Sunia, chairman of the house budget and planning committee, and Representative Nofoa Steffany, chairman of the same committee in the house.

High Chief Fuimaono, delegate at large.

We have brought back a couple of young men this time, part of the training process: Mr. Ace Tago, our comptroller; Mr. Palauni Tuiasasopa, my administrative assistant.

We also have, of course, Carl Meeuwsen, director of administrative services, Tom Mahar, our budget and planning officer. We also have Mr. Misi Maga.

Mrs. HANSEN. The committee is very happy to welcome you back, Governor Haydon. I am particularly happy to greet the members of the Samoan Legislature. As a legislator myself, we are always particularly pleased to have the Samoan Legislature sit with us at our budget hearings because you can better understand the problems.

As a former State legislator, in my own State, I am also happy to greet you because the State problems that we had are rather similar to those that you have in Samoa. You are almost in the same category as one of our American States.

We welcome you all.

GENERAL STATEMENT

Mr. Carpenter, do you want to make a statement?

Mr. CARPENTER. Yes.

Mrs. HANSEN. You can place your general statement in the record and summarize it for us.

Mr. CARPENTER. I would like to highlight it briefly.

Mrs. HANSEN. Fine.

[The statement follows:]

Madam Chairman, it is a pleasure for me to appear before you once again to testify on behalf of the appropriations requests of the territorial areas. I would like to use this opportunity to bring you up to date on developments in the administration of these territorial areas, more specifically Guam, the Virgin Islands, American Samoa, and the Trust Territory of the Pacific Islands. The past year has been an active one. I will try to cover the highlights in this statement, and will be pleased to attempt to answer any questions you may have.

First, with respect to the unincorporated territories of Guam and the Virgin Islands, the Department has extremely limited duties. These two areas are essentially self-governing as a result of legislation passed in the last 5 years. Each area elected its first Governor in 1970 as a result of a 1968 amendment to the Organic Act of each. This year each is represented in Congress for the first time by a nonvoting delegate to the House of Representatives.

As a result of these changes, the respective Governors of the Virgin Islands and Guam are no longer responsible to the Secretary of the Interior, and the Department plays an extremely limited role in representing these two territories before the U.S. Congress and other Federal agencies in the executive branch. Indeed, the involvement of the Department in the internal affairs of these territories is basically limited to five statutory areas: the audit function of the Federal comptroller of each territory; responsibility for submerged lands; the Virgin Islands conservation fund; the Virgin Islands matching fund, and the Guam Rehabilitation Act.

As a result of this new relationship with Guam and the Virgin Islands, most of our assistance is in the nature of liaison with other Federal agencies and also serving as a contact point in Washington, for the respective Governors and their staffs. And we provide such support assistance, almost without exception, only when requested to do so by the territorial government.

The Department's responsibilities with respect to American Samoa have not greatly changed in the past year, but we are moving toward a period in which political development may be rapid. American Samoa is an unorganized and unincorporated territory of the United States which is administered by a Governor appointed by the Secretary of the Interior. There is a local legislature and a high court whose judges are also appointed by the Secretary. The territory is governed by Interior pursuant to an Executive order of 1951, and has a locally adopted constitution which took effect in 1967. In the past several years, thanks to the support of this committee, substantial progress has been made in the educational, social, and economic development of the territory, as Governor Haydon will discuss.

Political development in the territory is also moving along steadily. As I mentioned, the Governor and Lieutenant Governor of American Samoa are presently appointed by the Secretary of the Interior. At the hearing last spring on the bills to make these two positions elective, Interior representatives supported the concept of their local election, and stated that consideration would be given to making the necessary administrative and organizational arrangements to do so. Accordingly, a gubernatorial study commission was set up last August, made up of Department officials; executive and legislative officials from the Government of American Samoa, and representatives of the American Samoa public. Two sets of meetings have been held and another is scheduled for June, and progress is being made in identifying areas in which changes must be made. These areas include personnel matters, budget and fiscal affairs, and policy areas. In this effort, we are working with the elected and traditional Samoan leadership to achieve a workable and meaningful increase in self-government for American Samoa.

At the same time, I would note that the Constitutional Revision Committee of the territory has been actively considering possible revisions to the Constitution of American Samoa, a process which by law takes place every 5 years. A final report of this body is expected shortly. I also wish to mention the steps taken by the Legislature of American Samoa (Fono) to move toward increased self-government. First, the legislature has become full time, thus precluding members from also holding positions in the executive branch of the territorial government. Also important, the Fono established the position of American Samoan delegate at large to reside in Washington and represent the people of American Samoa in much the same way as Messrs. De Lugo and Won Pat represented the Virgin Islands and Guam in previous years. High Chief Fuimaono is the incumbent Samoan delegate, as you are aware, and he is elected by the American Samoan public and supported by local revenues.

Developments in all aspects of our administration of the Trust Territory of the Pacific Islands have proceeded extremely rapidly in the past year. As you know, the trust territory is administered by a high commissioner appointed by the President with the advice and consent of the Senate. There is a popularly elected territorywide legislature, the Congress of Micronesia, and a high court with judges appointed by the Secretary of the Interior. Federal grant funds for the territory amount to $60 million for fiscal year 1973. High Commissioner Johnston will be testifying shortly on the fiscal year 1974 program. I would like to take this opportunity, however, to summarize the events of the past year relating to the Micronesian political status negotiations.

At about this time last year, talks were taking place in Koror, Palau, between the U.S. delegation and the Joint Committee on Future Status of the Congress of Micronesia. At that session, agreement was reached in principle on the nature of a free association relationship, under which Micronesia would be internally self-governing under its own constitution, and the United States would be responsible for defense and foreign affairs. It was also agreed, in response to Micronesian desires, that the relationship, based on a compact of association, would be terminable unilaterally at the option of either party after an unspecified period of years.

These understandings were transmitted in part into draft compact language in a subsequent round of talks held here in Washington in July–August 1972. At that time, agreement was reached on the titles of the proposed compact dealing with foreign affairs, defense, and Micronesian internal self-government; work has yet to be completed on portions of the compact relating to financial assistance; trade, and commerce; citizenship transition and termination procedures. The most recent meetings held in Hawaii last October did not result in further progress on the compact. This was primarily due to procedural questions relating to the interpretation of a Congress of Micronesia resolution directing the Joint Committee on Future Status to negotiate an independence alternative for Micronesia, as well as free association. It is expected that talks will resume in the near future although no date has been set.

During this same period, talks have been started with a delegation of the Marianas Islands District, and at the request of the people of the Marianas, looking toward a close association of that district with the United States separate from the rest of Micronesia. The first round of talks with the Marianas Status Commission was held last December in Saipan, and another meeting is tentatively scheduled for next month.

This concludes my prepared statement, and I will be pleased to answer any questions which you or members of the committee may have. Thank you.

SUMMARY OF OPENING STATEMENT

Mr. CARPENTER. I want to point out again that the relationship of the Department of the Interior with Guam and the Virgin Islands, of course, has become quite limited in recent years. Our responsibilities are fairly minimal, dwelling around the Comptroller Office in both Guam and the Virgin Islands, and administration of Federal submerged lands.

In addition, in the Virgin Islands we do of course have responsibility for the review of the matching fund and the conservation fund. But in general, our relationship with both Guam and the Virgin Islands is more in the nature of liaison these days since both governments are almost entirely self-operating and self-governing territories.

With regard to American Samoa, during the past year we have experienced a period of interesting potential political development, centering around the desire of the American Samoan people for public election of both the Governor and the Lieutenant Governor.

As you know, Madam Chairman, there were bills submitted to Congress last year calling for public election of both Governor and Lieutenant Governor.

As a result of these bills, we established last summer a gubernatorial study committee composed of members of my office and Governor Haydon's office, the Samoan Legislature and representatives from the Samoan public. We have had two sets of meetings since that time, to review and discuss those areas in which changes should be made or considered prior to the election of Governor and Lieutenant Governor.

We have another meeting scheduled in June. In addition, the constitutional revision committee of the territory has been actively at work considering possible revisions to the constitution of American Samoa, which is a process which takes place every 5 years. We expect to have the report of that body very shortly now and this group also will presumably make recommendations as regards the election of Governor, Lieutenant Governor, and other matters affecting the Samoan government.

POLITICAL DEVELOPMENTS IN THE TRUST TERRITORY

In the trust territories, may I just briefly say we have had also interesting political developments centering around the negotiations on future political status for the area.

The most recent development last summer was the desire of the Mariana District, one of the six districts, to have separate negotiations leading toward a closer association with the United States than the other five districts seem to have in mind at the present time.

That is just a general statement on the administration of the territories, Madam Chairman.

Mrs. HANSEN. Thank you very much, Mr. Carpenter.

Governor Haydon, it is always a particular pleasure to welcome you to the committee because you are from my own State of Washington.

Governor HAYDON. Thank you, Mrs. Hansen.

STATEMENT OF THE GOVERNOR

Mrs. HANSEN. I am sure you have a general statement which you may insert in the record and summarize for us.

Governor HAYDON. Fine.

[The statement follows:]

Madam Chairman: For fiscal year 1974, the government of American Samoa continues to place major emphasis on development of the infrastructure of the territory, to encourage economic growth and to sustain the momentum toward self-sufficiency and self-determination.

SUMMARY

The total budget of the government of American Samoa totals $31.4 million for fiscal year 1974. Of this amount, $14 million is requested as Department of the Interior budget authority. These figures compare with a total budget of $30.1 million for fiscal year 1973 of which $15,030,000 was Department of the Interior budget authority.

In our determined effort to get the most from our tight budget for fiscal year 1974, we have held the growth of operating costs to 13 percent above fiscal year 1973. This compares with a 17-percent growth in operating costs for fiscal year 1973 over fiscal year 1972 and belt tightening throughout the Government. Capital improvements for fiscal year 1974 will total $9 million as compared to $10.1 million in fiscal year 1973. Here again, we have pulled in our belt and have been forced to put attention only upon our most pressing needs. The largest single capital improvement project planned for fiscal year 1974 is $1.2 million for water projects, still our highest priority both to preclude health hazards and to encourage economic growth.

CHANGE IN BUDGET FORMAT

Before going further into the details of our specific funding requests let me first bring to your attention the fact that we have changed our presentation format in the budget justifications we have presented to you this year when compared with the presentation made in prior years. You will note, for example, that we have limited our detail justifications to only those for which we seek full or partial Department of the Interior grant-in-aid. In prior years, we presented the entire detail justifications for all government of American Samoa activity regardless of source of funds. In some cases, you were burdened with detail on items which were totally funded by local government appropriations or grant activities. You might also note we have eliminated from our detail presentations estimations of our participation in other Federal grant programs as directed to specific departments of Government. I think it is indeed fortunate that we did that this year as there are so many changes in the categorical grant programs, including both deletion of programs and actions to fold existing programs into new revenue-sharing bills, that trying to keep track of these changes as they affect each individual department of Government would have been very nearly impossible.

We have provided you with several tables and charts which indicate our total funding for the territory. This will give you an understanding of all of our various sources of revenue and how they are used. We had originally included, for example, tables showing the appropriations of the local legislature under Public Law 12-68 to be applied to fiscal year 1974 basic budget. In addition, we have recently had another local appropriation of excess revenues under Public Law 13-18 which applies both to fiscal year 1973 and 1974. We would now like to submit this information for the record to bring you up to date on our total fiscal year 1974 funding picture.

CHANGES IN CATEGORICAL FEDERAL GRANTS

Our most troublesome area in attempting to predict total revenues for the coming period is, without question, that which relates to estimating our participation in categorical Federal grants. When the original budget justification document was prepared in September 1973, we estimated that our participation

in Federal grant programs, other than Department of the Interior grant-in-aid, would provide to the government of American Samoa $6,767,000 in other Federal funds. These would, for the most part, be continuations of the 54 currently active programs in which we are participating this year, with some new programs added to bring our total to the $6.7 million participation level which I mentioned. As you no doubt are more aware than even ourselves, there are very significant changes occurring in the whole concept of Federal grant assistance to States and local governments. We have done our best to keep up with the various changes that have so far been announced or are being proposed.

As you undoubtedly know, as a territory, American Samoa is ineligible to participate in the general revenue-sharing program. The elimination of several grant programs in which we previously participated will not be made up in total funding as it will in the States by a participation in the general revenue-sharing program. We thus see no continuation of programs which have previously been funded by such authorizations as the National Defense Education Act, Library Services and Construction Act, Educational Professional Development Act, and portions of the Elementary and Secondary Education Act. Other impacts on our programs occur in the loss of the Higher Education Act and the teacher training portion of the Education of the Handicapped Act. Still others are the elimination of the OEO programs, the EDA programs, EEA program, PSC program, Higher Education Facility Act, and the Hill-Burton program. The total reduction from our anticipated participation in fiscal year 1974 amounts to slightly over $2 million in other Federal grant funding.

In order that you understand the impact of these changes upon our total program, we have revised several of the summary tables that appear in the budget justifications. For example, if we consider page 18 which shows our total Government budget by source of funds you will note that our proposed total for fiscal year 1974 was $32,144,000, as seen in September of 1973. We should now revise that by our change in anticipated participations in other Federal grants downward to a total of $30,140,000. We should also add in the effect of the total appropriation of $2,145,000 of excess revenues which was signed into law on March 28, 1973, and applied to both fiscal year 1973 and fiscal year 1974 needs. Thus, our total funding for fiscal year 1974 will amount to $31,390,000.

SOURCES OF FUNDS

Sources which make up the fiscal year 1974 total budget include, of course, the Department of the Interior grant-in-aid and direct appropriations; $14 million is the combined total of these two sources which we are requesting here today. This amount represents a reduction of $1,030,000 below that amount which was granted in fiscal year 1973. We are happy to announce that we have seen and continue to see solid growth in local revenue to help offset the reduction in the Department of the Interior grant-in-aid and other Federal grant program support. For fiscal year 1974, the total appropriations of local revenues will be $12,627,000. This compares with $10,608,000 in 1973, thus, we have seen an increase of 25 percent in local revenues in this 1-year period. This is proof positive of the ability of the local economy to move toward self-sufficiency. This, in turn, will be of tremendous benefit to the local people in insuring a reasonable transition to self-determination. We feel that the two factors must go hand-in-hand and that we are making good progress toward both self-sufficiency and self-determination.

Again, let me remind you that we have revised downward our estimates of participation in other Federal grants by more than $2 million. In order that you understand this impact on our total program, I am submitting for the record with this statement revisions in all the tables and charts of our budget justifications which we have presented to you to support our requests for the is summary information and reflects only in those tables which show our total program. I am happy to say that these changes do not affect any of the detail justifications which we have presented to you to support our requests for the Department of the Interior budget authority. I think we may now proceed to discuss only our specific request for the Interior grant-in-aid and direct congressional appropriations.

REQUIREMENTS

For the $14 million we are requesting as Department of the Interior budget authority, the funds will be applied to only 7 of our 21 operating departments of Government and to 4 capital improvements programs areas. Thus, I think

you will find our presentation this year to be far simpler to follow since we have concentrated the use of the Department of the Interior funds as much as possible in our most primary need areas and have used local funding wherever possible to fully finance several operations of Government which in the past have been jointly funded with Department of the Interior and local revenue contributions. We find these procedures to be far more satisfactory both in presentation of budget information and in accounting for the use of funds by funding source after appropriated.

Our principal operating program request and largest single use of the $14 million total that we are requesting is directed to education. We are requesting $6 million for support of our ever-growing and ever more successful educational system. This year, I am happy to announce that in January, a Samoan, Chief N. Pula, was appointed as our new director of education. Policies and programs for education are now formulated entirely by a Samoan administration, which can be truly sensitive to the needs of the Samoan culture. The second largest request is $3,100,000 for support of the department of medical services. These funds go to our tropical medical center and dispensaries in a number of the villages of the islands as well as to a comprehensive public health program which touches all inhabitants of the territory and has been extremely successful in combating filariasis and tuberculosis.

The remaining portions of our operating fund requests are all lumped into what we would term general and administrative expenses of government. These finance the department of administrative services, legal affairs, manpower resources, judiciary, and, of course, my own office of the Governor. It is within these offices only that we find all of our Federal civil service employees. Thus, all Federal employees will be directly funded by Department of the Interior grant-in-aid. In the past, we sometimes found that we were paying Federal civil service employees with locally appropriated funds. It never really presented any problem, but we thought it would be more appropriate to pay Federal employees with what is clearly a Federal source of funds.

The total amount of Department of the Interior grant-in-aid requested for capital improvements for fiscal year 1974 is $2,571,000. This is a reduction of slightly over $2 million from the level that went into this category of use in fiscal year 1973. The largest single request is $1,200,000 for health related facilities. All of this funding will go into further development of water sources and water distribution systems on the main island of Tutuila. This, as you know, has been one of our paramount needs. Clean water available to everyone within the territory is our goal. We have made good progress on this, but much more needs to be done. This investment should allow us to sink six more wells, to add 1½ million gallons of new storage capacity and to extend our water mains from the Tafuna plains area into the Pago Pago Harbor area, the most highly populated portion of the main island. In addition, we will be providing new treatment facilities to allow for coagulation and sedimentation filtering and chlorination of the majority of our water supplies. Finally, we will be doing some rehabilitation work on older water systems to repair leaks, replace old pipes, and provide for renovation of some small storage tanks. Our work on our water system is undoubtedly our most important effort toward insuring good and continued health within this populus but small territory.

Our second largest investment of capital improvements funds will go to education facilities, $721,000 is requested. Of this amount one-half million dollars is requested to provide four learning resources centers. This will just keep up with our growing elementary school population. Another $220,000 is requested to renovate an existing but poorly space organized high school located at Faga'itua. The remodeling will provide close to 22,000 square feet of additional space converted to a learning resource center. The learning resource centers are as you may remember the direction in which we have committed all new educational facilities in American Samoa. These are far more flexible and efficient space utilizers than the conventional standard classroom school arrangements. The resource centers will allow classroom type teaching, but will also provide for small group projects, seminars, workrooms, and space for storage and display of learning resources and equipment.

We have requested $350,000 to support road building programs both on the main island of Tutuila and on the island of Ta'u. These funds will be used in addition to our participation in the Federal highway programs. This grant is now estimated as $500,000 in Federal funds. In local matching share, $240,000 has also been appropriated in addition to a $150,000 in nongrant program match local

money. Thus, the total highway funds required for fiscal year 1974 are $1,240,000. The $350,000 in Department of the Interior grant-in-aid funding is requested specifically to allow us to improve existing pioneers roads. This will remove ruts and washouts, and do some selective grading and drainage work on approximately 20 miles of existing roads. Most of these roads lead to remote villages which contain approximately 15 percent of the total population in the territory. It is believed that this selective paving of roads can improve the existing pioneer trails to the point that they can be used for light traffic in most weather. This should contribute significantly to a reduction in the cost of maintaining these accesses and give us an extension of time until further funding can be obtained to allow us to bring these roads up to Department of Transportation standards.

The final amount requested for capital improvements is $300,000 which would be split between planning and advanced architectural and engineering design work. These funds will allow us to do a far better job of evaluating future courses of action and aiding decisionmaking on major capital improvement programs for the future. In addition, these funds will allow us to at least get a start on land acquisition and final design of projects in the year preceding the availability of construction funds.

Madam Chairman, this concludes my formal statement. I should now like to invite your questions with regard to our specific budget requests. Let me also, in conclusion, express my appreciation and that of the people of America Samoa for the privilege of appearing here today to present to you our needs and to acknowledge the very real help which your committee has provided to us in the past. We are deeply grateful for your help.

Finally, let me again express my sincere invitation to you and your fellow committee members to visit us soon in American Samoa to witness for yourself the progress your help has provided and the remaining problems we face.

Thank you.

JOHN M. HAYDON.

SELF-DETERMINATION IN SAMOA

Governor HAYDON. We are continuing to lay our emphasis, Mrs. Hansen, in the same places in Samoa as we have in the past: in the building of infrastructure, trying to develop solid economic growth and, as Secretary Carpenter mentioned, work toward self-determination in American Samoa.

Mrs. HANSEN. When do you expect that you will be ready for a vote? It will be necessary to enact new legislation in the Congress.

Governor HAYDON. Yes.

Mrs. HANSEN. Will you then have a referendum in American Samoa?

Governor HAYDON. The constitutional revision committee will come up with suggestions.

Interior has already testified before Representative Burton's committee. I think the most commonly held date, all other things being equal, and with passage in Congress, is a target date for the election in November of 1976, and the assumption of duties by the Samoan Governor and Lieutenant Governor on January 1, of the following year.

The constitutional revision committee has voted for 1976. However, the report of the constitutional revision committee goes before a constitutional convention and it could well be changed. There are some who feel 1974, some who feel later, but I think Secretary Carpenter would agree the most commonly held date that we think we could hit is November of 1976, for the elections.

Mrs. HANSEN. Which gives the Interior and Insular Affairs Committee time to report a bill and have it passed by Congress.

Governor HAYDON. That is right.

Mr. CARPENTER. That is right.

FISCAL YEAR 1974 PROGRAM

Governor HAYDON. Our total budget is $31.4 million for fiscal year 1974, $14 million is requested as Interior budget authority, and this compares with a total of $30.1 million in 1973. Of that, $15.030 million was Department of Interior authority.

In 1974, we have held the growth of operating costs to 13 percent. In 1973 it was 17 percent compared to 1972. Our request for capital improvements for 1974 is $9 million, compared to $10.1 million in 1973.

In the money requested directly from the Congress through Interior, the largest single improvement we have is in the area of water systems and projects, at $1.2 million.

This budget, Mrs. Hansen, is changed in its format to some degree. We have limited the detailed justifications to just those for which we seek grant-in-aid, either fully or partially, from the Department of Interior. There are some 78 pages in this budget and I think they contain a substantial part of the detail you might want but it should be simpler to go through. In a way we feel it was fortunate we did not include too much detail about other Federal programs because there have been so many changes.

CATEGORICAL GRANT PROGRAMS

Mrs. HANSEN. How much revenue-sharing does Samoa receive?

Governor HAYDON. None.

Mrs. HANSEN. None?

Governor HAYDON. None.

Mrs. HANSEN. So that the cuts in categorical grants are going to strongly affect Samoa?

Governor HAYDON. Yes, they are.

Mrs. HANSEN. Which categorical grants will be eliminated?

Governor HAYDON. The National Defense Education Act, Library Services and Construction Act, Education Professional Development Act, Elementary and Secondary Education Act, Higher Education Act, the teacher-training portion of the Education of the Handicapped Act. And, of course OEO, EDA, Emergency Employment Act, public service careers program, Higher Education Facilities Act, Hill-Burton program in health. Those are some.

Mrs. HANSEN. So you will lose about 13 or 14 grants?

Governor HAYDON. Yes. We do not lose entire acts. We get some higher education funds, but the facilities section of the Higher Education Act is eliminated or at least not funded in 1974.

At this point, based on the best information we have been able to get, we are going to lose something over $2 million in Federal grant funding.

Mrs. HANSEN. Who will have to meet these costs?

Governor HAYDON. Samoa is contained in the special revenue sharing acts, but we, of course, recognize that they have to go through the Congress and be passed.

Mrs. HANSEN. I do not know if special revenue sharing will be enacted. The Congress is not completely satisfied with the current revenue-sharing program.

Governor HAYDON. It has made it extremely difficult for us to put together our budget and we are going to——

Mrs. HANSEN. At the time your budget was prepared in October or——

Governor HAYDON. September.

Mrs. HANSEN [continuing]. These programs had not yet been cut?

Governor HAYDEN. No, ma'am.

Mrs. HANSEN. So therefore, your budget probably does not reflect these additional costs.

Governor HAYDON. Right.

Mrs. HANSEN. The committee is going to face the same problem in the Trust Territory of the Pacific Islands, as you are well aware.

Mr. CARPENTER. Yes; we are.

CHANGES IN BUDGET

Governor HAYDEN. Our initial review was completed only last week, but our original proposed total was $32.144 million; and based on what we know, we are going to revise our total downward to $30.140 million. We are taking into account the total appropriation of $2.145 million of local excess revenues which have been applied to both 1973 and 1974, and we are carrying forward more than $1 million of 1973 excess funds into our 1974 budget.

At any rate, our total funding for 1974 will be $31.390 million.

Mrs. HANSEN. Does that include your other Federal grants?

Governor HAYDON. This is our total local revenues.

Mrs. HANSEN. And Interior?

Governor HAYDON. Through Interior and other programs, other Federal programs.

Mrs. HANSEN. You have lost about $2 million from the other Federal grant programs? I that correct?

Governor HAYDON. We are anticipating rather substantial excess local revenues. They will not pick up all of the losses, but at least that source of revenue is going to help us absorb some of the losses we just have to expect.

Mrs. HANSEN. The Samoan Legislature had planned increases in categories that would now show a cut?

Governor HAYDON. We had anticipated some new Federal programs that are out the window. This is done through a joint budget review process with the legislature. So the answer to your question is, "yes." We are fortunate in that regard. We have had a tremendous increase in the fisheries and canneries, a very high source of corporate income tax revenue.

Additionally, we have had a very active program of income tax auditing for the first time in Samoa. This has proved to be quite productive.

Those two, plus increases in personal income tax, excise duties, landing fees and all the other smaller items of revenue, are giving us fairly substantial increased local revenues.

TOURISM

Mr. YATES. What about tourism?

Governor HAYDON. Tourism is up slightly. It seems to increase about the same amount each year, roughly 15 to 18 percent.

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But it is rather hard to tabulate that as a single figure increase in terms of dollars.

Mrs. HANSEN. Because the tourist revenue is distributed among the various businesses in American Samoa?

Governor HAYDON. It goes to businesses, to people who sell handicrafts, it goes into the oil company, it goes into a lot of places. So it is very hard to pick out of the direct source of revenue, but there is no doubt it contributes to our economy.

The $14 million which we are asking as direct grant-in-aid from the Department of Interior, direct appropriations, is $1.030 million below the amount granted in fiscal year 1973.

Mrs. HANSEN. How did it occur that you are requesting a reduction in fiscal year 1974 from funding available in fiscal year 1973?

Governor HAYDON. This was the planning ceiling we were given by OMB.

Mr. CARPENTER. This is part of the general reduction that took place last fall throughout the Federal budget.

[Discussion off the record.]

Mrs. HANSEN. Please proceed with your general statement, Governor Haydon.

LOCAL REVENUES

Governor HAYDON. I mentioned our request for this year is $14 million compared to $15 million last year. With regard to local revenues, in fiscal 1974 we look forward to the appropriation of approximately $12.627 million, that compares with $10.068 million in 1973, approximately 25-percent increase.

We did not, in all candor, anticipate such strong growth in local revenue, but we are very glad that we have it.

We passed and will put into effect on April 22 a new single wage classification system at a cost of $1.1 million, financed entirely out of excess local revenues.

We have revised our participation in other Federal grants by more than $2 million. We are submitting this for the record.

I would like to point out that the changes we are putting in do not affect any of the detailed justifications which support our request for direct authority from the Department of the Interior.

Of the $14 million we are requesting, the funds will go to only 7 of our 21 operating departments and 4 capital improvement programs.

Mrs. HANSEN. The other 14 departments operate on local revenues?

Governor HAYDON. Local revenues.

We are trying to concentrate as best we can the Department of Interior money in the areas of major primary need and use local funding to finance the operations of the Government which in the past have been jointly funded and should make a better presentation. The largest piece of the $14 million goes to education, $6 million.

Mrs. HANSEN. Is your education program totally funded by the Interior grants?

Governor HAYDON. Not quite, but almost.

Mrs. HANSEN. The program is partially funded by the legislature of American Samoa?

Governor HAYDON. $6 million from Interior and $650,000, almost $700,000, by local appropriation. I made note in my statement, since I know you are interested in replacement of our contract employees by qualified American Samoans, that we now have a Samoan chief, Chief Paulia, as director of education in American Samoa. His immediate team are all Samoans with the exception of the business-financial management man, who is still a contract employee from the United States, but we are very pleased with that arrangement.

Mrs. HANSEN. What is your pay scale? Is it the same as you would be paying if the employee were stateside?

You remember the committee has been very interested in this matter.

Governor HAYDON. We now have 2 wage systems—3 wage systems, I should say—in Samoa, instead of about 24 that we had previously. It has taken some 3 years to get down to what we call a single wage classification system. We have the Civil Service, some 18 positions, then all others except education.

Mrs. HANSEN. How many Samoans are under the Civil Service?

Governor HAYDON. One, Mr. Tuiasasopa, my administrative assistant.

Our second wage system covers the Department of Education, which has unique qualities that brings it under one type of classification. All other jobs are under a single wage classification system with 29 steps. We have tried to keep our salaries not necessarily completely equal with the United States, as far as contract employees are concerned but as nearly equal as is needed in order to attract people to Samoa.

Mrs. HANSEN. As you know at one time you were paying the Samoans less for the same work.

Governor HAYDON. We have equalized salaries, discounting the built in 25 percent which is paid to contract employees for disruption, for moving to Samoa. But we pay the same base salary to a qualified Samoan as we would pay to a contract employee from the United States.

In some cases—Mr. Tago is a good example. He is a young Samoan who has come back to Samoa from the United States. I am not certain he would say he is completely satisfied with the amount of money he is paid, but it is rather substantially more than several years ago and it is equal to the base salary that we would pay any other contract employee to come back.

Mrs. HANSEN. This is what the committee has been interested in, that there be equity in pay.

Governor HAYDON. We have tried to achieve equity in some, this must be growing, close to 200 people now have either had their salaries adjusted or, people who have been put in jobs and not been paid equally—for example, seven registered nurses we found who were making just around $3,000 or a little over have been brought up to the 100 percent base salary that we would pay to a registered nurse we would bring from the United States. I think we have largely corrected the inequities in this system. Certainly when we recruit people, we are doing our best trying to find qualified American Samoans on the west coast, Hawaii, wherever they may be.

In fact, Mr. Tago is working in that area on this trip. We offer them an equalized pay structure.

The remaining parts of our operating funds request cover our general administrative branches of government.

CONSTRUCTION PROGRAM

In capital improvement programs we are asking from DOI grant-in-aid $2,571,000, which is a reduction of approximately $2 million from the level of 1973; $1,200,000 of that is going into water, will go into water projects, which we believe to be our highest priority people need.

Our second largest amount from that request would go to education facilities, $721,000; and about a half million of that to build four more learning resources centers, and $220,000 to renovate the high school at Faga'itua, to provide a resource center and classroom space; $350,000 is requested to support other sources of funds for road building programs, and this $350,000 is to allow us to improve our existing pioneer roads. However, this does not represent our entire proposed road program.

The final amount requested for capital improvements is $300,000, which would be split between planning and advanced architectural and engineering design work, some assistance in advanced land acquisition and final design of projects.

I have skipped, Madam Chairman, rather rapidly through the 11 pages of this statement.

Mrs. HANSEN. Governor, the committee will go through them.

Governor HAYDON. I am going to, because of the many changes in our budget and the rapidly changing situation that we have, I am going to ask that I be allowed to call rather liberally on Mr. Mahar, budget and planning officer and Mr. Meeuwsen to answer whatever questions you may have.

We do want to express our gratitude for the assistance we have gotten from this committee in the past several years.

The past several years I have been Governor have seen substantial improvements in American Samoa because of the committee's understanding.

Finally, as I always do, I would like to ask members of this committee to visit American Samoa. We find it most effective to present our problems, because of the rather unique quality of this little country, if we can get people down to see it and we are looking forward to the day when you and members of your committee can come to visit us.

Mrs. HANSEN. If Congress wouldn't stay in session throughout the year the committee would have more opportunity to visit American Samoa.

INTRODUCTION OF SAMOAN LEGISLATORS

It has been customary, Governor Haydon, that we called on the members of the Samoan Legislature for any comments that they might like to make. I would like to call on your top ranking senator from Samoa.

Governor HAYDON. President Salanoa.

Mrs. HANSEN. It is a great pleasure again to welcome you to the committee.

Mr. SALANOA. I don't have much to say. I think you are aware of the fact that I have been here several times from Governor Lee down to Governor Aspinall, down to Governor Haydon, listening here very patiently while the presentation of our budget is made before you and I only thank you for your sympathy from the people of American Samoa in relation to the money given to us.

Mrs. HANSEN. Thank you very much, Senator. May I again say on behalf of the committee it is a genuine pleasure to have you here meeting with us today.

The committee has tried to assist the people of American Samoa—we haven't been able to do perhaps as we would like in some categories but we will keep on trying.

I will now ask the speaker of the house for his comments. It is a particular pleasure to introduce a representative.

Mr. LEIATO. Thank you.

As the president stated, we don't have much to say. As a matter of fact, this is my first time here and I am Leiato, speaker of the house, and our Governor, Governor Haydon, has stated what we have and we have some gentlemen here from the executive branches of the government to help out and we have nothing much to say.

Again I would like to say thank you very much again for everything, Madam Chairman and the members of the subcommittee.

Mrs. HANSEN. Thank you. It is a pleasure to have you and your fellow members present today.

JOINT BUDGET REVIEW PROCEDURE

Governor HAYDON. Madam Chairman, could I point out—you will recall that in late 1969 we, for the first time, established joint budget review procedures in American Samoa. These procedures are not perfect yet but since 1960——

Mrs. HANSEN. Neither are ours.

Governor HAYDON. We have been attempting to make the budget together. That is why I am particularly glad that Representative Steffany and Senator Sunia are here because they head the two joint budget review groups in the House and the Senate. We are working now attempting to improve our procedures even more so that the legislature feels that it really has an equal and thorough part to play in the development of our annual budget.

JUSTIFICATION MATERIAL

Mrs. HANSEN. Thank you.

At this point we will insert justification pages 14 through 79 in the record.

[The pages follow:]

GOVERNMENT OF AMERICAN SAMOA

HIGHLIGHT STATEMENT

Fiscal Year 1974

Description of the Territory

The territory of American Samoa consists of a group of seven islands located 2,300 miles southwest of Hawaii and 1,600 miles northwest of New Zealand. Total land area of the seven islands is 76 square miles. A current population of 29,000 live in the American Samoa Territory with approximately 25,000 occupying the main island of Tutuila. Approximately 96 percent of land is communally owned and land use and property are principally controlled by the matais who administer Samoan aiga (extended family units).

Government Authority and Responsibility

The role and responsibilities of the United States in the American Samoan territory are prescribed in the Treaty Agreement of 1900 between the United States, Great Britain, and Germany. This treaty was accompanied by a series of deeds of cession negotiated between the United States and the chiefs of the seven islands. The treaty allowed the United States to establish a naval base at Pago Pago harbor. The treaty also obligated the United States to promote the economic, political, health and educational development of American Samoa and to do so without interfering with the customs of the Samoan people. This responsibility was carried out by the United States Navy until 1951, at which time administration of the territory was transferred to the Department of the Interior by Executive Order No. 10264.

Plans and Policies

The principal operating policy of the Government of American Samoa is to develop the territory, leading to self-sufficiency and to attain this with a minimum of disturbance of the traditional Samoan cultural values.

The range of programs and services provided by the Government of American Samoa is very broad. These include the executive, legislative, and judicial functions of self-government. In addition, the typical governmental services of police and fire protection, public education, roads, water, sewer, parkland development and maintenance are provided. To date, the territory is still insufficiently developed to have enabled private interests to offer other public services. Thus, the Government of American Samoa remains as the principal provider in the territory of medical services, news services, marine resource development, employment assistance, tourism development, port services, local telephone and overseas communications, electric utility and harbor, airport and industrial park development. It is the plan of this Government to transition as many of these latter categories of activities to private providers as rapidly as they can be assumed by responsible sources.

Fiscal 1974 Program

The budget proposal for FY 1974 totals 14,000,000 a decrease of 1,030,000 from the approved budget for 1973. This decrease is partially offset by increases in local revenues and other federal grants. The total estimated funding from all sources for FY 1974 will total $31,390,000. For FY 1973 the total from all sources is $30,012,000.

For FY 1974 major emphasis continues on the development of the basic infrastructure to encourage economic growth and sustain the momentum toward self-sufficiency and self-determination. $8,967,000 or approximately 28 percent of the FY 1974 budget (all sources of funding) is devoted to capital improvements. This is 11 percent below the capital improvements budget level of FY 1973. The operating budget for FY 1974 increased 17 percent over FY 1973 reflecting the determined effort to hold the line on the growth of government operations.

The principal capital improvement project for FY 1974 will be the further development of new water sources and the addition of 1 1/2 million gallons of new water storage capacity. This is considered to be among the highest priorities of the territory both to preclude potential health hazards and to encourage economic growth.

Substantial changes have been made in FY 1974 distribution of the uses of various sources of funds. In general, appropriations of local revenues by the Legislature of American Samoa have been used in FY 1974 to fund several activities in their entirety that in FY 1973 were partially or fully financed by Department of Interior budget authority. These include operations of the Department of Agriculture, the Department of Public Safety, Public Works Maintenance and Operations, and sewer construction, construction equipment, fire protection facilities, and government warehousing. Interior budget authority thus assumes a greater share of the cost of education, health services and general government operations. In the area of capital improvements, Department of Interior budget authority has been applied principally to educational facilities, water development, roads, planning and design.

Total employment of the Government of American Samoa will increase to 3,914, an increase of 76 positions over FY 1973. Of this number 277 are USCS or contract employees and 3637 are local hire employees.

Note on Change in Presentation Format

In prior years, the Government of American Samoa has presented detailed justifications of its entire fiscal year budget program, with identifications of those activities for which direct congressional appropriations and Department of Interior grant-in-aid were sought. Other sources of funding to the Government of American Samoa include local revenues and federal grants other than the Department of Interior grant-in-aid. In FY 1974, the direct appropriations and Department of Interior funding will account for 45 percent of the total source of funding, down from 50 percent in FY 1973.

For fiscal year 1974, the budget justifications are limited to those activities of the government for which direct appropriations or Department of Interior grant-in-aid are requested. Total program and total funding distributions are shown for reference on separate summary schedules including comparisons with fiscal year 1973 and 1972. Also presented for the first time are the appropriations of local revenue by the Legislature of American Samoa and a schedule of past and anticipated federal grants to the Government of American Samoa.

GOVERNMENT OF AMERICAN SAMOA
INTERIOR BUDGET AUTHORITY
SUMMARY OF USE OF FUNDS

	Approved FY 1972	Approved FY 1973	Proposed FY 1974
OPERATIONS:			
Education & Culture			
Education	4,967,000	5,620,000	6,000,000
Health Services			
Medical Services	650,000	1,123,000	3,100,000
Economic Development			
Agriculture	29,000	200,000	-0-
General Government			
Governor's Office	227,000	272,000	284,000
Judiciary	243,000	248,000	272,000
Administrative Services	199,000	372,000	1,426,000
Audit Office	32,000	36,000	-0-
Legal Affairs	572,000	90,000	200,000
Manpower Resources	2,000	100,000	147,000
Public Works	1,287,000	1,810,000	-0-
Public Safety			
Public Safety	-0-	583,000	-0-
Totals - Operations	8,208,000	10,454,000	11,429,000
CAPITAL IMPROVEMENTS			
Education & Cultural Facilities	378,000	649,000	721,000
Health Facilities	1,255,000	1,040,000	1,200,000
Economic Development	50,000	50,000	-0-
Conservation & Environment	150,000	120,000	-0-
Trans., Communications, Power	1,062,000	2,300,000	350,000
General Government	490,000	32,000	-0-
Public Safety	-0-	385,000	-0-
Advance Planning; A&E Design	100,000	-0-	300,000
Total - Capital Improvements	3,485,000	4,576,000	2,571,000
Totals - All GAS	11,693,000	15,030,000	14,000,000

GOVERNMENT OF AMERICAN SAMOA
ANALYSIS OF INTERIOR BUDGET AUTHORITY
F.Y. 1973 and 1974

	F.Y. 1973	F.Y. 1974	Increase (+) or Decrease (-) over F.Y. 1973
Direct Appropriations:			
Governor's Office	$272,000	$284,000	$ +12,000
Chief Justice and High Court	248,000	272,000	+24,000
Total	520,000	556,000	+36,000
Grants - Operations:			
Department of Education	5,620,000	6,000,000	+380,000
Medical Services	1,123,000	3,100,000	+1,977,000
Public Safety	583,000	---	-583,000
Legal Affairs	90,000	200,000	+110,000
Agriculture	200,000	---	-200,000
Manpower Resources	100,000	147,000	+47,000
Public Works	1,810,000	---	-1,810,000
Administrative Services	372,000	1,426,000	+1,054,000
Audit Office	36,000	---	-36,000
Subtotal	9,934,000	10,873,000	+939,000
Grants - Construction:			
Education Facilities	649,000	721,000	+72,000
Health Facilities	1,040,000	1,200,000	+160,000
Economic Development	50,000	---	-50,000
Conservation and Environment	120,000	---	-120,000
Transportation, Communication and Power	2,300,000	350,000	-1,950,000
General Government	32,000	---	-32,000
Public Safety	385,000	---	-385,000
Advance Planning: A&E Deisgn	---	300,000	+300,000
Subtotal	4,576,000	2,571,000	-2,005,000
Total Direct	520,000	556,000	+36,000
Total Grants	14,510,000	13,444,000	-1,066,000
Total Interior Budget Authority	15,030,000	14,000,000	-1,030,000

GOVERNMENT OF AMERICAN SAMOA
TOTAL BUDGET
SUMMARY BY SOURCE OF FUNDS

	Approved FY 1972	Approved FY 1973	Proposed FY 1974
Direct Congressional Appropriations	470,000	490,000	566,000
Department of the Interior Grant-in-Aid	11,223,000	14,510,000	13,444,000
Local Appropriations (Basic Budget)	6,939,000	7,571,000	10,200,000
Local Appropriations (Carry Forward FY 1973 Excess Revenue, PL12-68)	-0-	-0-	1,177,000
Other Federal Grants	2,061,000	4,914,000	4,763,000
Sub-Total per budget proposals	20,693,000	27,485,000	30,140,000
Post-Budget Proposal Changes:			
Interior Subcommittee on Appropriations Amendments To Direct Appropriations	490,000[1/]	30,000[2/]	N.A.
Local Appropriations-Excess Revenues:			
FY 1972 Excess Revenues-PL 12-35	842,000		
FY 1972 Excess Revenues-PL 12-36	1,114,000	47,000	
FY 1972 Excess Revenues-PL 12-57		1,555,000	
FY 1973 Excess Revenues-PL 13-18		895,000	1,250,000
Other Federal Grants-Received after FY 1973 Budget Proposal	4,122,000	56,000	N.A.
TOTALS	27,261,000	30,068,000	31,390,000

1/ Emergency Appropriation to construct a Legislature Building

2/ Pay Increase for U.S. Civil Service Personnel

GOVERNMENT OF AMERICAN SAMOA
PROGRAM DISTRIBUTION SUMMARY

	Approved FY 1972	Approved FY 1973	Proposed FY 1974	Over (+) or Under(-) FY 1973	Sources of Fy 1974 Funds: Interior Budget Authority	Local Revenue Approp.	Other Federal Grants
Direct Appropriations							
Governor's Office	266,000	361,000	324,000	-37,000	284,000	40,000	-0-
Judiciary	244,000	264,000	275,000	+11,000	272,000	3,000	-0-
Total Appropriations	510,000	625,000	599,000	-26,000	556,000	43,000	-0-
Interior Grant-in-Aid							
1. Education & Culture							
Dept. of Education	6,797,000	7,658,000	8,114,000	+456,000	6,000,000	785,000	1,329,000
Museum & Arts Council	-0-	22,000	110,000	+ 88,000	-0-	60,000	50,000
	6,797,000	7,680,000	8,224,000	+544,000	6,000,000	845,000	1,379,000
2. Health Services							
Dept. of Medical Services	3,299,000	3,561,000	4,096,000	+535,000	3,100,000	346,000	650,000
3. Economic Development							
Dept. of Agriculture	446,000	509,000	629,000	+120,000	-0-	629,000	-0-
Development Planning Office	247,000	226,000	232,000	+ 6,000	-0-	154,000	78,000

	Approved FY 1972	Approved FY 1973	Proposed FY 1974	Over (+) or Under(-) FY 1973	Sources of FY 1974 Funds: Interior Budget Authority	Sources of FY 1974 Funds: Local Revenue Approp.	Sources of FY 1974 Funds: Other Federal Grants
3. Economic Development (Cont'd)							
Office of Marine Resources	141,000	279,000	293,000	+ 14,000	-0-	104,000	189,000
	834,000	1,014,000	1,154,000	+140,000	-0-	887,000	267,000
4. Conservation & Environment							
Ecologist	-0-	-0-	20,000	+ 20,000	-0-	-0-	20,000
5. Trans., Comm., & Power							
Office of Communication	261,000	304,000	23,000	-281,000	-0-	23,000	-0-
Dept. of Port Administration	528,000	672,000	883,000	+211,000	-0-	883,000	-0-
	789,000	976,000	906,000	- 70,000	-0-	906,000	-0-
6. General Government							
Dept. of Administr. Services	769,000	1,086,000	1,502,000	+416,000	1,426,000	76,000	-0-
Audit Office	47,000	51,000	78,000	+ 27,000	-0-	78,000	-0-
Dept. of Legal Affairs	263,000	275,000	296,000	+ 21,000	200,000	96,000	-0-
Legislature	522,000	571,000	748,000	+177,000	-0-	748,000	-0-
Local Government	204,000	252,000	217,000	- 35,000	-0-	217,000	-0-
Local Judicial	41,000	60,000	60,000	-0-	-0-	60,000	-0-
Dept. of Manpower Resources	252,000	353,000	519,000	+166,000	147,000	217,000	155,000
Public Defender's Office	37,000	39,000	42,000	+ 3,000	-0-	42,000	-0-
Dept. of Public Works	1,868,000	2,370,000	2,639,000	+269,000	-0-	2,639,000	-0-

	Approved FY 1972	Approved FY 1973	Proposed FY 1974	Over (+) or Under(-) FY 1973	Sources of FY 1974 Funds: Interior Budget Authority	Local Revenue Approp.	Other Federal Grants
6. General Government (Cont'd)							
Office of Samoan Information	131,000	142,000	145,000	+ 3,000	-0-	145,000	-0-
	4,134,000	5,199,000	6,246,000	+1,047,000	1,773,000	4,318,000	155,000
7. Public Safety							
Dept. of Public Safety	705,000	831,000	1,178,000	+347,000	-0-	878,000	300,000
8. Capital Improvements	6,071,000 1/	10,126,000	8,967,000	-1,159,000	2,571,000	4,404,000 2/	1,992,000
Sub Totals	23,139,000 3/	30,012,000 4/	31,390,000	+1,378,000	14,000,000	12,627,000 5/	4,763,000
9. Federal Grants							
Received after Submission of Budget Proposals	4,122,000	56,000	N.A.				
TOTALS	27,261,000	30,068,000	31,390,000				

1. Includes $490,000 emergency appropriation amendment by Interior Subcommittee on Appropriations.
2. Includes $92,000 appropriated as wage adjustment for Electric Utility and Marine Railway Employees
3. Includes $1,956,000 excess local revenue appropriations, PL 12-35 and PL 12-36
4. Includes $2,497,000 excess local revenue appropriations (PL 12-36, PL 12-57, and PL 13-18)
5. Includes estimated distribution by program category of $1,323,000 in matching funds for Federal grants.

GOVERNOR'S OFFICE

FY 1973 $272 thousand; FY 1974 $284 thousand; Increase $12 thousand. This activity is financed jointly by Interior Budget Authority and local revenues as shown below:

	Approved FY 1973	Proposed FY 1974	+ or - Over FY73
Interior Budget Authority*	272,000	284,000	+12,000
Local Appropriations	-0-	35,000	+35,000
Local Approp. Reprogramming	16,000	-0-	-16,000
Totals	288,000	319,000	+31,000

(*Direct Congressional Appropriation)

The net increase of $31 thousand over FY 1973 consist of:

Category	Amount	Positions	Total Program	Total Positions	Explanation
(1)	+24,000	+1 US Contr. +2 Local	239,000	5 USCS 1 Cont. 9 Local	Addition of staff ecologist & two local employees
(2)	+ 1,000		32,000		Travel of V.A. Officer
(3)	+ 3,000		11,000		Minor repairs & maintenance to office furnishings & fixtures
(4)	No change		1,000		NIL
(5)	+ 1,000		8,000		New activities
(6)	+ 2,000		28,000		Motor pool, telephone, communications increases
	31,000	+1 US Cont. +2 Local	319,000	5 USCS 1 Contract 9 Local	

Explanation of Changes:

(1) Personal Services; $24 thousand increase: Three new positions are added in FY 1974, an Environmental Ecologist and two secretaries.

(2) Travel; $1 thousand increase: Travel to conferences by Veteran's Affairs Officer added; no other increase in travel by the Governor or his staff.

(3) Contractual Services; $3 thousand increase: Expanded staff will require more office machine maintenance, minor renovation, and the addition of costs for Veteran's Day.

(4) Equipment (Small Capital Items); no change: Replacement of one typewriter and of dictating and transcribing machines.

(5) Materials & Supplies; $1 thousand increase: New functions of Veteran's Affairs Office and of Boards & Commissions account for the increase.

(6) All Other Costs; $2 thousand increase: Expanded activities will result in additional costs. Motor pool, telephone, and communications cost increase make up the majority of the increase.

Governor's Office Programs

Activity	Approved FY 1973	Estimate FY 1974	Increase (+) Decrease (-)
a. Administration	272,000	284,000	+12,000
b. Veterans Affairs Office	9,000	21,000	+12,000
c. Boards & Commissions	7,000	14,000	+ 7,000
Totals	288,000	319,000	+31,000

The objective of the Governor's Office: To provide executive direction over the planning, organization and control of all GAS functions to insure that public services are provided in the most efficient manner possible.

a. Executive

A total of $284 thousand is needed for FY 1974, an increase of $12 thousand, or 4%, over FY 1973.

This activity is responsible for providing the executive leadership, establishing policies, and administering and coordinating all operations of the Executive Branch of the Government of American Samoa.

An Environmental Ecologist will be budgeted for the first time in FY 1974. One new secretary will be added. Contractual services to allow more use of consultants. Anticipated charges in workload are reflected in the following:

	FY 1973	FY 1974	% Change
No. of Official visitors received	300	350	+17%
Volume of corresp. received	5,390	6,000	+10%
Volume of corresp. released	5,660	6,500	+15%

b. Veterans Affairs Office:

A total of $21 thousand is needed for this activity in FY 1974. This represents the first year of basic budget funding for this activity. The local legislature appropriated excess local revenues to establish this office in late FY 1972. This funding was extended through FY 1973.

This activity is responsible for handling all affairs pertaining to Veterans in American Samoa. Visiting disabled veterans; assisting veterans, veteran's widows and veterans orphans by informing them of their rights and by helping them apply for benefit checks; and helping arrange burials for deceased veterans, are among the duties of the Veterans Affairs Office.

Funds will be used primarily for the salaries and benefits of the Veterans Affairs Officer and his secretary. Veteran's Dav program, printing, office machines repair, office supplies, communications, and transportation costs are evenly distributed for the balance.

Selected measures of the workload are as follows:

	FY 1973	FY 1974	% Change
Veterans Served	215	400	+86%
Widows Served	63	100	+59%
War Orphans Served	10	25	+150%
Community College Vets	11	30	+172%

c. Boards and Commissions

A total of $14 thousand is needed for this activity in FY 1974. This activity is also being funded for the first time on the basic budget. It too was funded by the local legislature with reprogrammed funds in late FY 1972.

Specific Boards and Commissions having minor budget needs are the Alcoholic Beverages Control Board, the Historical Commission, the Land Commission, the Commission on Arts and Humanities, and the Beautification Committee.

The wages and benefits of a part-time Alcoholic Beverage Control Board Inspector totals $3 thousand. Travel of the Historical Commission and the Land Commission is budgeted for $1 thousand. The balance consists contractual services, materials and supplies, printing, and motor pool categories; these will be allocated among the 20 Executive boards and commissions as required.

JUDICIARY (CHIEF JUSTICE & HIGH COURT)

FY 1973 $248,thousand; FY 1974 $272 thousand; Increase $24 thousand. This activity will be financed solely by Interior Budget Authority in FY 1974 as shown below:

	Approved FY 1973	Proposed FY 1974	Increase (+) Or Decrease (-)
Interior Budget Authority	248,000	272,000	+ 24,000
Local Appropriations	15,000	-0-	- 15,000
TOTALS	263,000	272,000	+ 9,000

The net increase of $9 thousand over FY 1973 consists of:

Increase (+) or Decrease(-)

Category	Amount	Positions	Total Program	Total Positions	Explanation
(1)	No change	USCS -1 Contract +1 Local -2	216,000	USCS 4 Contract 3 Local 11	Elimination of one Assoc. Justice pos. offsets salary incr & 3 new pos.
(2)	+6,000		14,000		Travel to conferences & seminars restored to budget (all elim. in FY73)
(3)	No change		10,000		Cont. maint. & repair contracts
(4)	+1,000		6,000		Replacement equipment
(5)	No change		4,000		Office supplies use will not increase
(6)	+2,000		22,000		Significant inc. ($7,000) in transp of household goods
	+9,000	USCS -1 Contract +1 Local -2	272,000	USCS 4 Contract 3 Local 11	

Explanation of Changes

(1) Personal Services; no change: Although three new positions are scheduled for FY 1974, elimination of one USCS Associate Justice ($26,000 in FY 1973) position and four local positions ($13,400 in FY 1973) more than offset the $25,000 cost of three new positions. Salary increments and increased benefits will raise the total for personnel services back to the FY 1973 budgeted level.

(2) Travel; $6 thousand increase: The entire FY 1973 travel allotment will cover the cost of transportation of stateside personnel to and from employment. A slightly smaller amount will be needed for this purpose in FY 1974. Added to this is transportation to allow the Chief Justice and Associate Justices and law clerks to attend Judicial Conferences, seminars, and special research projects. Also added is $1,000 for travel of court personnel to visit the sites of land cases in the remote villages of Tutuila as well as the outer islands.

(3) Contractual Services; no change: Contracts for such services as termite and pest control, service of office equipment and air conditioners, and maintenance of the entire courthouse will be continued.

(4) Equipment (Small Capital Items); $1 thousand increase: Replacement items, plus some new equipment for the law library.

(5) Materials and Supplies; no increase: Office supplies needs remain steady.

(6) All Other Costs; $2 thousand increase: Approximately $12,000 will be needed for transportation of household goods for four stateside employees, an increase of $7,000 over FY 1973. This increase will be offset by decreases in printing and electric utility budgets.

JUDICIARY PROGRAM

Activity	Approved FY 1973	Proposed FY 1974	Increase (+) Decrease (-)
Chief Justice & High Court	263,000	272,000	+ 9,000

The objective of the Judiciary:

To provide for the efficient & orderly conduct of the Judicial System & the continuing improvement of the administration of justice in American Samoa.

Chief Justice & High Court

A total of $272,000 is needed for FY 1974, an increase of $9,000, or 3%, over FY 1973.

This activity is responsible for the administration of all elements of the judicial system of American Samoa. The judicial system of American Samoa consists of the High Court and village courts established to handle law enforcement, particularly to deal with juvenile offenders. The High Court has jurisdiction within the entire Territory including Civil, Criminal, Appellate, Probate, Lands and Titles, Traffic, and Small Claims.

The Court Divisions and their respective cases handled are as follows:

Trial Division - criminal and civil cases
Land & Titles Division - land cases, high title (matai, or chief) cases

Appellate Divisions - hears appeals from criminal, civil, and lands and titles cases

Traffic Court - traffic cases

Village Courts - through Village Magistrates, rules and laws set down by the village councils enforced by the village courts.

Probate Division - the probate of wills and intestacy proceedings; the appointment of legal guardian for incompetents or minors; the appointment of trustees

Probation Officer - serves in dual role of probation officer and of presentance investigation officer

Output Measures (All Caseloads):

	Actual FY 1972	Estimate FY 1973	Estimate FY 1974	FY 73-74 % Change
Civil & Land & Titles	750	900	1,100	+ 22%
Criminal	90	100	125	+ 25%
Appeal	20	30	50	+ 67%
Probate	8	10	15	+ 50%
Traffic	2,800	3,000	3,500	+ 17%
Small Claims	125	150	200	+ 33%

EDUCATION

FY 1973 $5,620 thousand; FY 1974 $6,000 thousand; Increase $380 thousand. This activity is financed jointly by Interior Budget Authority and local appropriations as shown below:

	Approved FY 1973	Proposed FY 1974	Increase (+) Or decrease (-)
Interior Budget Authority	5,620,000	6,000,000	+ 380,000
Local Appropriations	642,000	495,000	- 147,000
Local Approp. Reprogramming	20,000	- 0 -	- 20,000
Totals	6,282,000	6,495,000	+ 213,000

The increase of $213 thousand net over FY 1973 consists of:

Increase (+) or Decrease (-) Category	Amount	Positions	Total Program	Total Positions	Explanation
(1)	+ 370,000	- 6 Contract -19 Local	4,724,000	Contract 74 Local 1013	Normal salary increases, increased fringe benefits
(2)	+ 26,000		113,000		Contract employee transporation, for emplcyment, off-island training
(3)	- 72,000		147,000		Elimination of film rental for community TV
(4)	- 164,000		241,000		Major equipment procurement to CIP for FY 74
(5)	+ 48,000		641,000		Normal increase in school supplies
(6)	+ 5,000		629,000		Nil
	+ 213,000	- 6 Contract -19 Local	6,495,000	Contract 74 Local 1013	

Explanation of Charges

(1) Personal Services; $370 thousand increase; normal salary increments (6%), plus upward restructuring of Dept. of Education wage scale during FY 72 that could not be budgeted for until FY 74, accounts for an approximate $450 thousand. Savings from a reduction in personnel partly offsets the wage increases.

(2) Travel; $26 thousand increase: increase in cost of transportation of contract employees to and from employment in Samoa. Most contract employees terminate in even numbered years. More emphasis on off-island training of local personnel.

(3) Contractural Services; $72 thousand decrease: Community television, which is TV for the public shown primarily in the evening hours, will be eliminated in FY 1974. This will result in a savings of $61 thousand for rental of TV films (note that few other cost savings are involved - the personnel involved will be absorbed by other functions). Reduction of consultant personnel in program development areas will be a concurrent cost reduction of $13 thousand (decrease to $75 thousand).

(4) Equipment (Small Capital Items); $164 thousand decrease: Items of a $5 thousand value or more, plus a five-year life are presented as capital improvements in FY 74, rather than in the operating budgets (as in FY 73). Minor equipment items costs will actually increase slightly over FY 73.

(5) Materials and Supplies; $48 thousand increase: Expansion and upgrading of the Community College is reflected in a $14 thousand increase to $60 thousand. One new elementary school and new resource center will require supplies additional ($16 thousand) to those needed by ongoing elementary programs. Also, there is an allowance for the normal increase in the cost of supplies and materials, most of which are purchased off-island.

(6) All Other Costs: $5 thousand increase: Freight on shipment of contract employee household goods will increase by $20 thousand; electric utility costs will increase $12 thousand; student scholarships will increase $29 thousand, and the increase for printing services is $8 thousand. Other miscellaneous expenses will decrease $2 thousand and $67 thousand Federal grant match funds which were in the FY 1973 budget are excluded from the FY 74 budget.

Education Programs

		Approved FY 1973	Proposed FY 1974	Increase (+) or Decrease (-)
a.	Administration	204,000	150,000	- 54,000
b.	Business Services	695,000	730,000	+ 35,000
c.	Instructional & Community TV	1,858,000	1,668,000	- 190,000
d.	Community College	419,000	558,000	+ 139,000
e.	Early Childhood Education	243,000	265,000	+ 22,000
f.	Elementary Instruction	1,670,000	1,800,000	+ 130,000
g.	Secondary Instruction	751,000	813,000	+ 62,000
h.	Support Services	375,000	511,000	+ 136,000
	Federal Grant Match	67,000	N.A.	- 67,000
		6,282,000	6,495,000	+ 213,000

The objective of the Department of Education is to help each person reach his fullest potential as an unique individual.

a. Administration

A total of $150 thousand is required for Education Administration, a decrease of $54 thousand over FY 1973.

This activity is responsible for coordination and administration of the entire Public School System.

Savings are largely due to the following program changes:

(1) Convert Director of Education position from Stateside contract to Samoan. Estimated savings: $14 thousand.
(2) Personnel recruitment will be handled in-house, rather than by outside consultants. Estimated savings: $13 thousand.
(3) Elimination of one deputy director position. Estimated savings: $15 thousand.

b. Business Services

A total of $730 thousand is required for Business Services, an increase of $35 thousand or 5% over FY 1973.

This activity is responsible for the following functions:

(1) Personnel and business operations.
(2) Maintenance of facilities and equipment.
(3) Storage, issuance, and delivery of instructional and operational supplies and equipment.
(4) Printing and reproduction of lesson plans and other instructional materials.
(5) Transportation of students to and from school, and as required for extra curricular activities, field trips, and other functions.
(6) Providing hot lunches and breakfasts to students.

The primary sources of increase in this activity are normal salary increases, maintenance equipment, printing and reproduction equipment, and equipment for the school kitchen.

Selected measures of the workload are as follows:

	FY 1973	FY 1974	% Change
Purchase requisitions processed	1,500	1,700	13%
Personnel actions processed	2,200	2,300	5%
Number of maintenance requests	450	500	11%
Number of inventory issues per week	200	250	25%
Number of printing requests processed	1,500	2,000	33%
Number of students transported per day	5,850	5,950	2%
Number of meals per day	8,325	8,450	2%

c. Instructional and Community TV

This activity decreases to $1,668 thousand, a $190 thousand change from FY 1973's $1,858 thousand local.

Instructional and Community TV are composed of the following functions:

(1) Instructional Television
(2) Television Production
(3) Television Engineering
(4) Community Television

Instructional Television provides courses of study, including daily lesson materials and television lessons to all elementary and secondary schools. The number of courses of study will be 47 elementary and 7 secondary schools in FY 1974. The proposed budget is $470 thousand, a 4% increase over FY 1973. A reduction in the use of instructional television (with a corresponding reduction in personnel) and the re-use of a number of courses on "permanent" tape helps to keep the increase to a minimum. The major share of the $19 thousand increase will be for travel and freight on household goods for five stateside contracts employees terminating and for four replacement contract employees.

Television Production is responsible for the production of all locally produced television programs, both for the instructional school program and for the night time community television division.

Reduction of personnel generates savings of over $30 thousand, primarily in stateside contract services. However, this is offset by increased supplies needs of $24 thousand. Many of these supplies were changed to Instructional TV in FY 1973. The total budget will decrease by $7 thousand to $412 thousand in FY 1974.

Television Engineering is responsible for the operation and maintenance of all technical equipment used in the production and transmission of television programs.

The overall budget decrease is $157 thousand, to a total budget of $679 thousand in FY 1974. For the first time in FY 1974, capital equipment items of a value of 5,000 or more plus a minimum

life of 5 years are included in the capital improvements budget rather than the departmental operating budgets. Television Engineering normally has a substantial amount of these items in the operating budget. Total decrease in the equipment budget is $169 thousand. The aggregate increase of the other cost categories is $12 thousand. A decrease of $11 thousand (-5%) in materials and supplies is offset by increases distributed evenly among other cost categories.

Community Television is responsible for producing, purchasing and scheduling all television programs for the community at large, i.e. outside the school system. An amount of $61 thousand, representing the cost of rental of night time TV programs will be eliminated. The balance of the budget request totalling $117 thousand is for personal services and costs related to locally produced programming.

d. Community College

A total of $558 thousand is needed for FY 1974, an increase of $139 thousand, or 33% over FY 1973.

This activity is responsible for the following functions:

(1) Adult and continuing education.
(2) Manpower training, Vocational Education, and Adult Basic Education.
(3) Teachers pre-service education.
(4) Inservice teacher education programs, including facilitating the University of Hawaii summer program.
(5) A two-year college transfer program.
(6) Single course and certificate program to meet the needs of the community.

The majority of the increase for FY 1974 consists of normal salary increases and the addition of twelve new positions to handle the anticipated increased enrollment. These additional positions are for eleven instructors and one student counselor.

Materials and supplies costs will increase due to normal price rises and increased usage based on the anticipated enrollment.

Selected measures of the workload are as follows:

	FY 1973	FY 1974	% Change
Number of AA degrees awarded (FY72= 18)	30	50	67%
Average weekly attendance	500	700	40%
Number of students completing one or more courses	350	500	43%

e. Early Childhood Education

A total of $265 thousand is required for this activity in FY 1974, and an increase of $22 thousand, or 9%, over FY 1973.

Early Childhood Education provides educational training to three to five year-old Samoan children. This instruction is conducted in centers

provided rent free by the villages. During FY 1974, ten new village centers will open, increasing the total of 170.

The increase in budget is attributed entirely to wage increases, and the addition of seven (7) new positions necessary to handle a larger enrollment. Enrollment will increase from 2,400 in FY 1973 to 3,000 in FY 1974.

f. Elementary Instructions

The proposed FY 1974 budget is $1,800 thousand, an increase of $130 thousand, or 8%, over FY 1973.

Enrollment in the elementary schools will raise from 6,275 in FY 1973 to 6,526 in FY 1974, a 4% increase. There will be a significant increase in the number of 8th Grade graduates, with 719 graduating in FY 1974, compared to 562 in FY 1973. This is a 28% increase.

The increase in enrollment will necessitate eight additional classroom teachers at a cost of $26 thousand. One contract Education Program Specialist will be added to assist principals and teachers in implementing new methods and techniques in all subject areas; one additional contract teacher is needed. These two positions require a $25 thousand increase. Fringe benefit increases of $35 thousand increase are necessary in FY 1974.

Materials and supplies use will expand by $16 thousand (16%) over FY 1973, and equipment costs will triple to $30 thousand in FY 1974. New resource learning centers will require school supplies and equipment beyond the normal needs of the elementary schools.

g. Secondary Education

A total of $813 thousand needed for FY 1974, an increase of $62 thousand, or 8%, over FY 1973.

This activity is responsible for the education of students on the secondary level between the approximate ages of 13 and 18 years of age. The continuing goals of secondary education are to assure greater responsibility in the delivery of instructional programs by classroom teachers, provide closer supervision and involvement of teachers in curriculum implementation and planning provide for strengthened physical education and athletic programs for students, and provide educational and vocational counselling.

In FY 1974, the majority of the increase consists of normal salary increases, one additional position (a Vice Principal), and purchases of student desks and chairs, science equipment, athletic equipment, and office machines and equipment.

Selected measures of the workload are as follows:

	FY 1972	FY 1973	FY 1974	% Change
Number of students	2,066	2,190	2,328	6%
Number of graduates	360	450	550	22%
Pilot Projects	1	1	4	300%

h. Support Services

A total of $511 thousand is required for this activity in FY 1974, an increase of $136 thousand, or 36%, over FY 1973.

Support Services consists of the following functions:

Office of Testing Services
Library Services
Scholarships
Health, Physical Education, and Recreation

The Office of Testing Services is an activity funded by appropriations for the first time in FY 1974, having previously been funded by Federal grant funds (ESEA Title III). In addition to the administering of some 22 batteries of tests for the purpose of determining the educational growth of children, it is planned that tests will be developed that are normalized upon the abilities, achievements, and educational attitudes of Samoan children. Of the total $69,000 budget, $38,000 will be used for personal services, with the majority of the balance going for contract services to assist in scoring and analyzing test results.

Library services are provided by the Department of Education to both the public and **private** schools. The FY 1974 budget is $128,000, an increase of $29,000 over FY 1973. Construction of an additional small library specializing in books and other publications of the South Pacific will require more library personnel and supplies. The cost will be $7,000. Equipment which is needed for library service in 26 elementary schools, such as book shelves and tables and chairs for reading will cost $10,000 - nothing was budgeted for this in FY 1973. Library books for these same schools is another new item, amounting to $8 thousand.

The Education Department is the sole provider of post-secondary scholarships in American Samoa. In order to raise the number of scholarship students from 80 in FY 1973 to 90 in FY 1974, an increase of $25,000 has been requested. This will permit thirty new students to attend school (note that the net increase in scholarships allows for termination of current scholarships). Administrative cost increases of $4,000 raises the total budget to $241,000, an increase of $29,000 over FY 1973.

The Health, Physical Education, and Recreation activity is responsible for the following:

(1) Co-ordination of the comprehensive School Health Program related functions of the Departments of Medical Services, Public Works, and Education.
(2) Planning and Supervising the implementation of the HPE curriculums of the total school system, as well as supervision of HPE teachers at all levels.
(3) Planning and organizing the competitive athletics program.
(4) Planning and organizing the after-hours community recreation program.
(5) Conduction of sports and recreational clinics.
(6) Administration of the Drug Education Training Program.

The increase of $3,000 to $73,000 for the total budget is a nominal 4% increase over FY 1973, allowing for the salary increments as the only change in cost of program.

HEALTH SERVICES

In FY 1973 $1,123 thousand; FY 1974 $3,100 thousand; Increase $1,977 thousand. This activity is financed jointly by Interior Budget Authority and local revenues as shown below:

	Approved FY 1973	Proposed FY 1974	Increase (+) Decrease (-)
Interior Budget Authority	1,123,000	3,100,000	+1,977,000
Local Appropriations	2,058,000	67,000	-1,991,000
	3,181,000	3,167,000	- 14,000

The decrease of $14 thousand net from FY 1973 consists of:

Increase (+) or Decrease (-)

Category	Amount	Positions	Total Program	Total Positions	Explanation
(1)	+28,000	Contr. -3 Local -16	2,349,000	USCS 1 Contr. 27 Local 385	Normal salary increase
(2)	+ 1,000		48,000		Termination of cont. employees, & replacement of these positions
(3)	- 51,000		33,000		Off-island medical care deleted
(4)	- 13,000		6,000		Fewer med. & surgical equipm't items needed
(5)	+ 36,000		564,000		Normal increase in cost of supplies
(6)	- 15,000		167,000		Increased printing costs, & telephone & motor pool usage
	- 14,000	Contr. -3 Local -16	3,167,000	USCS 1 Contr. 27 Local 385	

Explanation of Changes:

(1) Personal Services; $28 thousand increase: Normal salary increments, plus three new positions partially offset by deletion of 22 positions in a reorganization of staff functions within several of the activities.

(2) Travel; $1 thousand increase: Nine contract employees will terminate in FY 1974. The cost of travel for them and their replacements creates higher travel costs then in FY 1973.

(3) Contractual Services; $51 thousand decrease: The large decrease in the category is due to off-island medical care being deleted in FY 1974.

(4) Equipment (Small Capital Items); $13 thousand decrease: Fewer medical and surgical equipment items are needed in FY 1974. New and replacement items will not be needed until expanded hospital facilities are completed.

(5) Materials & Supplies; $36 thousand increase: In addition to normal supply cost increases, minor new program expansions require additional supplies:

1. Reference materials for the new medical library
2. First aid stations will be reestablished in each village
3. Establishment of a veneral disease clinic

(6) All Other Costs/ $15 thousand decrease: Electric Utility costs were overbudgeted in FY 1972 and FY 1973. Analysis indicates a $20,000 cut is appropriate. Most other costs will be held to FY 1973 levels. Those categories requiring increases are:

1. Printing - primarily due to publication of a book on the history of Medical Services in American Samoa.

2. Telephone - additional telephones are needed to improve the current communications, as well as to allow for expansion of hospital facilities.

3. Motor Pool - one new ambulance and 2 sedans rented from the Motor Pool.

Health Services Program

Activity	Approved FY 1973	Proposed FY 1974	Increase (+) Decrease (-)
a. Administration	425,000	409,000	- 16,000
b. Public Health	432,000	453,000	+ 21,000
c. Medical & Nursing Staff	1,411,000	1,400,000	- 11,000
d. Paramedical Services	795,000	809,000	+ 14,000
e. Nursing Education	105,000	96,000	- 9,000
Federal Grant Match	13,000	N.A.	- 13,000
	3,181,000	3,167,000	- 14,000

The objectives of Health Services:

To provide the best possible preventative and curative Medical Services to the people of American Samoa within the constraints of Manpower and Means;

To provide Health Services and facilities of such adequacy that Health Parameters are near the best in the South Pacific Islands and close to selected southern states.

a. Administration:

A total of $409 thousand is needed for FY 1974, a decrease of $16,000, or 4% from FY 1973.

This activity is responsible for management and supervision of all aspects of health services including planning and direction, budget and finance, personnel administration, purchasing and medical supply, and coordination of medical staff. Additionally it includes medical records, business office, drivers, and guard.

The decrease in this activity is due primarily to the deletion of two positions in FY 1974.- a physical therapist and a medical records clerk. Although budgeted in FY 1973, the physical therapist position has never been filled. A decrease in need for travel fund for off-island conferences is also anticipated. The remainder of the costs in this activity are not expected to increase above the FY 1973 level.

b. Public Health:

A total of $453 thousand is needed for FY 1974, an increase of $21 thousand, or 5%, over FY 1973.

The Public Health and environmental sanitation activity is responsible for prevention and control of disease within the community. Continuing programs include public health nursing, health education, environmental sanitation, maternal and child health, family planning, chronic and communicable disease control, mental health, and filariasis control. First aid stations will be reestablished in each village. A veneral disease clinic will be added.

Selected measures of the workload are as follows:

	Actual FY1972	Estimate FY1973	Estimate FY1974	FY73-74 % Change
No. of treatment given by PH Nurses	111,398	120,000	126,000	+ 5%
No. of births attended	44	50	56	+11%
No. of immunizations given	15,261	10,000	10,000	-0-
No. of visits to people at home	19,778	21,000	23,000	+10%
No. of treatments & exams. of school children	66,506	68,500	71,000	+ 4%

c. Medical & Nursing Staff

A total of $1,400 thousand is needed for FY 1974, a decrease of $11 thousand, or 1%, from FY 1973.

The Medical and Surgical branch includes all hospital medical doctors plus one surgical technician. The Dental Branch is responsible for maintaining and improving the dental health of the people of American Samoa, including government contract personnel, and resident aliens. Nursing Services is responsible for the nursing care of patients as directed by the medical staff.

One medical officer, one dental practioner, one dental assistant, and three nurses positions will be deleted in FY 1974 under a reorganization of these functions to effect greater efficiency. Contractual services will decrease due to off-island medical care being deleted in FY 1974. Normal increases are expected in the other cost categories within this activity.

	Actual FY 1972	Estimate FY 1973	Estimate FY 1974	FY73-74 % Change
No. of patient visits	9,700	10,700	11,700	+ 9%
Discharge patient days	31,990	32,950	33,940	+ 3%
Out patient visits	120,000	126,000	132,000	+ 5%
In patient admissions	5,137	5,295	5,458	+ 3%

d. Paramedical Services:

A total of $809 thousand is needed for FY 1974, an increase of $14 thousand or 2%, over FY 1973.

Paramedical services consists of the following functions:

1) Pharmacy
2) Laboratory
3) Radiology
4) Laundry
5) Housekeeping
6) Food Services
7) Hospital Maintenance

The Pharmacy is responsible for compounding and dispending all drugs and pharmaceutical preparations in the hospital for inpatient medications and outpatients prescriptions. It also issues pharmacy manufactured items to public health dispensaries, and sells non-prescription items to the public.

One pharmacy assistant position will be deleted in FY 1974, partially offsetting an anticipated $10,000 increase (+5%) in supplies and materials which should satisfy the normal increase in out-patient prescriptions and normal price increases for purchased items.

The laboratory performs tests in order to assist the medical staff in making or confirming diagnoses. The bacteriology and parasitology sections of the hospital laboratory will be combined with the public health laboratory in FY 1974 upon completion of expanded facilities. An increase of 10% ($3,000) in supplies and materials costs will be necessary to meet workload demands. The total budget will increase 7% for this activity.

The Radiology section provides diagnostic radiology service required in examination, care, and treatment of patients. It also takes chest X-rays for all GAS pre-employment, annual check-ups for food handlers, aliens traveling from overseas, and all tests for public health reasons. A small increase in radiology workload is anticipated for FY 1974. Total budget will increase less than 3%.

The Laundry collects and launders linens, garments, and all washables in order to provide adequate supplies of clean, sanitary linen for the hospital. It also sells laundry services to other government and private entities. No increase in workload or budget for FY 1974.

Housekeeping is responsible for maintaining the hospital and public health facilities in a clean, sanitary, and attractive conditions which are essential to medical and nursing care of patients and to hospital staff.

One janitor position will be deleted in FY 1974. Other costs in the activity are not expected to increase above the FY 1973 level.

Food services plans, prepares, and serves food for patients and personnel. It also provides special diets essential to treatment of patients under the direction of the Medical Staff. One cook's helper position will be deleted in FY 1974, partially offsetting an additional $15,000 (+5%) which is needed to meet increased supplies and raw materials needs and food price increases.

Hospital maintenance is responsible for maintenance of buildings, grounds, and equipment. It is also responsible for upkeep of the dispensaries. Functions included are carpentry, painting, plumbing, electrical work, air conditioning, gardening, furniture repair, etc. One laborer position will be deleted in FY 1974 offsetting an anticipated increase in supplies and materials.

Selected output measures of Paramedical Services are as follows:

	Actual FY 1972	Estimate FY 1973	Estimate FY 1974	FY73-74 % Change
Prescriptions	123,000	129,000	135,000	+ 5%
Laboratory Test	107,000	112,000	118,000	+ 5%
No. of Radiology Exam.	17,120	17,630	18,160	+ 3%
Pieces of Laundry Processed Processed	510,000	510,000	510,000	-0-
Sq.Ft. To Be Cleaned	113,000	113,000	122,000	+ 8%
Patients Meals served	78,925	81,293	83,732	+ 3%
Sq.Ft. of Bldgs To Be Maintained	121,000	121,000	130,000	+ 7%

8. Nursing Education:

A total of $96,000 is needed for this activity in FY 1974, a decrease of $9,000 from FY 1973.

Nursing Education is responsible for professional education of student nurses. Plans for FY 1974 are to: (1) upgrade the school by revising and setting nursing curriculum that meets requirements of the National League of Nursing standards for potential national accreditation; (2) add books to the new library; (3) send three to five candidates to the United States for RN training; (4) plan for transfer of the School of Nursing to the Community College.

ADMINISTRATIVE SERVICES

FY 1973 $372 thousand; FY 1974 $1,426 thousand; increase $1,054 thousand. This activity was funded jointly by Interior Budget Authority and local revenues during FY 1973. FY 1974 program is funded entirely by Interior Budget Authority as shown below:

	Approved FY 1973	Proposed FY 1974	Increase (+) or Decrease (-)
Interior Budget Authority	$ 372,000	$1,426,000	+1,054,000
Local Appropriations	524,000	-0-	- 524,000
Local Approp. Reprogramming	129,000	-0-	- 129,000
	$1,025,000	$1,426,000	+ 401,000

The net increase of $401 thousand over FY 1973 consists of:

Category	Increase (+) or Decrease (-) Amount	Positions	Total Program	Total Positions	Explanation
(1)	+318,000	+ 1 USCS + 5 Contr. +34 Local	1,073,000	4 USCS 14 Contr. 152 Local	Eliminate indirect cost recoveries; added staff
(2)	+ 12,000		36,000		Contr. employee turnover, off-island training & meetings
(3)	+ 2,000		20,000		Contractual services for office renovations & equipment maintenance
(4)	- 11,000		37,000		Decreased expenditure for household furnishings
(5)	+ 30,000		74,000		Increase for computer & normal office supplies
(6)	+ 50,000		186,000		Increases for Motor pool, utility rent
	+401,000	+1 USCS +5 Contr. +34 Local	1,426,000	4 USCS 14 Contr. 152 Local	

Explanation of Changes

1. Personal Services; $318 thousand increase: The Procurement function which was previously operated as a revolving fund and the Grant Accounting function which was previously funded from indirect cost recovery are to be funded by appropriation in FY 1974 to simplify financial management of these functions. These activities account for the increase of 19 local positions and $146 thousand in personal services. Computer Center operation was underbudgeted in FY 1973. Increased workload requires two additional staff and $32 thousand

in personal services. Five additional local positions are added to the Disbursing function at $46 thousand. A contract specialist is budgeted under the Director's Office for $10,000 to handle all contract and leasing operation. Four accounting technicians and four cash clerks are added for $31,000 to aid in the increase in operation. Normal merit system pay increases account for the remainder of the added costs. The new U.S. Civil Service position is for the Procurement Officer. The new contract positions are:

Manager, Computer Center
Programming Supervisor
Assistant Accounting Officer
Budget Officer
Program Analyst

2. Travel; $12 thousand increase: Four contract employees terminate their contracts in FY 1974. Travel for these employees and their replacement and for new contract positions create higher travel cost than in FY 1973. Off-island training for local employees is planned for FY 1974.

3. Contractual Services; $2 thousand increase: Contracts with outside parties for minor office renovations, servicing, and maintenance of office equipment.

4. Equipment; $11 thousand decrease: Decrease is due to non-recurring need for household furniture and equipment acquired in FY 1973 to furnish government leased quarters. A Reader-Printer unit is budgeted for $3 thousand to complete implementation of Micro-Filming System. Normal replacement of old office machines and equipment for new employees.

5. Materials and Supplies; $30 thousand increase: In addition to normal increase for office usage, $10 thousand increase for Computer Center is requested in FY 1974. Increased processing of tax return required $3 thousand above normal requirements. $3 thousand increase in supplies is required for operation of Revenue Division as auto registration has increased substantially compared to prior years.

6. All Others; $50 thousand increase:
The following categories require increases in FY 1974:

   1. Electric Utility cost requires $20 thousand increase in FY 1974. This item was underbudgeted in FY 1973.

   2. Rental cost for equipment used in the Computer Center require an additional $15 thousand over FY 1973.

   3. Increased in motor pool rates commencing in FY 1973 and increase cost for telephone services and printing expense. These will total $12 thousand.

Administrative Services Program

Activity	Approved FY 1973	Proposed FY 1974*	Increase (+) Decrease (-)
a. Administration	204,000	218,000	+ 14,000
b. Financial Services	278,000	588,000	+310,000
c. Treasury	168,000	169,000	+ 1,000
d. Property Management	183,000	205,000	+ 22,000
e. General Services	192,000	246,000	+ 54,000
	$1,025,000	$1,426,000	+401,000

The objective of the Department of Administrative Services:

> To provide staff assistance to the Governor for government-wide program planning and budgeting; to establish and administer government-wide financial management systems; to collect and administer government revenues and to provide an efficient system of general business-type services to all government activities.

a. Administration

A total of $218 thousand is needed for FY 1974, an increase of $14 thousand or 7%, over FY 1973.

This activity in responsible for management and supervision of all divisions of Department of Administrative Services. It is also charged with the responsibility to administer business type activities such as Liquor Store, General Supply, Air Force Housing and Cafeteria. A position of contract specialist is established to oversee $7 million worth of projects that will be contracted to private contractors.

b. Financial Services

A total of $588 thousand is needed for FY 1974 an increase of $310 thousand or 112% over FY 1973.

Financial Services consists of the following functions:

1) Comptroller
2) General Accounting
3) Grant Accounting
4) Disbursing
5) Retirement
6) Procurement
7) Planning and Budget

The Comptroller's Office is responsible for planning, organizing, and controlling the first five functions listed above. An increase of approximately 50% in total government budget from FY 1972 has a significant impact on the workload and responsibilities of all the functions of Financial Services.

In years prior to FY 1974, the Financial Services' functions excluding Retirement and Procurement were partially financed by indirect cost recoveries for services rendered on behalf of Federal grant programs. These indirect costs will be dropped as a source of funds in FY 1974, and these activities will be fully funded through direct appropriations. The Procurement operations which were previously financed by an overhead charge on all procurements will similarly be financed by direct appropriation in FY 1974. These moves were made to simplify the financial structure of the government, and account for 85% of the increase in the Financial Services function.

The accounting functions, which as noted have significant workload increases, require further expertise and experience in the form of stateside contract personnel. A fully operational data processing accounting system reinforce the need for this expertise. An Assistant Accounting Officer will be added as a contract employee in FY 1974.

The Retirement Accounting Branch will increase by $10 thousand over FY 1973 in order to meet the demands of the expanded government retirement system.

The Planning and Budget Office workload has increased significantly with the 50% increase in total budget of GAS since FY 1972. Two contract employees are being added to this function. A program analyst is added to conduct evaluations of ongoing programs and alternative future programs. A central management information system will be established to aid future planning. Also to be added is a contract Budget Officer to coordinate budget preparation and to improve the system of monitoring and controlling operating budgets and capital improvements allocations.

d. Property Management

A total of $205 thousand is needed for FY 1974 an increase of $22 thousand or 12% over FY 1973.

This activity is responsible for recording and maintaining the control of all government properties; the management of Executive House operation; assigning and servicing of government owned and leasing quarters to contract employees and maintenance of Lee Auditorium. Two additional staff at $12 thousand are added to Property Management function to cope with the increase load of assessing and inventory of government assets. Government owned housing function is increased by $10 thousand for supplies and normal increase in salaries. No increase is anticipated for maintenance of Lee Auditorium for FY 1974.

c. Treasury

A total of $169 thousand is needed for FY 1974 an increase of $ 1 thousand of 1% over FY 1973.

Treasury includes the Tax Division and the Revenue Office. Tax Division is responsible for implementing the administration and enforcement of the American Samoa Tax Law. Tax revenues have substantially increased since FY 1972 following a strengthening of the tax audit program. Processing and collection of tax returns have been increased compared to prior years as follows:

	FY 1971	FY 1972	FY 1973
Individual Taxes	$1,265,000	$1,600,000	$1,700,000
Corporation Taxes	1,848,000	3,400,000	3,500,000
Number of returns filed	7,000	8,000	9,000

Revenue Division is charged with the responsibilities of collecting and remitting to the Treasurer all local revenues from all sources. Total revenues collected in FY 1971 and FY 1972 compared to projected FY 1973 is shown below:

Actual FY 1971	Actual FY 1972	Projection FY 1973
$6,000,000	9,000,000	10,000,000

e. General Services

A total of $246 thousand is needed for FY 1974 an increase of $54 thousand or 28% over FY 1973.

The general services activities include the data processing section which serves all government activities, the Territorial Registrar's Office, the Weights and Measures Office and the watchmen, janitors, messengers, records manager, and microfilm operator of the Department of Administrative Services. The principal increase $36 thousand is to expand data processing services. The Computer Center, established in late FY 1972, has now transitioned from its startup growing pains and is now providing most significant assistance in improving the accuracy and timeliness of financial and management information to many government activities. Among the data services to be routinely provided in FY 1974 will be inventory analysis, accounts payable records, general accounting, utility billing and payroll processing including computer check printing. An additional $16 thousand increase is for expansion of the janitor and guard force and to expand the microfilm operation for improved records storage. Two new contract employees will be added in fiscal year 1974. They are: Computer Center Manager and a Programming Supervisor.

MANPOWER RESOURCES

FY 1973 $100 thousand; FY 1974 thousand. Increase $47 thousand. This activity is financed jointly by Interior Budget Authority and Local appropriations as shown below:

	Approved FY 1973	Proposed FY 1974	Increase (+) Or Decrease (-)
Interior Budget Authority	100,000	147,000	+ 47,000
Local Appropriations	108,000	127,000	+ 19,000
Local Approp. Reprogramming	51,000	-0-	- 51,000
	259,000	274,000	+ 15,000

(*Original budget for FY 1973 included $83 thousand for government housing. In FY 1972, this activity and funding were transferred to the Department of Administrative Services).

The net increase of $15 thousand over FY 1973 consist of:

Category	Amount	Positions	Total Program	Total Positions	Explanation
(1)	-9,000	USCS -1 Contr. +1 Local -0	217,000	USCS 1 Contr. 3 Local 21	Transfer Director to contract
(2)	-0-		8,000		Travel for replacement of contract employee & travel to conferences
(3)	12,000		24,000		Funding for Consolidate Recruiting Office & maint. on Office machine & equipment
(4)	+3,000		4,000		Replacement of old office equip. & equip. for new positions
(5)	+3,000		6,000		Increased materials & supplies usage
(6)	+6,000		15,000		Increased telephone, comm., & print shop usage
	15,000	USCS -1 Contr. +1 Local -0	274,000	USCS 1 Contr. 3 Local 21	

Explanation of Changes:

(1) Personal Services; $9 thousand decrease: An Administrative Assistant to the Director will be transferred to grant funding in FY 1974 since this position is for grant programs.

(2) Travel; No Change: Normal travel to the mainland by Director and Workman's Compensation Officer for conferences, and transportation for replacement of contract employee.

(3) Contractual Services; $12 thousand increase: Funding of anticipated share of the Consolidated Recruiting Office of the Pacific Territories, and maintenance on office machines and equipment.

(4) Equipment (Small Capital Items); $3 thousand increase: Replacement of old typewriters, adding machines, filing cabinets, desks, and chairs, and equipment for new positions.

(5) Materials & Supplies; $3 thousand increase: Increase in budget reflecting realistic expenditure projection based on actual expenditures in FY 1972 and anticipated workload in FY 1974.

(6) All Other Costs; $6 thousand increase: Increased telephone, communications, and print shop usage due to increased workload.

Manpower Resources Program

Activity	Approved FY 1973	Proposed FY 1974	Increase (+) Decrease (-)
a. Personnel & Employment Services	228,000	243,000	+ 15,000
b. Workmen's Compensation & Retirement	31,000	31,000	-0-
TOTALS	259,000	274,000	+ 15,000

The objectives of Manpower Resources:

To see that the manpower needs of the territory are determined and met and to provide for a fair administration of the Wage and Hour Laws, the GAS retirement program and to insure the safety and health of all employees.

a. Personnel & Employment Services:

A total of $243 thousand needed for FY 1974, an increase of $15 thousand, or 7% over FY 1973.

This activity is responsible for personnel management, salary and wage administration, and manpower utilization within the Government of American Samoa. Additionally it refers unemployed individuals to potential private employers and coordinates with private industry and the Community College toward the development of training programs to supply current and projected employer needs.

Reorganization in FY 1974 will place 1 person on grant funding, refine present operating procedures, and generally provide better personnel and employment services to the people of American Samoa. An increase in contractual service requirements is needed for American Samoa's anticipated share of the funding for the Consolidated Recruiting Office of the Pacific Territories which is expected to materialize in FY 1974.

Selected measures of the workload are as follows:

	Actual FY 1972	Estimate FY 1973	Estimate FY 1974	FY73-74 % Change
No. of personnel actions processed	5,606	5,800	6,100	+ 6%
No. of unemployed personnel placed	523	750	1,000	+33%

b. Workmen's Compensation & Retirement

A total of $31,000 is needed for FY 1974, which does not call for an increase in funding above the FY 1973 level.

This activity's responsibilities are as follows:

1. To administer, monitor, and enforce and program for injury or death of workers in American Samoa as prescribed by the Revised Code of American Samoa Title XXXIV - Workmen's Compensation Act.

2. To administer effectively the retirement program as prescribed in the Revised Code of American Samoa Title XXXIII, and to develop and maintain effective safeguards for the protection and administration of the retirement fund to insure that the employees of the Government of American Samoa entitled to retirement at the conclusion of their career service are so compensated.

This activity is staffed by three (3) Samoans: a Workmen's Compensation and Retirement Officer, an Administrative Assistant, and a Claims Clerk. The present staff is considered adequate to handle the anticipated workload.

Selected measures of the workload are as follows:

	Actual FY 1972	Estimate FY 1973	Estimate FY 1974	% Change FY73-74
Workmen's Compensation claims processed	532	585	497	- 15%
Number of retired enrollees	64	78	90	+ 15%

LEGAL AFFAIRS

FY 1973 $90 thousand; FY 1974 $200 thousand. Increase $110 thousand. This activity is financed jointly by Interior Budget Authority and local appropriations as shown below:

	Estimate FY 1973	Estimate FY 1974	+ or - Over FY1973
Interior Budget Activity	90,000	200,000	+110,000
Local Appropriations	150,000	82,000	- 68,000
Local Appropriations-Reprogramming	32,000	-0-	- 32,000
Totals	272,000	282,000	+ 10,000

The net increase of $10 thousand over FY 1973 consists of:

Category	Amount	Positions	Total Program	Total Positions	Explanation
(1)	+20,000	Local +1	239,000	USCS 1 Contr. 3 Local 29	Normal salary increase & one position
(2)	- 4,000		9,000		Decreased need for travel funds anticipated
(3)	-0-		-0-		No need for contractual services funds anticipated
(4)	- 3,000		7,000		Decreased need for equipment funds anticipated
(5)	-0-		13,000		Materials & supplies budget is adequate without increase
(6)	- 3,000		14,000		Decreased need for funds for transp. of household goods
	+10,000	Local +1	282,000	USCS 1 Contr. 3 Local 29	

Explanation of Changes:

(1) Personal Services; $20 thousand increase: Normal salary increases and one additional assistant attorney general trainee. This position will be filled by a recent Samoan law graduate for specialized training for a career position.

(2) Travel; $4,000 decrease: Decrease due to less turnover of contract personnel anticipated in FY 1974. Majority of travel funds is for off-island travel by the new Samoan Assistant Attorney General for training courses and conferences.

(3) Contractual Services; no change: No anticipated need for contractual service in FY 1974.

(4) Equipment (Small Capital Items); $3,000 decrease: Less anticipated need for equipment in FY 1974. Equipment funds budgeted are for the purchase of a Xerox machine, and replacement of old office machines and office equipment.

(5) Materials & Supplies; no increase: $13,000 budgeted for materials and supplies is adequate without an increase.

(6) All Other Costs; $3,000 decrease: All other costs anticipated to remain level except for decrease in transportation of household goods due to less turnover of contract personnel anticipated in FY 1974.

Legal Affairs Programs

Activity	FY 1973 Estimate	FY 1974 Estimate	Increase + Decrease -
a. Attorney General's Office	151,000	157,000	+ 6,000
b. Immigration Division	121,000	125,000	+ 4,000
TOTALS	272,000	282,000	+ 10,000

a. Attorney General's Office

A total of $157 thousand is needed for FY 1974, an increase of $6 thousand, or 4%, over FY 1973.

This activity is responsible for rendering legal advice to all departments, boards, and agencies of the Government of American Samoa and is responsible for prosecution of all criminal cases. The activity is presently staffed by an Attorney General, a Deputy Attorney General, 2 Assistant Attorney Generals, 4 secretarys, a legal assistant, and a janitor. With the exception of hiring a recent Samoan law graduate in a trainee position, this staff is considered adequate to handle the anticipated workload.

Selected measures of the workload are as follows:

	Actual FY 1972	Estimate FY 1973	Estimate FY 1974	FY73-74 % Change
Number of cases (criminal)		200	300	50%
Number of cases (civil)	15	20	30	50%
Vol. of correspondence	1,900	2,500	3,000	20%
Vol. of legal documents		150	200	33%

b. Immigration Division:

A total of $125 thousand is needed for FY 1974, an increase of $4 thousand, or 3% over FY 1973.

This activity is responsible for control of non-American Samoans' entry into American Samoa and for issuance of United States passports and visas. The activity is staffed by an Immigration Officer, an Assistant Immigration Officer, a Passport Officer, 3 Supervisory Immigration Inspector, 15 Inspectors, and 1 janitor. The present staff is considered adequate to handle the anticipated workload.

Selected measures of the workload are as follows:

	Actual FY 1972	Estimate FY 1973	Estimate FY 1974	FY73-74 % Change
No. of persons entering	67,462	80,000	90,000	13%
No. of persons leaving	63,731	80,000	90,000	13%
Alien residents in Am. Samoa	13,802	14,000	15,000	7%
Board Hearings	595	650	700	8%
Vessels & aircraft arriving	4,222	4,500	4,700	4%
Vessels & aircraft departing	4,186	4,200	4,500	7%
Visas issued	968	1,000	1,050	5%
Passports & letters of identity issued	3,816	4,000	4,000	5%

GOVERNMENT OF AMERICAN SAMOA - CAPITAL IMPROVEMENTS PROGRAM - DEPARTMENT OF INTERIOR GRANT-IN-AID

	F.Y. 1972 Appropriation	F.Y. 1973 Appropriation	F.Y. 1974 Proposal	Increase (+)or Decrease (-)
Education and Cultural Facilities.....	$ 378,000	$ 649,000	$ 721,000	$ +72,000
Health Facilities.....	1,255,000	1,040,000	1,200,000	+160,000
Economic Development....	50,000	50,000	-0-	-50,000
Conservation and Environment.....	150,000	120,000	-0-	-120,000
Transportation, Communications, and Power.....	1,062,000	2,300,000	350,000	-1,950,000
General Government.....	490,000	32,000	-0-	-32,000
Public Safety.....	-0-	385,000	-0-	-385,000
Planning and A&E Design.	100,000	-0-	300,000	+300,000
Total.....	3,485,000	4,576,000	2,571,000	-2,005,000

1. Education & Cultural Facilities $721,000

a. Elementary Learning Resource Centers - Tutuila 500,000

An amount of $500,000 is requested to provide for design and construction of four learning resource centers to be added at four existing elementary school campuses at Alofau, Manulele Tausala, Aua and Lupelele. This is a continuation of a program which added similar learning resource centers in fiscal year 1973 at Pago Pago, Pava'ia'i, Leone Midkiff, and Matafao. Each elementary learning resource center is a 3,600 sq.ft. fale style building which allocates space to mathematics and science, language laboratory, learning resources, movie and assembly area, individual study space, slide viewing area, a TV room, and classroom areas. Several of the internal walls are movable to allow flexible redistribution of space to these purposes.

These buildings not only offer the latest concept in providing a learning environment but meets the needs of the elementary school system to provide expanded facilities to cope with the growing student population.

Each learning resource center provides the equivalent of five conventional classrooms.

b. Secondary Learning Resource - Fagaitua $221,000

This request will enable the poorly organized space of the existing Fagaitua High School building to be remodelled to provide a 21,600 sq.ft. learning resource center. This work stems directly from the five year plan of the Department of Education which in FY 1972 began "A program of change over from individual classrooms to school complexes built around the use of resource centers".

A study by the Davis Mac Connell Ralston Company dated 10 December 1971, stated "Our observation of the existing two-story classroom building at Fagaitua is that poor traffic flow, room arrangement and room relationships hinder contemporary educational programs. Also, there is inefficient utilization of instructional space. It is obvious why the building is not being used as it was originally intended".

The new learning resource center will provide eight additional classrooms plus areas for small group projects, and seminars teachers workrooms, and space for storage and display of learning resources and equipment.

2. Health Related Facilities $1,200,000

Water Development Storage & Distribution - Tutuila 1,200,000

The FY 1974 water development program will continue the programs of FY 1972 and FY 1973. Six more wells, complete with distribution pumps, controls, housing and electrical and piping connections will be provided. The wells will be located in the Tafuna plain area. Exact locations will be based on information obtained from the FY 1973 well drilling program. At least two of these wells will be sited so as to

provide data for use in planning future well development programs. The cost of the FY 1974 well development program is estimated at $180,000.

New water mains will be installed between the Happy Valley section of Pago Pago (terminus of FY 1973 improvements) and Atu'u a new booster station will be added near Pago Pago. This project will replace a section of old, corroded pipe which services the industrial area of Pago Bay. Estimated Cost of this project is $170,000.

Two new storage tanks are also planned. A 1.0 million gallon tank will be located east of the industrial area near Atu'u. A 0.5 million gallon tank will be located in the vicinity of Mapusaga. The cost of the two tanks including control valves and access roads is estimated to be $234,000.

As new pipelines are built, a requiremant for fire hydrants and distribution laterals develops. The laterals will provide for connections to metered house services. The following amounts are budgeted for FY 1974:

Fire hydrants	$20,000
Distribution laterals	60,000

These amounts include provisions for facilities for villages which are expected to have requested incorporation into the Government of American Samoa water system.

New booster pumps are to be provided for the pump stations at Nu'uuli and Utulei. They will initiallv serve as spare pumps to be used during periods of maintenance or repair of either of the operating pumps. The amount budgeted for these pumps is $20,000.

A water main will be installed from the terminus of FY 1973 improvements in Futiga to a connection with the present Leone water system in Puapua. The cost of this water main is $45,000.

A booster pump station will be provided for the Malaeimi-Pavaiai section of the Western District water main. The pump station will include two 200 PGM pumps, electrical controls, housing and electrical and piping connections. Estimated cost is $15,000.

A new treatment facility for coagulation and sedimentation is planned for the Vaipito area. They will be designed to operate in coordination with existing rapid sand filters and the Vaipito reservoir. Included will be mixing, flocculation, and setting tanks, chlorination and quality testing facilities and central control room. This facility is budgeted at $200,000.

The FY 1974 Rehabilitation program includes items of work planned for accomplishment by Public Works forces. Included are:

- Replacement of existing pipelines along airport road	$ 72,000
- Fagatogo area	36,000
- Virgin Falls - Fagaalu transmission	30,000
- Procurement of spare parts for existing equipment	10,000
- Renovation of chlorat ion system	30,000
- System survey for leaks, illegal or unmetered connections,etc	10,000

- Renovate storage tanks: to provide fire protection reserve 10,000
  replace control valves 10,000

Along with FY 1974 improvements, old, inefficient and polluted sources of water will be phased out of the GAS system.

The sum of $22,000 is also budgeted to provide for miscellaneous village improvements as the need arises.

3. Economic Development -0-

No funds are requested for FY 1974

4. Conservation and Environment -0-

No funds are requested for FY 1974

5. Transportation, Communications, & Power $350,000

Roads - Tutuila and Ta'u $350,000

Funds are requested in FY 1974 to improve several existing pioneer roads on the islands of Tutuila and Ta'u.

These roads are unpaved and often become impassable with less than 4 wheel drive vehicles when washed out and rutted by rains and traffic. Such roads offer the only access to the villages of Masefau, Iliili, Vaitogi, Taputimu, Vailoatai, Malaeloa, Luma, Faleasao, Si'ufaga, Fitiuta, Leusoali'i, and Maia. Approximately 15 percent of the total population of the territory live in these villages. The total length of roads involved is approximately 20 miles. Selective grading and drainage work will be done as will selective paving of those sections of road which have proven to be susceptible to wash out or rutting. Approximately $50,000 will be needed to procure specialize equipment which will allow surface coatings to be applied by a spray technique. Such paving is inexpensive yet serviceable for the light traffic that uses these roads. It is believed that this improvement program will contribute significantly to a reduction in the costs to maintain these access routes.

6. General Government -0-

No funds are requested for FY 1974

7. Public Safety -0-

No funds are requested for FY 1974

8. Planning, Architectual & Engineering Design $300,000

a. Planning - $200,000

The only identifiable budgeted fund earmarked specifically for capital improvements planning in American Samoa was an appropriation of $50,000 in local funds by the Legislature of American Samoa in FY 1971. Further planning monies have since been made available by a HUD 701 grant. This grant has recently enabled the Government of American

Samoa to finance a $90,000 contract with a consulting firm to begin the first comprehensive plan. This contract effort will end at the close of FY 1973. It is expected to provide an information base, physical planning criteria and a preliminary general plan for land use and capital improvements in the Territory.

Funds of $200,000 are requested to take the next steps in the process and translate the preliminary and general plans into plans for specific physical systems. System trade-off studies will be required to develop complete and accurate information on alternative systems for water, sewer, transportation, drainage, fire protection, recreation, utilities, port facilities, and housing. This information will be presented in executive reviews, legislative hearings, and public hearings to guide government decision-making on future courses of action on major capital improvements programs. Planning studies are also needed for reassessment of zoning laws, building codes, utility rate structures and transportation regulations.

Investments in capital improvements now constitute a very significant share of the total GAS budget. This is in line with the policy to provide the basic infrastructure as a prerequisite to economic development. It is imperative that these funds be spend in a manner which assures maximum benefit and contributes to orderly development of the Territory. Proper planning is essential to this purpose.

b. Architectual and Engineering Design $100,000

In FY 1972, $100,000 was appropriated to provide funds to allow completion of design in the year preceding the availability of construction funding. No additions to the fund were made in FY 1973 and the additional funds requested in FY 1974 are to meet the needs of a much larger construction program.

The purpose of this fund is to provide financing for engineering work to enable the Government to prepare realistic designs and estimates on approved plans for future capital improvements prior to the availability of appropriations for construction.

Prior to the establishment of the current procedure which requires that designs be completed in the year preceding the availability of construction fundings, the Government of American Samoa experienced sizable carry-overs of unobligated construction funds to future years and also incurred substantial overruns on some construction projects. A principal reason for this was that the design engineering and cost estimating was not adequate and detailed design was not accomplished until the construction funds were appropriated. Availability of the A&E revolving fund now allows financing for architectual and engineering designs, cost estimating, site acquisition, soil tests, easements and the like in advance of the fiscal year that the construction funds are appropriated.

Expenditures against this fund are reimbursed by the inclusion of sufficient mark-up in future construction projects to permit the transfer of design engineering costs back to the A&E revolving fund thus restoring it to its original size as approved projects go forward. This request for A&E funding will increase the total fund from $100,000 to $200,000, and permit accomplishing approximately 15% of the final designs for FY 1975 construction projects.

Summary of Personnel Positions
U.S. Civil Service & U.S. Contract

	Number of Positions		
	FY 1972	FY 1973	FY 1974
Direct Appropriations			
Governor's Office	3	5	6
Judiciary	7	7	7
	10	12	13
Education & Culture			
Department of Education	85	80	74
Museum	-0-	1	1
	85	81	75
Health Services			
Department of Medical Services	27	31	28
Economic Development			
Department of Agriculture	1	2	3
Development Planning Office (Tourism)	1	1	1
	2	3	4
Transportation, Communications & Power			
Department of Port Administration	5	5	6
Communications Office	-0-	-0-	-0-
	5	5	6
General Government			
Legislature	1	2	2
Department of Administrative Services	10	12	18
Audit Office	1	1	2
Department of Legal Affairs	5	4	4
Local Government	-0-	-0-	-0-
Local Judicial	-0-	-0-	-0-
Department of Manpower Resources	3	3	4
Public Defender's Office	1	1	1
Department of Public Works	11	11	22
Office of Samoan Information	3	2	2
	35	36	55
Public Safety			
Department of Public Safety	1	1	2
Total Basic Operating Budget	165	169	183
Capital Improvements			
Construction Projects	9	13	13
Other			
Revolving Funds	12	13	7
Other Federal Grant Programs	55	66	74
	67	79	81
Total GAS(USCS & Contract)	241	261	277

Summary of Personnel Positions
U.S. Civil Service, Contract, and Local Total

	Number of Positions		
	FY 1972	FY 1973	FY 1974
Direct Appropriation			
Governor's Office	13	12	15
Judiciary	17	20	18
	30	32	33
Education & Culture			
Department of Education	1,098	1,112	1,087
Museum	-0-	1	3
	1,098	1,113	1,090
Health Services			
Department of Medical Services	419	432	413
Economic Development			
Department of Agriculture	68	69	92
Development Planning Office (Tourism)	5	6	15
	73	75	107
Transp., Communications, & Power			
Department of Port Administration	62	75	92
Communications Office	34	36	revolving fund
	96	111	92
General Government			
Legislature	46	53	81
Dept. of Administrative Services	71	130	166
Audit Office	5	5	6
Department of Legal Affairs	27	32	33
Local Government	94	95	92
Local Judicial	8	9	11
Department of Manpower Resources	23	22	25
Public Defender's Office	3	3	4
Department of Public Works	342	374	460
Office of Samoan Information	12	13	12
	631	736	890
Public Safety			
Department of Public Safety	150	174	172
Total Basic Operating Budget	2,497	2,673	2,797
Capital Improvements			
Construction Projects	230	470	253
Other			
Revolving Funds	470	493	637
Other Federal Grant Programs	148	202	227
	618	695	864
Total GAS	3,345	3,838	3,914

Summary Of Personnel Positions
Local

	Number of Positions		
	FY 1972	FY 1973	FY 1974
Direct Appropriations			
Governor's Office	10	7	9
Judiciary	10	13	11
	20	20	20
Education & Culture			
Department of Education	1,013	1,032	1,013
Museum	-0-	-0-	2
	1,013	1,032	1,015
Health Services			
Department of Medical Services	392	401	385
Economic Development			
Department of Agriculture	67	67	89
Development Planning Office (Tourism)	4	5	14
	71	72	103
Transportation, Communications & Power			
Department of Port Administration	57	70	86
Communications Office	34	36	revolving fund
	91	106	86
General Government			
Legislature	45	51	79
Department of Administrative Services	61	118	148
Audit Office	4	4	4
Department of Legal Affairs	22	28	29
Local Government	94	95	92
Local Judicial	8	9	11
Department of Manpower Resources	20	19	21
Public Defender's Office	2	2	3
Department of Public Works	331	363	438
Office of Samoan Information	9	11	10
	596	700	835
Public Safety			
Department of Public Safety	149	173	170
Total Basic Operating Budget	2,332	2,504	2,614
Capital Improvements			
Construction Projects	221	457	240
Other			
Revolving Funds	458	480	630
Other Federal Grant Programs	93	136	153
	551	616	783
Total GAS (Local)	3,104	3,577	3,637

STATEMENT OF LOCAL REVENUES BY SOURCE

Description (Source)	Actual FY 1972	Estimated FY 1973	Projected FY 1974
Department of Agriculture			
Experimental Farm	$ 25,266	$ 25,000	$ -0-
All Other Agriculture	54,919	30,000	-0-
	80,185	55,000	-0-
Dept. of Admin. Services			
Rents & Leases	171,780	200,000	225,000
Interest	22,399	25,000	250,000
Income Tax-Individual	1,978,727	2,200,000	2,200,000
Income Tax-Corporate	3,459,631	3,800,000	6,800,000
Licenses	95,773	105,000	120,000
Other Admin. Services	180,359	50,000	50,000
Territorial Liquor Store	206,129	250,000	275,000
	6,114,798	6,630,000	9,920,000
Communications			
Radiograms	127,629	-0-	-0-
Overseas Telephone Calls	194,576	-0-	-0-
	322,205	-0-#	-0-
Department of Education			
School Bus Operations	27,445	30,000	30,000
Misc. Dept. Education	840	-0-	-0-
	28,265	30,000	30,000
Dept. of Medical Services			
Hospital Care & Nurses	132,943	153,000	150,000
Pharmacy	8,702	10,000	10,000
Laundry Services	28,365	32,000	-0-
Other Medical Services	79,840	80,000	75,000
	249,850	275,000	235,000
Dept. of Public Works			
Water	27,879	30,000	30,000
Aerial Tramway	16,198	18,000	20,000
Other PWD	41,920	40,000	5,000
Electric Utility	281,018	50,000	-0-
Marine Railway	7,438	60,000	50,000
	374,453	198,000	105,000
Dept. of Port Administration			
Excise Taxes & Import Duty	985,507	1,182,000	1,250,000
Customs & Harbor Charges	271,453	312,000	350,000
Pier & Dock Services	214,216	230,000	300,000
Harbor Craft (Operations)	66,668	75,000	80,000
Other Port Administration	549	1,000	-0-
	1,538,393	1,800,000	1,980,000
Miscellaneous Other Revenues			
Court Fees & Fines	45,000	55,000	40,000
Travel Permits	15,362	18,000	20,000
Miscellaneous Revenue	17,063	17,000	25,000
	77,425	90,000	85,000
TOTALS	8,785,594	9,078,000	12,355,000

Communication operations transferred to a revolving fund, with estimated $300,000 in telephone revenues.

Appropriations Of The Legislature Of American Samoa To The Fiscal Year 1973 Program

Program Category	Basic FY 1973 Budget Operations	CIP	TOTAL	Approp. of FY 1972 & FY 1973 Excess Revenue for FY 73 Program Operations	CIP	TOTAL	Total FY 1973 Local Appropriations Operations	CIP	TOTAL
Education & Culture	642,000	-0-	642,000	59,000	122,000	181,000	701,000	122,000	823,000
Health Services & Fac.	2,058,000	350,000	2,408,000	29,000	93,000	122,000	2,087,000	443,000	2,530,000
Economic Development	466,000	-0-	466,000	74,000	52,000	126,000	540,000	52,000	592,000
Conservation & Envir.	-0-	64,000	64,000	-0-	62,000	62,000	-0-	126,000	126,000
Transp, Comm, & Power	866,000	734,000	1,600,000	111,000	318,000	429,000	977,000	1,052,000	2,029,000
General Government	2,275,000	-0-	2,275,000	577,000	861,000	1,438,000	2,805,000	749,000	3,544,000
Public Safety	116,000	-0-	116,000	63,000	76,000	139,000	179,000	76,000	255,000
	6,423,000	1,148,000	7,571,000	913,000	1,584,000	2,497,000 1/	7,336,000	2,732,000	10,068,000

1/

PL 12-36	47,000
PL 12-57	1,555,000
PL 13-18	895,000
TOTAL	2,497,000

Appropriations of the Legislation of
American Samoa for FY 1974

OPERATING BUDGET		
Educational & Cultural		
Dept. of Education	688,000	
Museum	30,000	
Health		
Department of Medical Services	333,000	
Economic Development		
Dept. of Agriculture	629,000	
Dev. Planning Office (Tourism)	75,000	
Office of Marine Resources	81,000	
Transportation, Comm., Power		
Dept. of Port Administration	883,000	
Office of Communications	23,000	
General Government		
Governor's Office	40,000	
Judicial	3,000	
Legislature	748,000	
Administrative Services	76,000	
Audit Office	78,000	
Dept. of Legal Affairs	96,000	
Local Government	217,000	
Local Judicial	60,000	
Dept. of Manpower Resources	182,000	
Public Defender's Office	42,000	
Dept. of Public Works	2,639,000	
Office of Samoan Information	145,000	
Public Safety		
Dept. of Public Safety	812,000	
Sub. Total Operations		7,880,000
CAPITAL IMPROVEMENTS		
Educational & Cultural		
ITV Equipment	704,000	
School Buses	53,000	
	757,000	
Health		
Sewer System	450,000	
Economic Development		
Agricultural Facilities & Equipment	50,000	

CAPITAL IMPROVEMENTS (Cont'd)

Conservation & Environment		
Misc. Small Village Projects	50,000	
Seawalls	80,000	
Storm Drains	40,000	
Pollution Control & Cleanup Equipt.	20,000	
	190,000	
Transp., Comm., & Power		
Interisland Dock Facilities	170,000	
Primary & Secondary Roads	150,000	
Tramway & TV Transmitter Building	410,000	
Electric Power System	200,000	
Construction Equipment	150,000	
Marine Railway Wage Adjustment	39,000	
Electric Utility Wage Adjustment	53,000	
	1,172,000	
General Government		
Construction Wage Adjustment	115,000	
Rehab. & Replace GAS Admin. Facilities	80,000	
Rehab. & Replace GAS Housing	100,000	
Expand GAS Warehouse Space	100,000	
	395,000	
Public Safety		
Fire Facilities	150,000	
Police & Fire major equipment	200,000	
Street Lights	10,000	
Sidewalks	50,000	
	410,000	
Sub. Total CIP		3,424,000
MATCHING FUNDS FOR FEDERAL GRANTS		
Supplement Reserve fund for Match for Federal Grants	1,323,000	
Sub. Total grant match		1,323,000
GRAND TOTAL		12,627,000

References: PL 12-68
PL 13-18

Summary of Federal Grant Programs by Program Category and Source of Funds
(Local Cash Match Included, In-Kind Match Excluded)

	Sources of FY 1972 Funds			Sources of FY 1973 Funds			Sources of FY 1974 Funds		
	Total Program	Federal Share	Local Share	Total Program	Federal Share	Local Share	Total Program	Federal Share	Local Share
A. OPERATING GRANTS									
1. Education & Cultural	1,927,000	1,853,000	74,000	1,876,000	1,851,000	25,000	1,506,000	1,379,000	127,000
2. Health Services	394,000	381,000	13,000	382,000	369,000	13,000	663,000	650,000	13,000
3. Economic Development	456,000	383,000	73,000	630,000	565,000	65,000	369,000	267,000	102,000
4. Conservation & Environ.	-0-	-0-	-0-	-0-	-0-	-0-	20,000	20,000	-0-
5. Transportation	-0-	-0-	-0-	48,000	48,000	-0-	-0-	-0-	-0-
6. General Government	484,000	484,000	-0-	256,000	256,000	-0-	190,000	155,000	35,000
7. Public Safety	236,000	208,000	28,000	300,000	278,000	22,000	366,000	300,000	66,000
SUB TOTALS	3,497,000	3,309,000	188,000	3,492,000	3,367,000	125,000	3,114,000	2,771,000	343,000
B. CAPITAL IMPROVEMENTS									
1. Education & Cultural	-0-	-0-	-0-	-0-	-0-	-0-	100,000	-0-	100,000
2. Health Services	744,000	697,000	47,000	1,182,000	1,036,000	146,000	186,000	36,000	150,000
3. Economic Development	1,225,000	980,000	245,000	-0-	-0-	-0-	-0-	-0-	-0-
4. Conservation & Environ.	272,000	136,000	136,000	100,000	50,000	50,000	100,000	50,000	50,000
5. Transportation	1,439,000	1,061,000	378,000	637,000	469,000	168,000	2,286,000	1,756,000	530,000

B. CAPITAL IMPROVEMENTS (Cont'd)

	Sources of FY 1972 Funds			Sources of FY 1973 Funds			Sources of FY 1974 Funds		
	Total Program	Federal Share	Local Share	Total Program	Federal Share	Local Share	Total Program	Federal Share	Local Share
6. General Government	-0-	-0-	-0-	60,000	30,000	30,000	-0-	-0-	-0-
7. Public Safety	-0-	-0-	-0-	18,000	18,000	-0-	300,000	150,000	150,000
SUB TOTALS	3,680,000	2,874,000	806,000	1,997,000	1,603,000	394,000	2,972,000	1,992,000	980,000
TOTAL SOURCE OF FUNDS	7,177,000	6,183,000	994,000	5,489,000	4,970,000	519,000	6,086,000	4,763,000	1,323,000

* Was designated as match for college construction grant

Federal Grants To The Government Of American Samoa
(Federal Funds Only)

28 March 1973

Purpose of Grant	Name of Grant or Authorizing Legislation	FY1973 Fed. Grants Actual Or Estimated	FY1974 Fed. Grants Anticipated as of September 1972	FY1974 Fed. Grants Anticipated as of March 1972
OPERATIONS				
Educational & Cultural				
Assistance for educationally deprived	Elementary & Secondary Education Act, Title I	358,000	358,000	357,000
School Library Resources	" " " " " II	30,000	30,000	-0-
Supplemental Education Centers	" " " " " III	170,000	151,000	170,000[1/]
Planning and Evaluation	" " " " " V, Part C	17,000	17,000	-0-
Strengthening State Departments	" " " " " V, Part A	70,000	73,000	-0-
Special Subject Areas	National Defense Education Act, Title III	12,000	54,000	-0-
Teacher Training	Education Professions Development Act, Part B-2	15,000	15,000	-0-
Drug Education	" " " " " D	10,000	10,000	-0-
Library Services	Library Services and Construction Act, Title I	45,000	45,000	-0-
Library Construction	" " " " " " II	-0-	21,000	-0-
Inter-library Cooperation	" " " " " " III	10,000	10,000	-0-
Direction and Supervision	Manpower Development and Training Act	42,000	34,000	42,000[2/]
Institutional Training	" " " " "	30,000	100,000	30,000[2/]
School Lunch Program	National School Lunch Act	474,000[4/]	328,000	474,000
Comprehensive Planning	Higher Education Act, Title I	20,000	20,000	-0-
Educational Opportunity	" " " " IV A	2,000	-0-	-0-
College Work Study	" " " " IV C	27,000	20,000	-0-
Handicapped School Programs	Education of the Handicapped Act, Part B	70,000	71,000	70,000[1/]
Teacher Training	" " " " " " D	50,000[4/]	50,000	-0-
Vocational Education for Handicapped	Vocational Education Act	6,000	8,000	6,000[1/]
Handicapped School Programs	Elementary & Secondary Education Act, Title III	18,000	18,000	18,000[1/]
Vocational Education in Comm. College	Vocational Education Act	88,000	80,000	89,000[1/]
Vocational Advisory Council	" " "	32,000	32,000	32,000[1/]
Educational Films	Adult Basic Education Act	41,000	41,000	41,000[1/]
Television Equipment	Communications Act, Title III, Part IV	164,000	-0-	-0-
Operation of Museum & Arts Council	National Foundation for Arts & Humanities Act	50,000	30,000	50,000
	SUB-TOTALS	1,851,000	1,616,000	1,379,000

Purpose of Grant	Name of Grant or Authorizing Legislation	FY1973 Fed. Grants Actual Or Estimated	FY1974 Fed. Grants Anticipated as of September 1972	FY1974 Fed. Grants Anticipated as of March 1973
Health Services				
Comprehensive Health Planning	Public Health Services Act, Sec. 314 (a)	77,000	77,000	77,000
Public Health Operations	Public Health Services Act, Sec. 314 (d)	201,000	201,000	201,000
Mental Health Operations	Public Health Services Act, Sec. 314 (d)	65,000	65,000	65,000
Solid Waste Planning	Resource Recovery Act	26,000 4/	-0-	-0-
Maternal & Child Health Services	Social Security Act, Title V, Sec. 503	-0-	-0-	161,000
Crippled Children's Services	" " " " ", Sec. 504	-0-	-0-	146,000
	SUB-TOTALS	369,000	343,000	650,000
Economic Development				
Dory Building	Economic Opportunity Act, Title II	50,000	-0-	-0-
Taro Production Development	" " " , " "	165,000	-0-	-0-
Shopping Center Complex	" " " , " "	20,000	-0-	-0-
Planning Assistance	Public Works & Economic Development Act	-0-	63,000	-0-
Comprehensive Territorial Plan	Housing Act, Sec. 701 (HUD)	75,000	75,000	75,000
Commercial Fisheries Research & Devel.	Commercial Fisheries Research & Development Act	120,000	120,000	120,000
Sport Fisheries Inventory & Develop.	Federal Aid in Sport Fish Restoration Act	69,000	44,000	69,000
Employment Statistics for O&H Standards	Occupational Injury & Health Statistics Act	-0-	15,000	-0-
Implementation of Statistics Program	" " " " "	3,000	-0-	3,000
Commercial Fisheries Instructor Training	National Sea Grant College & Program Act	63,000	-0-	-0-
	SUB-TOTALS	565,000	317,000	267,000
Conservation and Environment				
Air & Water Pollution Control Education	Clean Air Act	-0-	-0-	20,000
Transportation				
Highway Planning	Federal Highway Act	30,000	-0-	-0-
Transportation Study	" " "	18,000	-0-	-0-
	SUB-TOTALS	48,000	-0-	-0-
General Government				
Vocational Training	Manpower Development and Training Act	34,000	21,000	34,000 2/
State Administrative Expense	" " " " "	15,000	-0-	15,000 2/

Purpose of Grant	Name of Grant or Authorizing Legislation	FY 1973 Fed. Grants Actual Or Estimated	FY1974 Fed. Grants Anticipated as of September 1972	FY1974 Fed. Grants Anticipatd as of March 1973
General Government (cont'd)				
Neighborhood Youth Corps	Economic Opportunity Act, Title I-B	60,000[4]/	93,000	60,000[2]/
One year Employment for Unemployed	Emergency Employment Act	87,000[4]/	-0-	-0-
Public Service Careers	Economic Opportunity Act, Title I-B, Sec. 123 a	-0-	-0-	-0-
State Planning	Occupational Safety and Health Act	-0-	23,000	46,000
American Rev. Bi-Centennial	Public Law 92-236, Section 9	60,000[4]/	-0-	-0-
	SUB-TOTALS	256,000	137,000	155,000
Public Safety				
Law Enforcement Planning	Omnibus Crime Control & Safe Street Act	116,000[4]/	104,000	200,000[3]/
Law Enforcement Action Programs	" " " " " "	158,000[4]/	160,000	100,000[3]/
Civil Defense Operations	Federal Civil Defense Act	4,000[4]/	-0-	-0-
	SUB-TOTALS	278,000	264,000	300,000
	Total Operating Grant Programs	3,367,000	2,677,000	2,771,000
CAPITAL IMPROVEMENTS				
Educational & Cultural				
Community College	Higher Education Facilities Act, Title I	-0-	900,000	-0-
Health Services				
Public Health Lab. & Service Area	Public Health Services Act, Title VI (Hill-Burton)	1,000,000[4]/	-0-	-0-
Solid Waste Disposal Plant	Resource Recovery Act	-0-	150,000	-0-
Water Source Development	Geological Survey Act of 1879	36,000	-0-	36,000
	SUB-TOTALS	1,036,000	150,000	36,000
Conservation & Environment				
Golf Course, Athletic	Land & Water Conservation Fund Act (BOR)	50,000	50,000	50,000

Purpose of Grant	Name of Grant or Authorizing Legislation	FY1973 Fed. Grants Actual Or Estimated	FY1974 Fed. Grants Anticipated as of September 1972	FY1974 Fed. Grants Anticipated as of March 1973
Transportation				
Cruiseship & Freight Dock Extension	Public Works & Economic Development Act	-0-	1,024,000	-0-
Primary and Secondary Roads	Federal Highway Act	302,000	560,000	500,000
Airport Improvements	Airport & Airway Development Act	167,000	306,000	306,000
Small Boat Harbor-Aunu'u	Small Navigation Projects Act	-0-	950,000	950,000
	SUB-TOTALS	469,000	2,840,000	1,756,000
General Government				
Renovation of Atauloma Girls School	National Historic Preservation Act	30,000 4/	-0-	-0-
Public Safety				
Police Facilities	Omnibus Crime Control and Safe Streets Act	18,000	150,000	150,000
	Total Capital Improvements Grant Programs	1,603,000	4,090,000	1,992,000
	TOTAL FEDERAL GRANT PROGRAMS	4,970,000	6,767,000	4,763,000

FOOTNOTES:

1/ Programs anticipated to be included in Education Special Revenue Sharing
2/ Programs anticipated to be included in Manpower Training Special Revenue Sharing
3/ Programs anticipated to be included in Law Enforcement Revenue Sharing (LERS)
4/ Estimated FY 1973 Funding

GOVERNMENT OF AMERICAN SAMOA
TOTAL BUDGET
SUMMARY BY USE OF FUNDS

	Actual FY 1972			Estimate FY 1973			Proposed FY 1974		
	Operations	CIP	TOTAL	Operations	CIP	TOTAL	Operations	CIP	TOTAL
Education & Culture	6,797,000	378,000	7,175,000	7,680,000	771,000	8,451,000	8,224,000	1,578,000	9,802,000
Health Services & Facilities	3,299,000	2,037,000	5,336,000	3,561,000	2,665,000	6,226,000	4,096,000	1,836,000	5,932,000
Economic Development	834,000	1,030,000	1,864,000	1,014,000	923,000	1,937,000	1,154,000	50,000	1,204,000
Conservation & Environment	-0-	336,000	336,000	-0-	346,000	346,000	20,000	290,000	310,000
Trans., Comm., Power	789,000	1,700,000	2,489,000	976,000	4,101,000	5,077,000	906,000	3,808,000	4,714,000
General Government	4,644,000	490,000	5,134,000	5,824,000	841,000	6,665,000	6,845,000	395,000	7,240,000
Public Safety	705,000	-0-	705,000	831,000	479,000	1,310,000	1,178,000	710,000	1,888,000
Advance Planning; A&E Design	-0-	100,000	100,000	-0-	-0-	-0-	-0-	300,000	300,000
	17,068,000	6,071,000	23,139,000	19,886,000	10,126,000	30,012,000	22,423,000	8,967,000	31,390,000

GOVERNMENT OF AMERICAN SAMOA

Agriculture - Market Place
Estimated Revenues and Expenditures

	Actual 1972	Estimate 1973	Estimate 1974	Increase (Decrease)
Revenues	112,870	74,000	82,000	8,000
Expenditures:				
Personal Services - Samoans	18,816	22,000	25,000	3,000
Personnel Benefits	1,462	2,000	2,000	-0-
Travel	234	-0-	1,000	1,000
Rent, Communication & Utilities	1,629	2,000	1,000	(1,000)
Equipment	5,000	-0-	-0-	-0-
Other Services	1,314	1,000		(1,000)
Supplies & Materials	96,393	46,000	51,000	5,000
Motor Pool	1,326	1,000	2,000	1,000
Total Expenditures	126,174	74,000	82,000	8,000
Net Revenues	(13,304)	-0-	-0-	-0-
Positions: Samoans	(5) 20,000	(5) 24,000	(5) 27,000	

GOVERNMENT OF AMERICAN SAMOA

Air Force Cafeteria
Estimated Revenue and Expenditures

	Actual 1972	Estimate 1973	Estimate 1974	Increase (Decrease)
Revenues:	75,663	111,000	118,000	7,000
Expenditures:				
Personal Services	29,078	38,000	43,000	5,000
Personnel Benefits	2,265	4,000	4,000	-0-
Other Services	1,590	2,000	6,000	4,000
Materials & Supplies	51,531	57,000	50,000	(7,000)
Utilities	3,848	6,000	4,000	(2,000)
Motor Pool	1,092	1,000	1,000	-0-
Rent	-0-	-0-	3,000	3,000
Equipment	-0-	3,000	4,000	1,000
Travel	-0-	-0-	1,000	1,000
Marine Railway	-0-	-0-	2,000	2,000
Total Expenditure	89,404	111,000	118,000	7,000
Net Revenues	(13,741)	-0-	-0-	-0-
Positions: Samoans	(14) 31,000	(14) 44,000	(14) 47,000	

GOVERNMENT OF AMERICAN SAMOA

Air Force Housing
Estimated Revenue and Expenses

	Actual 1972	Estimate 1973	Estimate 1974	Increase (Decrease)
Revenues	43,788	63,000	54,000	(9,000)
Expenditures:				
Personal Services	27,520	26,000	29,000	3,000
Personnel Benefits	2,107	3,009	3,000	-0-
Transportation of things	3,956	-0-	-0-	-0-
Other Services	5,141	9,000	1,000	(8,000)
Equipment	(1,679)	13,000	12,000	(1,000)
Materials & Supplies	5,551	8,000	2,000	(6,000)
Marine Railway	-0-	-0-	1,000	1,000
Utilities	6,142	4,000	4,000	-0-
Motor Pool	215	-0-	1,000	1,000
Internal Distribution	297	-0-	1,000	1,000
Total Expenditures	49,250	63,000	54,000	(9,000)
Net Revenue	(5,462)	-0-	-0-	-0-
Positions: (12) 30,000		(12) 30,000	(12) 32,000	

GOVERNMENT OF AMERICAN SAMOA

Airport Revolving Fund
Estimated Revenues and Expenditures

	Actual 1972	Estimate 1973	Estimate 1974	Increase (Decrease)
Revenues	335,275	329,000	446,000	117,000
Expenditures:				
Personal Services	141,779	186,000	242,000	56,000
Personnel Benefit	10,972	19,000	15,000	(4,000)
Travel	904	7,000	7,000	-0-
Transportation of things	7,445	-0-	-0-	-0-
Other Services	59,046	22,000	10,000	(12,000)
Equipment	30,751	20,000	107,000	87,000
Materials & supplies	34,370	9,000	10,000	1,000
Electric Utility	11,736	20,000	20,000	-0-
Telephone	269	1,000	2,000	1,000
Communications	324	-0-	-0-	-0-
Print Shop	380	2,000	2,000	-0-
Motor Pool	4,670	-0-	6,000	6,000
Capital Improvements		43,000	25,000	(18,000)
Heavy Equipment	20	-0-	-0-	-0-
Total Expenditures	302,666	329,000	446,000	117,000
Net Revenues	32,609	-0-	-0-	-0-
Positions: Stateside (1) 10,000		(1) 12,000	-0-	
Samoans (18) 152,000		(19) 193,000	(76) 257,000	

GOVERNMENT OF AMERICAN SAMOA

General Supply
Estimated Revenues and Expenditures

	Actual 1972	Estimate 1973	Estimate 1974	Increase (Decrease)
Revenues	208,940	194,000	254,000	60,000
Expenditures:				
Personal Services	129,984	125,000	144,000	19,000
Personnel Benefits	10,051	20,000	22,000	2,000
Travel and Transportation	575	3,000	2,000	(1,000)
Rent, Communications & Utilities	1,559	10,000	12,000	2,000
Printing & Reproduction	174	1,000	1,000	-0-
Other Services	4,882	14,000	13,000	(1,000)
Supplies and Materials	5,335	5,000	7,000	2,000
Equipment	15,108	14,000	39,000	25,000
Motor Pool	7,742	1,000	9,000	8,000
Heavy Equipment	-0-	1,000	2,000	1,000
Internal Distribution	-0-		3,000	3,000
	205,778	194,000	254,000	60,000
Net Revenue	3,162	-0-	-0-	-0-
Positions: Samoans	(41) 133,000	(40) 146	(40) 166,000	

GOVERNMENT OF AMERICAN SAMOA

Motor Pool
Estimated Revenues and Expenditures

	Actual 1972	Estimate 1973	Estimate 1974	Increase (Decrease)
Revenues	512,845	300,000	344,000	44,000
Expenditures:				
Personal Services - Samoans	152,837	151,000	182,000	31,000
Personnel Benefits	11,897	19,000	19,000	-0-
Travel	707	2,000	1,000	(1,000)
Transportation of things	429	1,000	1,000	-0-
Rents	529	1,000	2,000	1,000
Printing & Reproductions	-0-	-0-	1,000	1,000
Other Services	34,508	3,000	1,000	(2,000)
Equipment	84,825	38,000	45,000	7,000
Materials & Supplies	157,439	82,000	88,000	6,000
Marine Railway	308	1,000	1,000	-0-
Electric Utility	1,131	1,000	1,000	-0-
Telephone	406	-0-	1,000	1,000
Print Shop	378	1,000	1,000	-0-
Motor Pool	189	-0-	-0-	-0-
Total Expenditures	445,583	300,000	344,000	44,000
Net Revenue	67,262	-0-	-0-	-0-
Positions: Samoans	(73) 166,000	(44) 170,000	(51) 201,000	

GOVERNMENT OF AMERICAN SAMOA

Print Shop
Estimated Revenues and Expenditures

	Actual 1972	Estimate 1973	Estimate 1974	Increase (Decrease)
Revenues	116,153	140,000	144,000	4,000
Expenditures:				
Personal Services	32,595	38,000	39,000	1,000
Personnel Benefits	2,553	4,000	4,000	-0-
Other Services	896	-0-	-0-	-0-
Equipment	13	5,000	5,000	-0-
Materials & supplies	69,167	85,000	86,000	1,000
Electric Utility	1,369	6,000	7,000	1,000
Marine Railway	-0-	1,000	1,000	-0-
Telephone	219	1,000	-0-	(1,000)
Motor Pool	157	-0-	-0-	-0-
Internal Distribution	-0-	-0-	2,000	2,000
Total Expenditures	109,008	140,000	144,000	4,000
Net Revenues	7,145	-0-	-0-	-0-
Positions: Samoans	(12) 35,000	(12) 42,000	(12) 43,000	

GOVERNMENT OF AMERICAN SAMOA

Territorial Liquor Store
Estimated Revenues and Expenditures

	Actual 1972	Estimate 1973	Estimate 1974	Increase (Decrease)
Gross Revenue	471,425	475,000	560,000	85,000
Cost Of Liquor Sold:				
Inventory - July 1	90,470	125,000	112,000	(13,000)
Purchase & Freight in	328,066	160,000	260,000	100,000
Liquor Available for Sale	418,536	285,000	372,000	87,000
Less: Ending Inventory	202,369	112,000	161,000	49,000
Cost of liquor sold	216,167	173,000	211,000	38,000
Gross Profit	255,258	302,000	349,000	47,000
Operating Expenditures:				
Personal Services - Samoans	15,224	15,000	24,000	9,000
Personnel Benefits	1,216	3,000	3,000	-0-
Travel	1,225	-0-	-0-	-0-
Transportation of things	5,204	-0-	-0-	-0-
Communications & Utilities	290	4,000	6,000	2,000
Printing & Reproduction	-0-	1,000	2,000	1,000
Maintenance & Repairs	24	-0-	-0-	-0-
Other Services	14,666	1,000	1,000	-0-
Materials & Supplies	7,392	2,000	2,000	-0-
Motor Pool	1,403	1,000	3,000	2,000
Equipments	2,484	1,000	8,000	7,000
Total Operating Expense	49,128	28,000	49,000	21,000
Net Revenue	206,130	274,000	300,000	26,000
Positions: Samoans	(4) 16,440	(4) 18,000	(6) 27,000	

GOVERNMENT OF AMERICAN SAMOA

Marine Railway
Estimated Revenues and Expenditures

	Actual 1972	Estimate 1973	Estimate 1974	Increase (Decrease)
Revenues	727,028	852,000	1,204,000	352,000
Expenditures:				
Personal Services - Stateside	42,900	46,000	30,000	(16,000)
Personal Services - Samoans	311,902	362,000	543,000	181,000
Personnel Benefits	38,626	40,000	58,000	18,000
Travel	6,500	4,000	4,000	-0-
Transportation of things	5,000	3,000	6,000	3,000
Printing & Reproduction	1,000		1,000	1,000
Other Services	5,000	5,000	25,000	20,000
Equipment	32,400	63,000	53,000	(10,000)
Materials & Supplies	200,000	250,000	400,000	150,000
Electric Utilities	17,500	15,000	9,000	(6,000)
Telephone	1,200		1,000	1,000
Communications	-0-	1,000	1,000	-0-
Print Shop	-0-	1,000	1,000	-0-
Motor Pool	-0-	2,000	2,000	-0-
Heavy Equipments	-0-	5,000	5,000	-0-
Indirect Distribution	-0-	5,000	5,000	-0-
Total Expenditures	662,028	802,000	1,144,000	342,000
Net Revenues	65,000	50,000	60,000	10,000
Positions: Statesides	(3) 44,115	(3) 49,200	(2) 30,421	
Samoans	(102)349,313	(111)398,717	(147)622,566	

GOVERNMENT OF AMERICAN SAMOA

ELECTRIC UTILITY DIVISION
Tutuila Operating Budget Estimate FY 1974

	10 Mos. Actual Bal Yr Estimate FY 1972	Revised Estimate FY 1973	Estimate FY 1974
Revenues			
Residential	$ 482,113	$ 511,040	$ 583,793
Commercial	256,659	260,430	312,769
Large Power	611,536	648,228	745,467
Street Light	2,423	3,600	4,000
Total Sales	$1,352,731	$1,423,298	$1,646,029
Other Income	11,808	13,000	15,000
Total Income	$1,364,539	$1,436,298	$1,661,029
Expenditures			
Personal Services-Contract	25,173	84,661	87,724
Personal Services-Samoans	266,977	282,968	293,000
Personnel Benefits	23,780	38,668	41,432
Travel	2,209	8,800	2,000
Transportation of things	2,372	10,000	2,800
Printing & Reproduction (Outside)	949	1,000	2,000
Other Constr. Services (Outside)	20,042	20,000	23,000
Materials & Supplies	629,042	607,000	667,800
Marine Railway	7,594	5,000	10,000
Telephone	1,138	2,800	3,000
Communications	2,683	3,000	3,200
Print Shop	396	800	1,000
Motor Pool	26,544	31,000	34,000
Total Expenditures	$1,008,899	$1,095,697	$1,170,956
Gross Profit	355,640	340,601	490,073
Less Capital Equipment Purchased	186,571	152,786	104,500
	169,069	187,814	385,573
Less Manu'a Subsidy	(125,973)	(182,247)	(157,304)
Bal Available for Repayment-GAS	43,096	5,567	228,269
Balance	-0-	-0-	-0-
Positions: Stateside	(1) 25,000	(6) 85,000	(2) 29,000
Samoans	(67)291,000	(78)322,000	(78)334,000

GOVERNMENT OF AMERICAN SAMOA
ELECTRIC UTILITY DIVISION
Manu'a Operating Budget Estimate FY 1974

	10 Mos. Actual Bal. Yrs. Est. FY 1972	Revised Estimate FY 1973	Estimate FY 1974
Revenues			
Residential	$ 4,180	$ 21,290	$ 23,500
Commercial	20,658	22,000	24,500
Large Power			
Street Lights			
Total Sales	24,838	43,822	48,000
Other Income	240	300	
Total Income	25,078	43,590	48,000
Expenditures			
Personal Services - Contract	29,607	28,577	29,499
Personal Services - Samoans	46,531	84,143	88,516
Personnel Benefits	9,084	11,937	12,989
Travel	1,770	5,000	2,000
Transportation of things	1,257	3,000	1,000
Printing & Reproduction (Outside)			200
Other Constr. Services (Outside)	1,993	3,000	3,300
Materials & Supplies	36,204	38,000	40,000
Marine Railway			
Telephone			
Communications	1,204	1,700	1,800
Print Shop	314	500	600
Motor Pool	216	300	400
Total Expenditures	$ 128,180	$176,157	$180,304
Gross Deficit	(103,102)	(132,567)	(132,304)
Plus Capital Equipment	22,871	49,660	25,000
Net Deficit	$(125,973)	$(182,247)	$(157,304)
Positions: Stateside	(2) 29,607	(2) 29,000	(2) 29,000
	(19) 56,000	(25) 84,000	(25) 89,000

ITEMIZATION OF ESTIMATE

Department of the Interior
Appropriation Title: Administration of Territories, Territorial Affairs

	1972 Actual	1973 Estimate	1974 Estimate	Increase (+) or Decrease (-)
Program and Financing:				
Total obligations	$15,226,064	$34,294,436	$16,296,091	$-17,998,345
Receipts and Reimbursements from Federal Funds.	-7,433	-10,000	-10,000	---
Recovery of prior year obligations	-38,477	---	---	---
Unobligated balance, start of year	-4,242,321	-11,191,527	-221,091	+10,970,436
Unobligated balance transferred from other accounts	-825,360	-939,000	-1,065,000	-126,000
Unobligated balance, end of year	11,191,527	221,091	---	-221,091
Budget authority	21,304,000	22,375,000	15,000,000	-7,375,000
Object Classification:				
11 Personnel compensation	1,102,849	1,372,000	1,546,000	+174,000
12 Personnel benefits	96,695	150,000	174,000	+24,000
21 Travel and transportation of persons	87,860	63,000	127,000	+64,000
22 Transportation of things	39,272	58,000	76,000	+18,000
23 Rent, communications, and utilities	48,979	69,000	77,000	+8,000
24 Printing and reproduction	9,470	11,000	8,000	-3,000
25 Other services	30,694	76,000	44,000	-32,000
26 Supplies and materials	19,269	19,000	22,000	+3,000
31 Equipment	23,608	16,000	17,000	+1,000
33 Investments and loans	1,018,176	9,775,084	---	-9,775,084
41 Grants, subsidies, and contributions	12,749,192	22,685,352	14,205,091	-8,480,261
Total obligations.	15,226,064	34,294,436	16,296,091	-17,998,345

PERSONNEL SUMMARY

	1972 Actual	1973 Estimate	1974 Estimate
Total number of permanent positions	58	62	71
Average paid employees	45	56	68
Average GS grade	11.6	11.5	11.3
Average GS salary	$18,340	$18,216	$18,044
Average salary of ungraded positions	$3,328	$3,500	$3,600

GUBERNATORIAL STUDY COMMISSION

Mrs. HANSEN. You touched on this subject earlier in your statement.

On August 28, 1972, Secretary Morton announced the establishment of a Gubernatorial Study Commission to study changes in management and organization of American Samoa.

Has this study been completed and what changes have you already made as a result of it and what changes do you contemplate?

Governor HAYDON. We have not made any changes. We have established the committee. We have met twice and we will meet again in June.

The committee is composed of Secretary Carpenter and members of his staff, people from my office, the Governor, Lieutenant Governor, and attorney general, the speaker and the president, and legislative counsel from the Fono, and to represent the public, the district governors of the eastern, western and Manua districts.

What we are looking at particularly are the organizational changes and the fiscal controls that will have to be set up for internal self-government.

The legislature has developed seven pieces of proposed or model legislation which Interior is reviewing now. We have developed a number of guidelines that indicate the most important areas of interest, an organizational change that will have to take place.

Mrs. HANSEN. Do you want to list some of those changes.

Governor HAYDON. These have to do with two areas which we consider of prime importance. Fiscal management, and control is No. 1. Through Interior we are able to draw on their experience with other territories and we hope to devise a system that is more responsive.

[Discussion off the record.]

Governor HAYDON. Another area being studied is the number of people who should remain under civil service, the feeling being that Samoans who take over these jobs probably could be more responsive to their own government at home, but that certain key jobs, particularly since Federal funds are involved and undoubtedly will be long into the future, jobs like the comptroller and the treasurer and so on would continue to be——

Mrs. HANSEN. Governor Hayden, do you contemplate establishing a Samoan civil service or something of this nature? What do you contemplate?

Governor HAYDON. I would say, Mrs. Hansen, that in effect we have that now because we have a merit system law. We have many of the procedures which would be equal to the procedures of the Civil Service Commission.

For example, administrative appeal for employment if fired and protection of your job. We have a GAS grading system by steps, much like the civil service procedure.

Mrs. HANSEN. And you have a retirement system?

Governor HAYDON. We have now a fully implemented and funded retirement system which started approximately a year ago. We have the money for it and the people are already going into retirement, opening up jobs for younger people in government.

CONSTITUTIONAL REVISION COMMITTEE

We are, in addition to these meetings, timing ourselves, have so far at any rate, with the fact that this is the 5-year constitutional revision as required by our constitution. All of the information which we have developed in the meetings of the Gubernatorial Study Commission is being fed over to the constitutional revision committee.

They have begun acting on many of the same points that we are looking at as we go toward internal self-government. We expect the constitutional revision committee to report on May 23 and hopefully in June or July would have the constitutional convention completed and this would give us some guidelines to see what those desires are. We hope to have a special election during 1973 on the constitutional revision when it is finally finished.

ROLE OF SAMOAN LEGISLATURE IN BUDGET FORMULATION

Mrs. HANSEN. What was role of the Samoan Legislature in formulating the budget which we are considering today?

In other words, were they aware of the million-dollar reduction from the Interior Department and of the categorical grant cuts when they reviewed this budget?

Governor HAYDON. They were aware of the million-dollar reduction, of course. Categorical grant cuts, no, because this budget was originally put together in September of last year. In my own remarks to the legislature and in meetings of the Joint Budget Review Committee we, as soon as we began receiving storm warnings, passed them on to the Fono and about 1½ months ago we went to Hawaii accompanied by Senator Sunia and Representative Steffany, and met with the Western Regional Council of the Federal Government. There they outlined to the best of their ability where the cuts would be.

In addition, two cuts that were given to us, one in manpower development training funds, which we used in our community college, and one from EDA, a portion of which was used to support our department of economic development and planning.

In the most recent special session, out of excess local revenues, we replaced those two cuts with local revenues so that the programs won't stop. I would say that their knowledge of the categorical grant cuts is as recent as ours but they have no more detail than we have.

SOURCES OF LOCAL REVENUE

Mrs. HANSEN. What are the various sources of your local revenue?

Governor HAYDON. We have run a projection. I think I will let Mr. Mahar answer your question, Mrs. Hansen. This is a field he works in all the time.

Mr. MAHAR. Thank you, Governor Haydon.

The principal source of our local revenue is our taxes and the principal segment of this——

Mrs. HANSEN. Your taxes.

Mr. MAHAR. Is the local corporate tax. The corporate tax for fiscal 1973, which is still coming in, of course, is estimated at $6.2 million.

Mrs. HANSEN. What were the collections for 1972?

Mr. MAHAR. For 1972 our actual collection was $3,459,000.

Mrs. HANSEN. Then on what basis have you estimated taxes at the $6.2 million level?

Mr. MAHAR. We have already collected at this point in the fiscal year $2 million more at this point in time than we collected a year earlier, so we are pretty confident of our estimate.

Mr. EVANS. Madam Chairman, may I inquire how we face almost double the revenues? What caused these revenues to increase?

Mr. MAHAR. Business has been exceptionally good in the canneries. Taxes are up simply based on a better economic condition.

Mr. EVANS. Has there been no change in the tax rates?

Mr. MAHAR. No, sir.

Mr. EVANS. Thank you, Madam Chairman.

Mr. YATES. Off the record.

[Discussion off the record.]

TUNA CANNERIES

Mr. YATES. Do you have a capacity for expansion of the tuna business?

Governor HAYDON. Yes. Both canneries are investing more than $1 million apiece in American Samoa at the present time. This in itself is one reason why their revenues to us are jumping substantially.

Mr. YATES. Do they pay a tax to you or to the Federal Government?

Governor HAYDON. No; all income taxes paid in Samoa revert to Samoa and these are the dollars that Mr. Mahar is talking about. We gave the canneries an additional income tax exemption based on their willingness to invest more heavily in American Samoa and to be at a base level of production, a level at which they were not at the time we gave it to them.

They have come up to that level of production and are investing very, very large amounts of money and bringing in additional boats in order to get to the level where they can take advantage of the tax exemption.

In the meantime their revenues have come way, way up.

Mrs. HANSEN. Where are they shipping their tuna?

Governor HAYDON. All to the United States. We make tuna, fishmeal, and pet food, so we use practically everything that comes in.

Mrs. HANSEN. Is the tuna shipped to the U.S. companies which put on its own labels?

Governor HAYDON. No. The canneries are Star Kist and Van Camp and they have not been labeling but have been shipping bright stack. A member from Hoquiam knows those terms but the Star Kist Co. this coming year will do their own labeling in Samoa and I have a hunch we may see Van Camp follow suit.

INDUSTRIES IN SAMOA

Mr. YATES. Do you have other industries there?

Governor HAYDON. This year for the first time you will notice in our export list more than $1 million of watches being manufactured in American Samoa, from zero to $1.2 million, something like that. That is the Pacific Time Corp., a subsidiary of Bulova Watch, operating under headnote 3A of the U.S. tariff. We have a few clothing manufacturers making double-knit products.

We have a new dairy, the first dairy in Samoan history, selling all locally at the present time, milk and ice cream. Now they have started making cottage cheese.

We will have a jewelry plant starting in July. We have an industrial gas plant coming in so that we won't have to buy oxygen and acetylene abroad, and we are expanding our one major hotel in Samoa. It will be finished, I guess, this late summer.

We are adding 90 rooms to the hotel and it is well under way. The businesses that we have obtained these past several years are the first new businesses in over a decade in American Samoa of nonlocal or I should say non-service-type businesses.

Mr. YATES. Is agriculture an industry there?

Governor HAYDON. Yes; but not to the extent that we would like it to be.

Mr. YATES. Is it copra?

Governor HAYDON. No; copra has been a small cash market for the Samoan people for many, many years but the copra market took an awful beating over the past couple of years and it has become almost entirely nonproductive at our wage levels to make copra. I don't think we are making any this year at all. If the international market should come back up we would——

Mrs. HANSEN. What caused the market to decline?

Governor HAYDON. The competition from the Philippine Islands, as well as I understand it. Their lower wage rates. We are under the Department of Labor and, while our salaries, our wage rates, are not as high as in the United States, they still are substantially over our competing local areas.

Western Samoa is only 70 miles away. It has a subsistence economy, making copra at 35 cents or less an hour. We can't compete with DOL wage standards in American Samoa, but we are hoping the copra market will come back up again.

We have gotten, after all these years, Mrs. Hansen, a small fishing industry going. We have some 15 boats now in the water. These are a modification of the Oregon dory.

Mrs. HANSEN. Are they fishing for the canneries?

Governor HAYDON. They are fishing for the local market at present and selling everything they can bring in. As a spinoff we opened our first retail fish market in history with a fully refrigerated display case with cold storage. He is sold out by 10 o'clock every morning. We will continue to build these small dories. They are proving quite successful.

It is small by west coast comparison, but this is the first breakthrough on an indigenous fishing effort in years and years and years, so we are very pleased with it.

Mr. YATES. Is the fishing effort cooperative or are the boats individually owned?

Governor HAYDON. They are individually owned and they are in the process of forming a co-op for marketing and for ice, purchase of parts, and things like that.

It is really exciting though to see it go from nothing in a small harbor that had no fleet, to see all these little boats go out fishing.

UNEMPLOYMENT

Mr. YATES. Is there unemployment?

Governor HAYDON. Our unemployment in 1969 was 26 percent and our unemployment now is roughly 11 percent. We are down to 11 percent. We have some very live inquiries from other textile manufacturers and if we manage to bring as many in as are talking to us, I can see our unemployment coming down far more substantially.

However, it must be realized that an unemployment of 11 percent in American Samoa, with an extended family system, is not the same as 11-percent unemployment, say, in Washington, D.C., or Los Angeles, or Seattle.

INDEPENDENT MOVEMENT

Mr. YATES. Is there an independent movement in Samoa?

Governor HAYDON. Not to my knowledge; no. I think we can look back at our members of our Fono and see whether they will shake their heads yes or no.

Mr. YATES. The reason I asked the question was I knew that Western Samoa had become independent some years ago.

Governor HAYDON. Western Samoa is independent. At that time Senator Salanoa, new President of the Senate, headed the political status commission, brought in its report the early part of 1970, and the three major requests were that senators be elected by popular vote, that the Governor and Lieutenant Governor be elected, and that the relationship with the United States remain at status quo.

There may be individuals who are thinking of independent status but I have never heard an expression in the 3½ years that I have been there of total population.

Mrs. HANSEN. What is your total population?

Governor HAYDON. 28,000 people, very small place.

Mr. EVANS. Madam Chairman, may I inquire in regard to the 11-percent unemployment levels?

EXTENDED FAMILY SYSTEM

You then went on to describe that that would be something different than what we have here and mentioned an extended family, the extended family system.

What is that?

Governor HAYDON. Well, we talked about in Samoa our aiga, members of our family, an extended family in Samoa may be composed of several or many families and several hundred people and it is Samoan custom to take care of each other.

We have no form of direct welfare in American Samoa of any kind. Quite naturally as this budget represents a form of subsidy we have none of the common forms of direct welfare as they are known in the United States and the Samoan who is out of work doesn't go hungry because he has his aiga, his family, to fall back on. Old people are taken care of and respected and kept in the family. We don't have the aged and lonely living by themselves as we have in the United States. Children are taken care of and we don't have abandoned children. Children often have several mothers in a very real sense.

Mr. YATES. Sort of a day care center.

Governor HAYDON. It is built into Samoan culture.

Mrs. HANSEN. Samoa doesn't have a brutal society. I think that is the difference.

Governor HAYDON. We honestly feel, if there were an introduction of forms of direct welfare in American Samoa, that it would be the destruction of this very wonderful system and it is too bad we don't have the same system all through the United States.

FISHING VESSELS

Mr. YATES. Is there any interest in having the kind of fishing boats that big fishing companies have rather than the dory type of fishing?

Governor HAYDON. There may be some who daydream in this area, sir, but we are talking about a technology that isn't available to Samoa at the present time and a knowledge of types of fishing that we know nothing about.

Mr. HANSEN. Isn't it true that your system is modeled after the independent U.S. fishermen on the west coast?

Governor HAYDON. A system that we are building, yes.

Mrs. HANSEN. The Columbia River has had this for a century, because we do not have the big fishing fleets. It is only Russia and Japan that have the big fishing fleets.

Mr. YATES. Do the canneries that are in Samoa have their own boats that are sent out?

Governor HAYDON. No, sir; they contract with Korea and China. It used to be Japan but we didn't have a single Japanese vessel lately.

Mr. YATES. What do the Koreans and Chinese do? Do they send big boats out?

Governor HAYDON. Long lines, tremendous long lines, and they fish quite deep with hundreds and hundreds of hooks.

Mr. YATES. In response to my question you are saying Samoans aren't interested in this kind of fishing?

Governor HAYDON. It isn't that they aren't interested but investment in a vessel is beyond anybody's capability.

Mr. YATES. What about a Small Business Administration loan or something like that? Is that available in Samoa?

Governor HAYDON. That is available although we to date have never been able to put together a SBA loan. It is available, however, and we are working on one right now that we hope comes through; it is a combination of expertise and the amount of capital that has to be invested in the type of vessel used.

Mrs. HANSEN. What does one of those big vessels cost?

Governor HAYDON. It can cost anything from $200,000 to a million dollars for a really big one.

Mr. YATES. Don't they pay for themselves in a short time?

Governor HAYDON. Where do you get the money and even if you get the money where do you get the expertise? It is a method of fishing that is not common to Samoan culture, long lining, or even purse seining, as we know it on the west coast.

PURSE SEINE FISHING

Mrs. HANSEN. The average purse seine boat on the west coast has to be built individually. You may contract with a cannery for your

catch, but it is usually the individual owner who is operating his purse seining boats.

Governor HAYDON. We have been trying to get some of the U.S. purse seiners to come to the South Pacific. Purse seine boats use large nets rather than long line. We got a bill through both the House and Senate that I think you helped us with, and that was passed but it is not funded yet. It is to provide a platform of support for the U.S. purse seiner to come out to the Pacific and work on the skipjack tuna, but this does not appear to be the year that we can get funding for our bill.

We are not going to give up on that effort because the fish roam the Pacific clear from the trust territories to Hawaii down to American Samoa and they are there for the taking. If we don't take them the fleets of the Orient will.

[Discussion off the record.]

Governor HAYDON. Our employment, sir, is shoreside. We jumped from about 1,250, 1,280 people in 1969 to around 2,000 people now working shoreside in the canneries.

Mrs. HANSEN. Mr. McKay, do you have a question?

Mr. MCKAY. No questions, Madam Chairman.

Mrs. HANSEN. Mr. McDade?

Mr. MCDADE. Not at this time.

Mrs. HANSEN. Mr. Veysey?

UNEMPLOYMENT FIGURES

Mr. VEYSEY. Just one clarification following Mr. Evans' question. I still don't understand the significance of your remark that the unemployment figure in Samoa would not be comparable to the percentages quoted here.

Governor HAYDON. Because, sir, I think the simplest answer is, the average person who becomes unemployed, once his unemployment compensation runs out becomes dependent on the relief system here if he doesn't have any family.

In American Samoa your family takes care of you.

Mr. VEYSEY. Then you are saying the figures would really be comparable on the same base but a different result ensues in that you have a different way of taking care of the family.

Governor HAYDON. The personal hardship doesn't ensue.

Mr. VEYSEY. But the figures would still be comparable; isn't that correct, Governor?

Governor HAYDON. Yes. The communal life in American Samoa really is the ideal that so many of our young people are looking for in the United States at the present time.

FUNDING OF OPERATING DEPARTMENTS

Mrs. HANSEN. You are requesting $6 million for the Department of Education. In addition $785,000 will be provided by local revenues. $3.1 million is requested for medical services. What will be the corresponding local appropriation?

Governor HAYDON. $3.1 million Interior, $333,000 from local appropriations.

Mrs. HANSEN. You are requesting no funds for economic development. Are the Samoans funding this program?

Governor HAYDON. Some of our EDA funds continue until April. We have been putting up match, of course, for the EDA funds.

The first cut that we realized out of EDA right now wasn't large; $20,000-odd has been replaced immediately by local appropriation, local funds.

That was to keep the office itself running for the remainder of the fiscal year, but we will have to fund that ourselves in the future.

Mrs. HANSEN. Isn't the Governor's office funded completely by Interior?

Governor HAYDON. Yes. I believe Tom wants to correct my statement.

Mr. MAHAR. We do have some local appropriations.

Governor HAYDON. $16,000 in the Governor's office.

Mr. MAHAR. These handle such things as the Veterans' Affairs Office and the boards and commissions.

Mrs. HANSEN. Is the judiciary funded entirely by the Department of the Interior?

Mr. MAHAR. Entirely Interior funding for 1974.

Mrs. HANSEN. $1,426,000 is requested for administrative services. Is that totally funded by Interior?

Governor HAYDON. I will have Mr. Meeuwsen, as director of that department, answer for you, Mrs. Hansen.

Mrs. HANSEN. Will there be a local contribution?

Mr. MEEUWSEN. There will be some contribution by locals; approximately $76,000.

Mrs. HANSEN. You are requesting no funds for the audit office.

Mr. MEEUWSEN. Entirely local revenues for the audit office.

Mrs. HANSEN. This office audits the revenues?

Mr. MEEUWSEN. Does all the government auditing, yes; revenues as well as expenses.

Mrs. HANSEN. $200,000 is requested for legal affairs. Is there some local input for this program?

Governor HAYDON. $82,000 of local appropriations, $200,000 of Interior.

Mrs. HANSEN. $147,000 is requested for manpower resources. What will be the local contribution?

Governor HAYDON. $127,000.

Mrs. HANSEN. You are requesting no funds for public works?

Mr. MEEUWSEN. That is entirely funded with local funds.

Mrs. HANSEN. Your public works office administers your road program.

Mr. MEEUWSEN. Yes. They take care of the maintenance of all government facilities and administer the construction program.

Mrs. HANSEN. Does this also include sewage, utilities, and water?

Mr. MEEUWSEN. Yes, it does.

Mrs. HANSEN. On your public safety program, is the local government providing all the funding?

Mrs. MEEUWSEN. Yes, entirely.

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CONSTRUCTION PROGRAM FUNDING

Mrs. HANSEN. What is the local participation for your education and cultural facilities?

Governor HAYDEN. $757,000. Call it $857,000 because we have $100,000 of match money that is local.

Mrs. HANSEN. $1.2 million is requested for health facilities. Is there local participation in this program?

Governor HAYDON. Yes; $600,000 in local funds.

Mrs. HANSEN. What is the local contribution for economic development?

Governor HAYDON. $50,000.

Mrs. HANSEN. Conservation and environment?

Governor HAYDON. $190,000, plus $50,000, $250,000 in local moneys.

Mrs. HANSEN. You are requesting $350,000 for transportation, communications, and power. Are the Samoans providing the rest of the funds?

Governor HAYDON. Yes; to a total of $1,240,000.

Mrs. HANSEN. Nothing is being requested for general government. So the Samoan people must be financing this activity?

Governor HAYDON. Yes, $395,000.

Mrs. HANSEN. $300,000 is requested for advance planning, A. & E. design. Are they participating in this project?

Governor HAYDON. No. All Interior; public safety, local contribution $560,000.

Mrs. HANSEN. This has been a remarkable change in the structure of financing in the last 8 years.

Governor HAYDON. We hope it continues.

Mrs. HANSEN. I only ask these questions not to pry at Samoa's business but to show the change that has occurred in the structure of financing in Samoa.

GOVERNOR'S OFFICE

Justify your requested increase of $12,000 for the Governor's office.

Governor HAYDON. The increase of $12,000 is interim funds only. There are several items. You recall last year I told you that we were obtaining an ecologist that is vital to Samoa. We were very hopeful frankly that the Environmental Protection Agency would pick up his salary, which they have not done, and I want to have his salary paid naturally.

He has done a very, very good job, working particularly with our highway and water, highway planning programs and our water pollution programs.

CANNERY WASTE

Mrs. HANSEN. What has he done about the pollution around the canneries?

Governor HAYDON. He has made life miserable for them on many occasions.

Mrs. HANSEN. Have they cleaned up their wastes?

Governor HAYDON. They are on a target date of January 1, 1974 where they have to remove 90 percent of the solids.

Mrs. HANSEN. What are they going to do with them?

Governor HAYDON. They have ordered and will be installing some rather complicated machinery, centrifuges, that whip and take this

stuff out and what is left will have to go to the garbage dump to be buried.

Our cannery waste—they are our major polluters—is organic. We have no chemical pollution that I know of in American Samoa. Our second major polluter you might think would be the open sewage. I am inclined to believe that the cannery feed is probably the second largest polluter, and they, of course—we patrol and slap fines on them constantly. Our third largest polluter being some open sewage in which we have the main sewer line around to the cannery now. We are starting in with the laterals and we are well on our way to cleaning up the situation.

I think—Mrs. Hansen, you come from a harbor area—our fishing fleet will be approximately 300 boats by the end of June and they would rather risk $100 or $500 on occasion and pump bilges in the dark of the night than go out into the ocean where they are supposed to——

BOAT POLLUTION

Mrs. HANSEN. This is a problem. I would think that some of the conferences we are having internationally ought to deal with these fleets because you have the same problem in Alaska. We are now moving to clean up the pollution from our boats.

It hasn't been a very speedy process I admit, because it is a very difficult problem. But it would seem to me that some of these countries that are fishing ought to be at least making plans when they build their new fishing boats to take care of this pollution problem.

Governor HAYDON. Use holding tanks for——

Mrs. HANSEN. That is right.

Governor HAYDON. I believe the larger vessels do. Some of the new modern purse seiners do use holding tanks. Of course, many of our vessels are quite small in comparison to the west coast fleet and they are quite populated as far as crew is concerned.

Some of our smallest boats have 22 men on them and even to get them to go ashore and go to the bathroom is a bit of a problem.

Mrs. HANSEN. It always has been.

Governor HAYDON. Particularly when they are at the fuel dock right in front of the hotel we find that kind of an embarrassing problem. Sometimes they don't wear any clothes and the tourists are a little shocked.

JUDICIARY

Mrs. HANSEN. You are requesting an increase of $24,000 for the judiciary. What does this entail?

Governor HAYDON. His largest dollar increase—Tom, correct me if I am wrong—is item No. 2 in the area of travel.

Mrs. HANSEN. Where is the Chief Justice going?

Governor HAYDON. Travel to conferences and seminars restored to his budget, all of which were eliminated in 1973.

Mrs. HANSEN. Did they get along without the conferences in fiscal year 1973?

Governor HAYDON. By and large they did.

I must say it also includes travel allotments for his employees. He changes his law clerk every year and you have to bring people back and forth, but I would have to agree with the Chief Justice that they

should attend a certain amount of judicial meetings, judicial conferences, and keep up on the law.

You will note, too, that $1,000 of the $6,000 is to take care of cases on islands other than Tutuila.

Mrs. HANSEN. That is why I asked the question. I assumed they might be traveling inter-island.

Governor HAYDON. Yes. The other changes are quite small, transportation of household goods and some equipment replacement.

Mrs. HANSEN. What about the incidence of crime in Samoa.

Governor HAYDON. The incidence of crime is rising slightly in American Samoa. I don't know whether we have statistics with us. You realize that criminal cases show up as an increase of 25 percent.

INCREASE IN CASELOADS

Mrs. HANSEN. Your appeals show an increase of 67 percent. Your probate also shows an increase of 50 percent. What occasioned those two increases?

Governor HAYDON. If you have one murder in 1973 and we have two next year that is going to be a 100 percent increase in murder. We have very few major crimes and we did have a murder. We have had two murders this past year which seems horrendous to us, but major crime is not a problem in American Samoa. We do see an increase in juvenile delinquency which we are quite worried about.

Mr. YATES. Is the family structure breaking down at all?

Governor HAYDON. No, sir. We have many Samoans living in the United States and we have at least 12,000 Samoan people living in Hawaii and Hawaii is a bad scene in many areas where young people are concerned.

There appears to be an inclination on the part of the police in some of the United States to tell our young people who are making trouble, or if they think they are, "You go home or you are going to go to jail," so we have gotten not large amounts but we have gotten a little group of more than teenage, past 20, back to Samoa that has caused us some juvenile troubles.

Mrs. HANSEN. Do you have a drug problem in American Samoa?

Governor HAYDON. Mrs. Hansen, I really want to be honest about the drug problem. None of us feel that we have a drug problem in American Samoa. That is not to say that we have not had some marihuana brought into Samoa but it has been in very small amounts and I would, in order to be absolutely fair about it, indicate that probably as much has been brought in by contract employees as has been brought in by Samoans, but we feel we have a handle on this in spite of the fact that we don't have a well trained police force.

We are giving some training in drug identification and so on, but for all intents and purposes at this time we do not have a real drug problem in Samoa.

We have been quite lucky in catching those who are bringing it in.

Mrs. HANSEN. The reason I ask is I see that the trust territory incidence of drugs is rising.

Mr. CARPENTER. We are having a little problem in the trust territory.

EDUCATION PROGRAM

Mrs. HANSEN. I gathered that when I read your justifications.

An increase of $380,000 is requested for education. Do you want to explain what this involves?

Governor HAYDON. The largest single increase of $370,000—these are normal salary increases in personnel services. This actually should show, I think Mr. Mahar would agree—total should show—about $193,000 more because of the recent reprograming by the legislature which will restore most of the staff cuts we were anticipating and also take care of $67,000 worth of wage adjustments in education.

The $1,117,000 that I mentioned earlier from local revenues is to take care of salary increases, it did not include the teachers in the department of education. The teachers' salary increases are being taken care of by their own funds.

Because the Fono has restored $193,000 in cuts, a 4-percent, across-the-board cut which we gave to every department for 1974 anticipating the loss of $1 million, because of this local revenue restoration our position will change to a minus 4 contract people, and a plus 9 local employees, rather than a minus 19 under item No. 1.

SCHOOL ENROLLMENT

Mrs. HANSEN. The committee has been very interested in your educational program for many years. Will you please insert in the record for us how many children of elementary school age attended school in 1960, 1965, 1970, and the estimate for 1974.

[The information follows:]

American Samoa elementary school enrollment: 1960, 5,465; 1965, 5,524; 1970, 5,697; 1974, 6,526.

Mrs. HANSEN. I see you now have an enrollment of approximately 6,275. Is that correct?

Governor HAYDON. In elementary?

Mrs. HANSEN. Yes. How many students do you have in secondary?

Governor HAYDON. 2,200 at present.

Mrs. HANSEN. Also insert in the record the enrollment for 1960, 1965, 1970, and the estimate for 1974 in your secondary schools, and your community college.

Governor HAYDON. Yes, we will.

[The information follows:]

American Samoa secondary school enrollment: 1960, 1,662; 1965, 1,794; 1970, 1,756; 1974, 2,328.

COMMUNITY COLLEGE OF AMERICAN SAMOA, ENROLLMENT ANALYSIS

Date	Beginning enrollment	Full-time	Part-time	Full-time equivalent
Summer 1970	264	(1)		264
September 1970	402	172	230	343
February 1971	928	215	713	749
Summer 1971	232	163	69	214
September 1971	731	225	506	603
February 1972	725	220	505	598
Summer 1972	713	214	499	586
September 1972	670	256	414	565
February 1973	710	260	450	596

[1] Not recorded.

Note: ABE enrollments not included; nor, are enrollments in most credit and noncredit vocational and MDT courses; and, seminars and workshops developed during any 1 semester.

EDUCATIONAL TELEVISION

Mrs. HANSEN. What part of your total education program is provided through television?

Governor HAYDON. Television, of course, is not used in either early childhood or the community college.

Mrs. HANSEN. It is used in elementary and secondary schools?

Governor HAYDON. Completely throughout elementary and now to a lesser degree in our secondary or high school system.

Mrs. HANSEN. What is the ratio of teachers to students where you use television?

Governor HAYDON. Twenty-two to one, approximately. You query me about TV each year. Each year we are changing the techniques in the application of television. I think each year I make the same statement.

It has made a wonderful contribution to education in American Samoa but it still isn't necessarily refined to the highest point that it well may be. We keep changing all the time.

Mrs. HANSEN. Television isn't very useful unless you have a very good teacher. Television depends upon a good teacher to implement it and particularly if it is for more than just language.

Isn't this correct?

Governor HAYDON. That is right.

Mrs. HANSEN. I see your superintendent nodding. I think he recognizes that many people in the beginning thought you could just use a television system and just have one teacher to manage the system. That isn't possible.

Governor HAYDON. We have a teacher in every classroom. We moved substantially ahead now in team teaching, and our new resource centers, delivery schedules and everything else being equal, will be open this fall and we are trying to place more reliance at the high school level on teacher to student relationships rather than relying so heavily on television, but any comments that we are pulling out of television are not true.

We still are maintaining a very heavy television institutional schedule. I might add that Secretary Carpenter has been particularly interested in education, and Mrs. Johnson is here, who is the education officer for Secretary Carpenter's staff. She and I have been chasing dollars every time I come back to Washington, particularly this time in regard to early childhood education, and we think the community college and early childhood education fill those vital two gaps at either end of our system.

We are the only territory or state which does not have Head Start funds and we have been told by Dr. Marland this week that they are going to attempt to give us some help in our early childhood education program. We think we have the highest per capita childhood education program in the United States.

Mrs. HANSEN. Who developed that program?

Governor HAYDON. Dr. Betty Johnston is the mother of the program and we are very, very proud of it and we don't want to see it falter. We can achieve in 1974 with a tiny bit of assistance as close to 100 percent attendance in early childhood as you can get.

SCHOLARSHIP PROGRAM

Mrs. HANSEN. How many of your young people are entering the teaching profession as a result of your community college, the East-West Center at the University of Hawaii and other facilities that are open to you? How many return to Samoa?

Governor HAYDON. Our return from the scholarship program has been fairly substantial. We revised our scholarship program, as you know 2 years ago and it was certainly far more productive last summer in terms of degree.

Mrs. HANSEN. Do you want to review your scholarship program for the committee? We have new committee members this year.

Governor HAYDON. We appropriate all local funds, funds for a level of 80 students at the present time, and we are asking in this total budget for an increase in scholarship funds because we believe so firmly that Samoa must be dependent in the future on young men like Mr. Tuiasasopa and Mr. Tago who go to stateside and get degrees and then come back. This is why your earlier comment about salaries is so important. Mr. Maga, the young man over in the corner, is now working on his masters program. He is serving a year here with Interior in a seminar master's program.

These are the young people our country must depend on in the future. A lot of our young people have become teachers in our system. While we have gone up in some areas of contract employment like public works and medicine, and in the community college instruction, we have reduced contract staff in our elementary schools now and all our high schools have Samoan teachers and educators. We have had a very heavy in-service teaching program for the past several years, a program we are somewhat worried about because of the domestic cuts, but I guess it doesn't matter where good teachers come from and we will always have teachers from outside Samoa but we are moving fairly rapidly toward larger and larger staffing of our system by Samoan teachers.

Mrs. HANSEN. Do you have a nursing program in your community college?

Governor HAYDON. We hope to move it under the community college this year. We have had a nursing school in Samoa for many, many years, providing PN's, practical nurses. Dr. Beales not only hopes to change the curriculum substantially this coming year, but also plans to provide for stateside training in order to obtain that number of registered nurses that we need.

If we produce 15 or 19 nurses each year and they were all registered nurses, we would rapidly go broke in our department of medical services, at $8,000 or $9,000 apiece. But we are able to produce our practical nurses, hoping these improvements will take place. He is quite keen on it. We have been working through HEW with people who have been studying our system, showing us how we can change it.

HEALTH SERVICES

Mrs. HANSEN. You are requesting an increase of $1.977 million for health services.

Governor HAYDON. This is merely a shift in source of funds.

Mrs. HANSEN. You removed the funding from local participation and transferred it to Interior? Is that correct?

Governor HAYDON. That is correct.

Mrs. HANSEN. Was there some particular reason for this shift?

Governor HAYDON. Only as I mentioned earlier, that we wanted to put our major programs in Interior. This is one that was.

Again, this is another area where the legislature has granted $266,000 in local funds within the last 6 weeks through reprograming action to take care of, first of all, wage adjustment, which is about half of it, and to maintain the staffing of the hospital.

NURSING EDUCATION

Mrs. HANSEN. You are requesting a decrease of $9,000 for nursing education. What does this involve?

Governor HAYDON. I am sorry, our justification does not say why we can come down $9,000.

Mrs. HANSEN. I wondered, because your nursing education program has been a good program.

Governor HAYDON. I believe I have a clue. We enlisted Secretary Carpenter's aid last year and he got together with the Surgeon General and we have achieved a relationship now with Tripler Army Hospital in Hawaii, and we expect to show rather substantial savings in medical care, I believe around $51,000, in 1974. This has been quite an expensive item for us.

CAPACITY OF HOSPITAL

Mrs. HANSEN. How many beds does your hospital provide in American Samoa?

Governor HAYDON. Our hospital has, they call it a 200-bed hospital. I think it is 190 beds. We have ample beds in our hospital for the foreseeable future. The major load is not on the wards, the major load is on the outpatient care. The number of outpatients served gets rather fantastic on occasion.

You recognize we have entirely free medical service in American Samoa for legal citizens.

Mrs. HANSEN. What are the principal increases? Are they in child health, sanitation, health education, first aid?

Governor HAYDON. Can we submit something?

It is not in this justification.

Mrs. HANSEN. The committee has always been interested in making sure that your disease rate decreased so we would appreciate a breakdown for the record.

[The information follows:]

PROGRESS AGAINST FILARIASIS DISEASE IN AMERICAN SAMOA

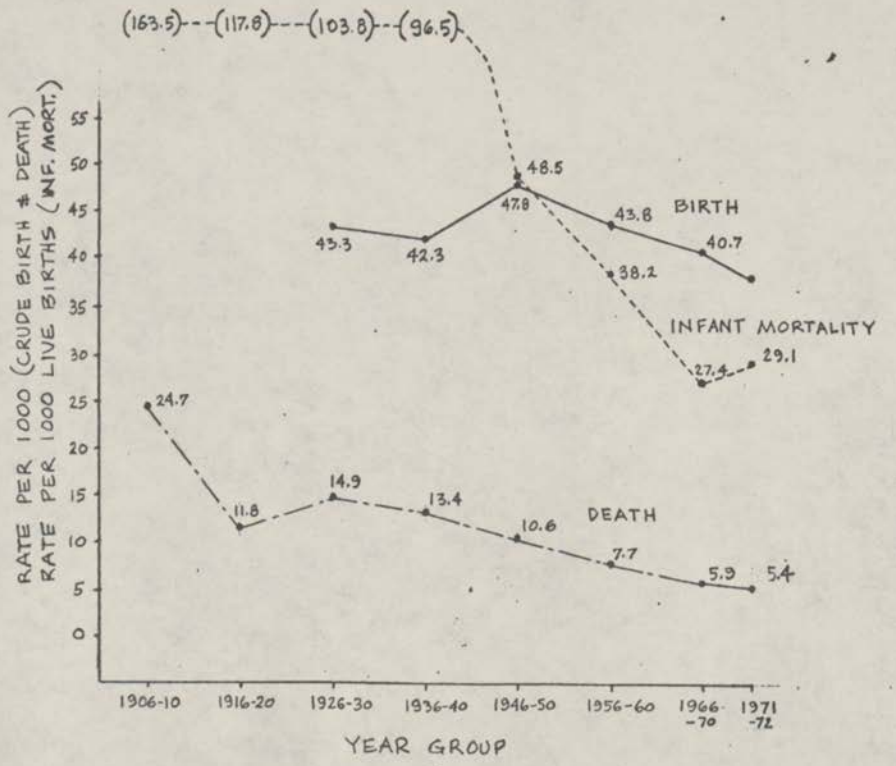
	1962	1970–72
Microfilaramia count (percent of population infected)	20.4	0.9
Elephantiasis rate (percent of population)	3.4	.8
Hydroceles rate in males (percent of population)	7.1	2.1

TABLE I.—BIRTHS AND DEATH RATE PER 1,000 POPULATION AND CALENDAR YEARS 1968 THROUGH 1971

	1968[1]	1969[2]	1970[3]	1971[4]
Crude birth rate per 1,000 population	41.3	40.2	37.1	37.2
Crude death rate per 1,000 population	5.4	5.6	5.2	5.0
Infant mortality rate per 1,000 live births[5]	15.0	23.5	26.7	24.8
Neonatal mortality rate per 1,000 live births[6]		13.1	12.9	17.2
Fetal mortality rate per 1,000 live births[7]	15.0	21.6	18.8	20.1

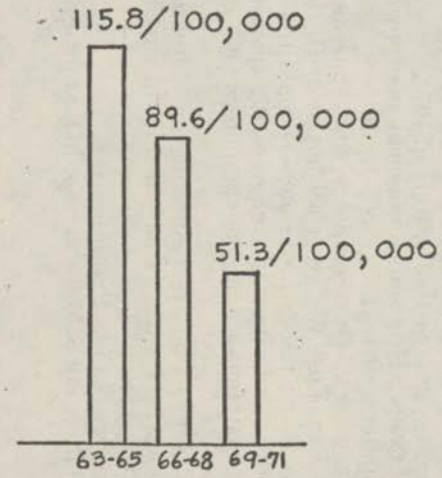
[1] Population estimate, 25,740.
[2] Population estimate, 26,520.
[3] Population estimate, 27,280.
[4] Population estimate, 28,120.
[5] Deaths in 1st year of life.
[6] Deaths in 1st month of life.
[7] Stillbirth greater than 20 weeks gestation.

INFANT MORTALITY and CRUDE BIRTH and DEATH RATES
AMERICAN SAMOA, 1906-1972



DEPARTMENT OF MEDICAL SERVICES

TUBERCULOSIS RATES



T.B. RATES
AMERICAN SAMOA
3 YEAR AVERAGES

AMERICAN SAMOA	51.3
TONGA	234.0
HAWAII	38.0
DISTRICT OF COL.	47.6
U.S. TOTAL	19.4
• U.S. WHITE	13.7
• U.S. NONWHITE	59.7

T.B. COMPARATIVE RATES

ADMINISTRATIVE SERVICES

Mrs. HANSEN. An increase of $1.054 million is requested for "Administrative services." What does this involve?

Governor HAYDON. Again we have a change in source. I will let Mr. Meeuwsen talk on this since he is the director of this department.

Mr. MEEUWSEN. Our main reason is that we have a change in our budget format.

In 1973 we had two parts of our activities that were funded through other sources. One was the procurement office, funded at about the $150,000 level. That was funded by adding on a charge to all the operations that ordered material through the procurement office.

The second was the grant activity. We had an indirect charge made on all of our Federal grants, I think it runs about 5 percent. In view of the uncertainty of the grant program, we decided it would be much clearer to show this as a budget item, where we show our entire budget as one amount rather than several different sources. That makes up the main reason for the increase.

Mrs. HANSEN. You say in your justification: "The principal increase $36,000 is to expand data processing services." How is your computer system working?

Mr. MEEUWSEN. It is coming along all right now, after a rather poor start. We had some programs from IBM which we thought would work well, but we found that they required a substantial amount of revision before we could really use them. We have sort of backtracked a little bit, but we do have our payroll program on line now, most of our cost accounting system, and a few other small programs.

Under our present schedule, we should have all of our financial management system on line by July of 1974.

Mrs. HANSEN. How much Samoan manpower do you employ in your computer systems?

Mr. MEEUWSEN. Our computer staff consists of 13 people; 10 of those are Samoans. We are very happy with that aspect of it.

We have four Samoan programmers, and three Samoans who we sent to the States for maintenance engineering training and they take care of all the maintenance on the computers and are doing an excellent job.

Mrs. HANSEN. You are requesting an increase of $47,000 for manpower resources. I gather this is a shift in funding from local appropriations to Interior? Is that correct?

Mr. MEEUWSEN. Yes, that is correct.

Overall there is a $15,000 increase in that program.

LEGAL AFFAIRS

Mrs. HANSEN. Justify your requested increase of $110,000 for legal affairs.

Mr. MEEUWSEN. This again is the source of funding shifting from local revenue to Interior. The overall impact in legal affairs is a $10,000 increase from 1973. In Interior authority only.

Mrs. HANSEN. There is a decrease of $68,000 in local appropriations and a decrease of $32,000 in local appropriations-reprograming. Is that correct?

Mr. MEEUWSEN. That is correct.

Governor HAYDON. Almost all of it.
Mrs. HANSEN. Does anyone have a question?

HOSPITAL STAFF

Mr. MCKAY. Madam Chairman, I should have asked this earlier.
What is the employee-patient ratio in the hospital?
Governor HAYDON. This chart would show, doctors per 100,000, 76; but these are lousy statistics because we only have 28,000 people. We are using the standard doctors per 100,000, dentists per 100,000, and nurses per 100,000. But if we had 100,000 people——
Mr. MCKAY. How many doctors do you have?
Governor HAYDON. We have 9 now, Palagi doctors and 7 or 8 Samoan medical—no, we have 11 Samoan medical practitioners who have had 3 years of Fiji medical school. So that we have close to 20 doctors.
Mr. MCKAY. They all operate out of one hospital?
Governor HAYDON. By and large. We do station a doctor on a rotating basis on the Island of Tau.
Mrs. HANSEN. Does this involve your paramedical program?
Governor HAYDON. Our Samoan doctors would have to be considered far more skilled than the average paramedic. I do not think you could say we have yet a real paramedical program in American Samoa. When I say doctors, I am including dentists and everybody in our staff.
We had, I am sorry to use the word "Palagi," but it is second nature to all of us; that means a person from outside. We had two Palagi doctors on duty in 1969; we now have nine. We are rather fully staffed. We even have psychiatric services on an intermittent basis now. We had a full-time psychiatrist but the pressures apparently got too much for him.
Mrs. HANSEN. You say in your justifications:

> One medical officer, one dental practitioner, one dental assistant, and three nurse positions will be deleted in fiscal year 1974 under a reorganization of these functions to effect greater efficiency. Contractual services will decrease due to off-island medical care being deleted in fiscal year 1974.

Were the medical officer, dental practitioner, dental assistant and three nurse positions included in this contractual off-island medical care program?
Governor HAYDON. I think I mentioned earlier the Fono has restored substantial funds to the hospital. These positions by and large will not be affected, as shown in this budget.
Mrs. HANSEN. So they changed their minds?
Governor HAYDON. They changed their minds.
Mrs. HANSEN. I wondered because the number of patient visits has increased by 9 percent; outpatient visits, 5 percent; inpatient admissions, 3 percent. So it did not seem to me that you could dispose of these services.
Governor HAYDON. Yes.
Mrs. HANSEN. You should know better than to put in a sentence to effect greater efficiency. It means just less people.
Governor HAYDON. I stand reprimanded.

Mrs. HANSEN. This occurs throughout the budgets the committee reviews. It is not greater efficiency. It would be better if the budget justifications were more frank.

Governor HAYDON. There was no effort to evade the truth. The money went away, now through the Fono's generosity, we have the money back.

Mrs. HANSEN. I am also well aware of what the OMB likes to submit. You would think the greatest degree of efficiency was going to be introduced in any category, but it is just to save money.

IMMIGRATION

Your immigration division is under the legal affairs office?

Mr. MEEUWSEN. Under legal affairs.

Mrs. HANSEN. What are your immigration problems?

Governor HAYDON. Too many, too many people.

Mrs. HANSEN. Would you explain what is happening?

Governor HAYDON. Well, I mentioned earlier our wage rates are set every 2 years by the seminar-type negotiation with the Department of Labor. People in our canneries, for example, are paid $1.05, going up now to $1.10 an hour. Our wages in American Samoa are approximately three times the wages in Western Samoa. They are approximately four times the average wages paid, if there were jobs in the Kingdom of Tono, which is 460 miles away.

As a consequence, we have two effects: The most, the toughest jobs, those that are most menial, are not the most attractive to our own people. The lure of higher salaries, higher wages, puts a tremendous pressure on us, on the part of Western Samoa, and, to a lesser degree because it is a smaller place, Tongo; they come into American Samoa and get jobs.

Mrs. HANSEN. How about those that enter from the fishing boats?

Governor HAYDON. Well, they are not taking jobs from Samoans, because——

Mrs. HANSEN. They stay aboard the boats?

Governor HAYDON. They live aboard the boats. By and large they do. They jump ship and we raid the villages every so often and gather them up.

We caught 12 the last raid we had. They are extremely good gardeners, most of the Chinese, and they start lettuce gardens. They do helpful things. But it is against the law and we have to raid and gather, package them up.

On occasion they are very slippery. We no sooner get them than they vanish again. I imagine life in their home country may be rather tough and they would prefer to stay in Samoa, if they could.

Our on-land oriental population, though, is very small. We keep on it.

[Discussion off the record.]

Mrs. HANSEN. How has your patient load been affected by your immigration problems?

Governor HAYDON. I was alerted to this, the increase in TB and filariasis, by the director of medical services. We proposed to the immigration board that we follow the U.S. system and require full health examination because our TB new cases is 57 per hundred.

[Discussion off the record.]

CONSTRUCTION SCHEDULE

Mrs. HANSEN. What is the status of your construction program schedulewise?

Governor HAYDON. We submit to Interior a construction project status report on a monthly basis, showing percentage of completions on jobs that are under way. Our best estimate now is that our carry-over on construction projects will be only $299,000, as of June 30.

Mrs. HANSEN. Please insert in the record a tabulation by project of your unobligated balances for construction as of March 31, 1973, and projections for the end of fiscal year 1973. The tabulation should indicate the year in which the funds were appropriated for each project having an unobligated balance.

[The information follows:]

GOVERNMENT OF AMERICAN SAMOA
Status of FY 73 CIP & FY 72 Carryover
Department of Interior Appropriations
March 31, 1973

Appropriation	Description/Justification	FY 72 Appropr. Carryover	FY 73 Appropr.	Obligation to Date	Est. Obligation 4th Quarter	Est. Unobligated Bal. 6/30/73
1. Education & Cultural Facilities						
Elementary School	Construction of 14 classrooms to provide additional space for 300 students	152,383		120,066	32,317	-0-
	Construction of a resource center in central location for individualized instructions		303,000	281,839	21,161	-0-
Secondary School	Construction of 10 classrooms for Samoan High School	160,204		160,204	-0-	-0-
	construction of a resource center at Samoana H.S.		346,000	310,395	35,605	-0-
2. Health Related Improvements						
Sewer	Pago Pago Harbor-Atu'u towards Aua	174,996		174,996	-0-	-0-
	Sewer laterals Bay Area		200,000	104,510	85,490	10,000
Water	Island Wide Main	29,140		25,853	3,289	-0-
	Village Water System		505,000	456,239	48,761	-0-
	Water System Extention		75,000	75,000	-0-	-0-
	Rehabilitation of Existive Sys.		200,000	200,000	-0-	-0-
Solid Waste Disposal	Site Development for solid waste	19,922		14,559	5,363	-0-
	Develop Eastern District Disposal Site		60,000	-0-	14,000	46,000

Appropriation	Description/Justification	FY 72 Appropr. Carryover	FY 73 Appropr.	Obligation to Date	Est. Obligation 4th Quarter	Est.Unobligated Bal. 6/30/73
3. Economic Development Improvements						
Fagatogo Central Business	Ungrade Gov't Bldgs at Fagatogo Area	6,943		6,943	-0-	-0-
	Misc. Imprvements at Fagatogo area		50,000	24,522	23,478	2,000
4. Conservation & Environmental Improvements						
Seawall & Erosion	Seawall Constr. both in Tutuila and Manu'a	52,063		49,609	2,454	-0-
	Seawall Constr. both in Tutuila and Manu'a		80,000	29,180	820	50,000
Misc. Small Projects	for misc. village projects		40,000	28,034	11,966	-0-
5. Transportation Communication & Power Improvements						
Power	Phase I Tafuna Generator plant. Purchase of 1 generator unit	592,654		592,654	-0-	-0-
	Phase II - Tafuna generator plant Plant Construction & Purchase of 1 generator unit		1,900,000	1,853,874	6,126	40,000
Harbor Mooring	To provide safe mooring for north shore villages	35,589		17,679	17,910	-0-
Construction Equipment	Equipment for Construction Program	40,000		40,000	-0-	-0-
	Equipment for Construction Program		100,000	100,000	-0-	-0-
Telephone System	Replace Fagatogo Exchange		275,000	275,000	-0-	-0-
	Rehab. Existing Buildings		25,000	25,000	-0-	-0-

Appropriation	Description/Justification	FY 72 Appropr. Carryover	FY 73 Appropr.	Obligations to Date	Est. Obligation 4th Quarter	Est. Unobligated Bal. 6/30/73
6. General Government						
Fono Building	Construction of new Fono Building	62,588		62,588	-0-	-0-
7. Public Safety						
Fire Protection Facilities	Fire protection for Satala power plant	-0-	115,000	592	74,408	40,000
Salt Water fire Protection	Complete the salt water fire protection system	-0-	170,000	147,100	22,900	-0-
Rewire Gov't Building	Complete re-wiring of Gov't Bld.	-0-	40,000	40,000	-0-	-0-
Sidewalk	To implement an island-wide sidewalk program	-0-	60,000	7,286	7,714	45,000
8. Planning A & E Design		13,306	32,000	14,806	30,500	-0-
Totals		1,339,788	4,576,000	5,238,528	444,260	233,000

CONSTRUCTION DELAYS

Mrs. HANSEN. What projects are behind schedule?

Governor HAYDON. Can we submit that information?

Mrs. HANSEN. Tell the committee now what projects are behind schedule.

Governor HAYDON. I could go through all of these many projects.

Mrs. HANSEN. Tell us whether they involve sewer, water, or school projects.

Governor HAYDON We are a little bit behind on sewer projects, but not too badly. We ran into a lot of rock that the contractor did not expect, in fact about which he is arguing over the price for removing.

As you know, we have an awful leadtime in Samoa.

Mrs. HANSEN. What is your leadtime in Samoa?

Governor HAYDON. Well, this past 2 years has been terrible because of the waterfront strikes, but we normally—we have to, on new starts, wait for the President's signature, budget, that is why we ask for advance design money, because normally design would follow Presidential approval of the budget. Then as the ordering of the equipment from the United States, pipe from New Zealand, and so on, these past 2 years, having that interrupted by ships service——

Mrs. HANSEN. That was due to the longshoremen's strike?

Governor HAYDON. Longshore and master's mates, and pilot went out after that. Many people do not realize that we have no ship service from anywhere except the west coast—so when the west coast goes out we are dead in the water until they start up again.

Mrs. HANSEN. What happened to your food supplies during that strike?

Governor HAYDON. We ran out or low on some items. The merchants also established more vigorous purchasing programs with New Zealand and Australia; not necessarily to our benefit, either, because we brought a USDA inspector down and found many of the canned products particularly from New Zealand are not up to USDA standards, which means the consumer is not getting his money's worth, or getting something with a cockroach or a mouse in it on occasion.

Also, we hate to see the buying patterns with the United States ruptured like that, because once they change, they tend to stick with it.

We are feeling the increase in prices just like the United States. Very high freight costs have to be added on the imported foodstuffs.

IMPORTATION OF FOOD

Mrs. HANSEN. What percent of your food has to be imported?

Governor HAYDON. I do not even know that we have a percentage breakdown.

Mrs. HANSEN. Can you estimate it for me?

Governor HAYDON. It is an awful lot, Mrs. Hansen.

Mrs. HANSEN. Seventy-five percent, fifty percent?

Governor HAYDON. Taro, breadfruit, maybe up to 80 percent of our foodstuffs is imported.

Mr. CARPENTER. The speaker says 75 percent.

Mrs. HANSEN. Where does your beef come from?

Governor HAYDON. Some from the United States and some from New Zealand.

Mr. McKay. A greater proportion from New Zealand?

Mr. Meeuwsen. Recently.

Mr. McKay. What percentage?

Governor Haydon. It is less expensive from New Zealand, not necessarily more tasty, however. It is a bit chewy.

[Discussion off the record.]

AGRICULTURE PROGRAM

Mrs. Hansen. You had some hopes, Governor, that on one of your other islands you would be able to develop an agricultural program. What happened to that program?

Governor Haydon. Well, we were afraid that we had lost that program with the proposed dissolution of OEO because this was a project very similar to our dory project which was funded by OEO.

However, it turned out to be the last grant that we got from OEO, and the money is solid. So we are moving right ahead on that program.

In recent weeks the Extension Service people from Agriculture have been over on to the Island of Tau where we are going to do the bulk of this.

Mrs. Hansen. What are you proposing to raise?

Governor Haydon. Primarily taro, which is the basic foodstuff of Samoa, and which we grow a lot ourselves, but not enough to take care of our needs. We have been importing it from Western Samoa.

Uunfortunately, even though they have nothing solid to back up their currency, the tala, the Western Samoan dollar, under devaluation, we are only getting 60 cents from the U.S. dollar. It has been a government-controlled crop on exports to us. So the price of taro, which is a basic need of life in Samoa, went up that much more.

This whole program on Tau is to try to reduce, if not completely eliminate our dependence on imported taro from Western Samoa.

DAIRY PRODUCTS

Mrs. Hansen. Is your dairy operated by the Samoan people?

Governor Haydon. They have offered a 20-percent ownership which no one has bought yet, but I know several Samoans have been looking at it with interest, because the dairy turned out to be extremely successful. We were paying 95 cents a quart for milk brought in by plane from Hawaii. Milk is now——

Mr. Mahar. Forty cents a quart, forty-two.

Governor Haydon. Less than half what we were paying before. We can now buy good fresh ice cream. They are just starting to make cottage cheese. They make all kinds of specialty items. Their sales have been very, very good.

I might add that they invested more than a third of a million dollars in equipment to set up the dairy.

OTHER CROPS RAISED IN SAMOA

Mrs. Hansen. What else does Samoa raise for her own consumption?

Governor Haydon. Taco, yams, breadfruit, mangoes, bananas, which is, of course, the No. 3 crop for domestic. We do not export any bananas. In fact, we bring them in on occasion. If we have a storm,

bananas are the first thing to go down. Some leaf vegetables, but far less than our needs, and I think there is a growing appetite for salad-type vegetables in Samoa.

Our climate is not the most conducive to raising lettuce, tomatoes. It is a real art and they will not grow in a lot of places.

So we do bring in some fresh vegetables from New Zealand by air, we do get fresh vegetables on occasion from Tonga. We have the old watermelon, but they are not raisable everywhere in Samoa, some are imported from Tonga. The diet remains still predominantly starchy and is probably responsible for some of our medical problems in cardiac and other areas.

Taro, breadfruit, coconut and the banana are really the four fundamentals of the Samoan diet. So many things are cooked in cream of the coconut. These items are by and large quite starchy.

We bring in a lot of canned fish, canned mackerel, for example, from Japan; canned corned beef, pisupo from New Zealand. The Fono put a ban on kegs of beef and caused quite a local controversy, but a keg of beef has risen in 3½ years from $17.50 to about $30. It is a ceremonial object as well as food. So a ban of 6 months has been placed to see if we can level it out.

CONSTRUCTION OVERRUNS

Mrs. HANSEN. What cost overruns have you experienced in your construction program, aside from sewers?

Mr. MAHAR. We have some small overruns at the moment in school construction, for example, $17,000.

Mrs. HANSEN. What is the reason for the overrun and does it involve your elementary school construction program?

Mr. MAHAR. Yes. We are running into some problems in the sewer and water construction as the Governor mentioned earlier. We are hitting rock.

ENVIRONMENTAL IMPACT STATEMENT COSTS

Mrs. HANSEN. Do the environmental impact statements cause you any increases or overruns?

Governor HAYDON. They certainly cause increases in getting going on, particularly, highway projects, because for a segment of planned road that might only be one and a half miles, it takes as much to put together an environmental impact study as if we were building 50 miles of express highway someplace.

Obviously the cost factor goes up because the manpower you have to turn loose is great. We try to do our environmental impact studies locally. The Department of Transportation has helped us to some degree. We are investigating the costs of building two airports, two small, 2,000-foot airstrips on two islands, and consultants quoted us $45,000 apiece for that impact study.

Mrs. HANSEN. What will they be doing for $45,000?

Governor HAYDON. Well, I do not know; I sometimes think we are in the wrong business, we should be consultants on environmental impact studies.

Mrs. HANSEN. What is to be the total cost of that airport?

Governor HAYDON. A couple of hundred thousand dollars.

Mrs. HANSEN. $45,000?

Governor HAYDON. $45,000 apiece.

We naturally turned it down. I probably picked out the worst one we have run into.

Mrs. HANSEN. These environmental impact statements are costing a sizable sum and they are lengthening the completion of the contracts.

Mr. MCKAY. Which, of course, escalates the costs.

Mrs. HANSEN. What is your cost escalation per year?

Governor HAYDON. We are figuring 12 percent. I defer——

Mr. MEEUWSEN. It was 12 percent in 1973, that is right.

Mr. MCKAY. Twelve percent, plus the impact is what? What are these airports designed for?

Mrs. HANSEN. $200,000.

Mr. MCKAY. $200,000 for the airport and $45,000 for the study?

Governor HAYDON. If we had gone for it.

Mr. MCKAY. I talked to the engineer from one of the departments, and I do not remember which one, but he is an engineer. He tells me that with environmental impact, automatically, without batting an eye, they add 50 percent to their cost estimates. Now that is ridiculous.

Mr. MEEUWSEN. When you consider all factors, I think that would be very close to what we are experiencing down there, in the airport program, the road program.

Mr. MCKAY. You figure it would run close to a 50-percent addition, because of the impact, the inflation that is caused by the delay, by the impact and so on?

Mr. MEEUWSEN. That is right.

Governor HAYDON. It takes so long to get anything back, even after you submitted the study, to get a reading from those involved and get them back.

It is only fair to say we do not quarrel with the desire of it, we believe in it, but we hate to see it take so much time.

Mrs. HANSEN. I do not think the government wants to see it become a major escalation factor, either. Is that not correct?

Governor HAYDON. We decided that if we were going to do the airports, we would use our Government ecologists and we got a pilot study, secretly.

Mrs. HANSEN. I was going to ask you, why can you not use your Government ecologists to perform the work?

Governor HAYDON. Well, on a little airport, it is like that thick and we will use them, but it is going to dilute his time and effectiveness. We cannot afford $45,000 for a study like that.

RESOURCE CENTER

Mrs. HANSEN. $500,000 is requested for your elementary learning resource centers. This is for design and construction of four centers. Is that correct?

Governor HAYDON. Four more and four are under construction at the present time.

Mrs. HANSEN. How many students will these accommodate?

Governor HAYDEN. We will have to supply that, Mrs. Hansen.

[The information follows:]

ELEMENTARY LEARNING RESOURCE CENTERS

The four elementary learning resource centers will accommodate 1,503 students with 50 to 60 students being home based (home room) in each. Students from other schools will participate in the various learning resource center activities on a schedule basis.

Mrs. HANSEN. You say "to cope with the growing student population." I want to know what the student population is.

SECONDARY LEARNING RESOURCE CENTER

For secondary learning resource, $221,000 is requested. How many students will this accommodate?

Governor HAYDON. I can't answer in terms of student bodies.

Mrs. HANSEN. You say it will provide eight additional classrooms. Is that correct?

Governor HAYDON. Yes, and a resource center. We are trying to provide classroom space at the rate of student increase. We show a figure of 6 percent for the increase but we have just been informed by the Church of the Latter Day Saints that they are going to shut down their high school in June in 1974, which is going to cause some problems for us because we have a student body there of about 350 students which will have to be absorbed one way or the other.

The Catholic Church is trying to build a small high school for girls, but the necessary money and time involved would be of no help for a couple of years, so we are going to have additional problems in serving the kids from the high school run by the Mormon Church.

Mrs. HANSEN. Why are they closing the school?

Governor HAYDON. It apparently is a policy they have been following for the past several years, shutting down schools every year.

Mr. MCKAY. Secular schools?

Governor HAYDON. Secondary schools. However, there is a bright note and we are very anxious to proceed with construction of the community college campus. It is a major goal for us. Of course, losing the Higher Educational Facilities Act is a real roadblock. We are planning to make this a priority project on the use of local funds and if the Church of the Latter Day Saints will make their campus available at reasonable terms it could be an ideal community college site for us.

It is quite a large and well-kept-up campus. It is built differently than our own high schools in Samoa and it could be a good place for community college and we have a team put together now to go through the whole impact and see if we can utilize it and whether we can come up with the funds.

Mr. MCKAY. Have they quoted you a price or have you been in negotiation?

Governor HAYDON. We are now entering into negotiations. We are about to appraise the property. I have asked them frankly in the interest of higher education why don't they just donate the school to us. The man got a kind of strange expression on his face when I asked him that but I have the impact of Federal cutbacks and we just don't have the money to buy their campus outright or pay a very high use rate for it.

WATER DEVELOPMENT PROGRAMS

Mrs. HANSEN. $1.2 million is requested for water development storage and distribution. When will this be completed?

Governor HAYDON. This is a continuation of the present well drilling program that we brought in as the geologist said they would, produces in the Tafuna plain, running 150 to 200 gallons a minute. We want to add 6 more of these wells plus some rather major storage, a million-gallon tank near Atu'u, and a half-million-gallon tank near Mapusaga Valley that will take about a quarter of a million dollars for two of those, and continuation of replacing water mains in the Pago Pago downtown area.

We have one contract already let. We are beginning to hook these pipelines together. There are a number of small items mentioned in our justification. One is a line of pipe by the village of Futiga, which will tie in pumped water. We consider water a very heavy priority item. We have been having about half the normal rainfall for almost 2 years now and what the geologists have said lies under the Tafuna Plain appears to be there all right because these wells are coming in and are producers. They cost $25,000 to $30,000 apiece. They are huge pumps, but they are working and that is what counts.

ROAD PROGRAM

Mrs. HANSEN. $350,000 is requested for roads. What does this involve?

Governor HAYDON. The $350,000 road program is the Interior portion only; the total program is $1,240,000. We are informed by Secretary Carpenter that the administration bill asks for $500,000 in 1974 for American Samoa and $1 million in each of 1975 and 1976.

We got $500,000 in 1973, but then a chunk of it was taken back from us.

Mrs. HANSEN. Impounded?

Governor HAYDON. No; it wasn't impounded. It was just taken away and I never have quite been able to figure out the magical way that this was done.

Mrs. HAYDON. How was it taken away?

Governor HAYDON. Well, Mrs. Hansen, in the bills it always says "will receive up to"——

Mr. CARPENTER. It wasn't taken away. It just wasn't given out. Isn't that correct, Governor?

Governor HAYDON. But a half million doesn't build a great deal and we were quite dismayed to lose that amount of funding.

However, the DOT people—they have been down there working with us—have modified the requirements for our roads, in a small place, so that we get as much for our money as we can.

We expect to spend substantial amounts of local funds as available particularly on improvement of older roads. We just appropriated some funds for simple paving of two dirt roads. We have others that remain undone that need to be done to cut down erosion and cut down the amount of money we have to spend for maintenance and operation, and we still remain with eight villages on the north side with no roads at all.

We are quite confident that in 1974 we will make a good start on pushing roads into at least some of those eight villages on the north side. Our road is well underway on the Island of Tau and there are some funds in here for the continuation of work on that island.

PLANNING AND ADVANCE DESIGN

Mrs. HANSEN. $300,000 is requested for planning, architectural, and engineering design; what does this entail?

Governor HAYDON. I believe our land use planning contract funded under a HUD 701 program is getting to the point where it is nearly through. This is the kind of money we are informed by the Federal people that will no longer be available, that funds will be available from HUD for implementation but not for planning.

Mrs. HANSEN. It is getting to be now you have a grant, now you don't, now you see it, now you don't.

Governor HAYDON. I agree with that.

Fortunately, we are fairly well done with the initial study and now we are going to need the design of specific things and one way or another we are going to have to come up with the money.

The public process is helpful. I think, although it is time consuming. We are using many more public hearings and things now on projects of this nature than has been done in the past in American Samoa.

Mrs. HANSEN. I would like at this time, Governor Haydon, to express my appreciation for the courtesies you showed to Dr. and Mrs. Fritz.

Dr. Fritz is a very distinguished doctor in my State and I asked him when he was there to look at what you were doing healthwise. He came back very enthused about your Dr. Beales and Mrs. Beales and your and Mrs. Haydon's hospitality.

He did make one comment, that the clinical laboratory needs more trained personnel, if not a part-time pathologist. He did praise your hospital as clean and orderly and well staffed.

He did make the comment, as you have made, about the drinking water and the need for more water in Samoa. He did notice that the primary treatment plant is now completed.

So I was very pleased that he had the opportunity to visit American Samoa.

Governor HAYDON. We enjoyed having him.

Mrs. HANSEN. He was from our State and I do want to express my appreciation to you and Mrs. Haydon.

Governor HAYDON. He didn't have much time but he is a bear for work and he got out. I would like to comment on this figure I have that a break-even point on pathology is $42,000, and there really is no way to obtain a part-time pathologist.

If you hire one you have to hire all of him rather than just half of him. We are doing quite a bit of off-island pathology and we are watching the curve and when it hits the right point we will employ a part time—we are a long way from our cost, however, being at the $42,000 level.

I did have a little internal audit made of pathology costs in the middle of last year because if we could get a man who had two skills, who would be a pathologist and, say, half the time he could be a surgeon, we could make it work, but there just aren't people like that.

ARTS AND CRAFTS

Mrs. HANSEN. Also Mrs. Fritz was particularly interested in the work you are doing in arts and crafts and your beautification program. So I thought you would be very happy to know that they had a very pleasant stay. They came away just charmed with Samoa.

Governor HAYDON. Our beautification committee is completely Samoan, and Mrs. Haydon, as you know, is quite active in that area. I think in these hearings it ought to be noted that tomorrow is Flag Day in American Samoa, which is our largest national holiday.

Mrs. HANSEN. You offer the committee's best wishes on their celebration and our congratulations for your years of progress.

Governor HAYDON. Tomorrow we formally open the new museum in American Samoa. The National Endowment for the Arts has given us for a small place very, very healthy support and even an artist in residence this year with 100 percent money from the National Endowment. It has helped us move the museum from the ground floor of Government House. It has been a rather amazing project and the Arts Council is a strong working organization.

The old post office now will be the new museum, has been completely rehabilitated by a Samoan construction firm. It will even contain a small aquarium, which will be the first for Samoa.

Even though we have had some 20,000 attendance in 2 years in our museum, we expect to do much better now that it is downtown.

Mrs. HANSEN. We loaned some of the Samoan crafts, as you know, to an organization. They had a fair in Washington, D.C. The people were very enthused. I now have some of them on exhibit in the West, hopeful perhaps some of our merchandising people might be interested in using some of the items, which were just delightful.

Governor HAYDON. I know your interest in this area.

Mr. Tuiasasopa is going to San Francisco to work with the HEW people. We are putting together a program to involve a skill trade center and the older people in handicrafts and a skill trade center that we are just starting to turn an old building into shops and things.

Mrs. HANSEN. I bet I have been stopped by every woman in Congress today about my necklace. It seems to me some of your crafts have a tremendous market in the United States as people become acquainted with your work.

Governor HAYDON. One young man took about 8,000 of those necklaces and sold them, what they called the head shops in the university, peace beads, and the kids really picked them up.

Those are tedious to make.

Mrs. HANSEN. I know they must be.

Governor HAYDON. Very popular.

Mrs. HANSEN. But they are very beautiful.

Mr. McKay?

CONSULTANT SERVICE

Mr. MCKAY. Do we have a breakout of how much of your budget is going into planning and counseling contract services?

Mr. MAHAR. Consultant?

Mr. MCKAY. Yes; consultant, planning, and impact studies, this kind of thing. Do we have a breakout of that in the budget through every department as a percentage of your total budget?

Mr. MAHAR. We will have to work on that and submit it for the record.

Mrs. HANSEN. Also insert a list of your consultants in the record.

Mr. MAHAR. All right.

[The information follows:]

GOVERNMENT OF AMERICAN SAMOA

SUMMARY OF CONSULTING SERVICES, FISCAL YEAR 1973

Total government of American Samoa operations budget	$19,942,000
Consultant fees	$580,105
Consultants as percent of total budget	2.9
Total IBA funds for operations	$10,454,000
Consultant fees paid with IBA funds	$154,028
Consultants paid with IBA funds (percent)	1.5

EDUCATION

University of Hawaii, in-service teacher training, recruiting, technical services	[1] $127,068
Northwest Regional Education Lab, establish education program evaluation resources for Federal programs	83,000
Brigham Young University, provide instruction to educators to qualify for masters degrees	38,502
Westinghouse Learning Corp., community college facilities planning	18,000
McCasling and Daugherty, assist in preparing vocational education annual report	3,490
Educational Coordinates, professional, technical and computer services regarding student testing	6,323
Dr. R. Murray Thomas, design student tests; evaluate test results	14,000
Maciolek and Conkey, Sea Study Lab	1,221
Total	291,604
Total education department budget	$7,658,000
Consultant as percent of total budget	3.8
IBA education department budget	$5,620,000
Consultants paid with IBA funds (percent)	5.2

MEDICAL SERVICES

Dr. John R. Bond, establish and implement territorial mental health program	[1] $12,400
Research associates, evaluate health services delivery system	981
Dr. Kallingal and Schmidt, survey territorial mental health needs	2,460
Daniel E. Frank, comprehensive health planning workshop	831
Jean S. Felton occupation diseases survey	[1] 720
Rainer Beck, comprehensive industrial health survey	2,079
Dr. Gordon Crawford, computer programing of health statistic program	3,340
Total	22,811
Total medical services department budget	$3,561,000
Consultants as percent of total budget	0.6
IBA medical services department budget	$1,123,000
Consultants paid with IBA funds (percent)	2.0

AGRICULTURE

Dr. D. R. Evans, youth leadership training	$3,500
State of Hawaii Department of Agriculture, field training for agriculture personnel	[1] 10,500
Total	14,000

Total agriculture department budget	$509,000
Consultants as percent of total budget	2.7
IBA agriculture department budget	$200,000
Consultants paid with IBA funds (percent)	5.3

MANPOWER RESOURCES

Cresap, McCormick & Puget, implement new wage and classification system; train manpower resources personnel	$87,009
Rainer Beck, industrial safety survey	9,870
Total	96,870
Total manpower resources department budget	$353,000
Consultants as percent of total budget	27.4
IBA manpower resources department budget	$100,000
Consultants paid with IBA funds (percent)	0

LEGAL AFFAIRS

Peter Creevey, write LEAA State plan	$1,500
Jim Kingzett, draft criminal code	7,520
Total	9,020
Total legal affairs department budget	$275,000
Consultants as percent of total budget	3.2
IBA legal affairs department budget	$90,000
Consultants paid with IBA funds (percent)	0

DEVELOPMENT PLANNING

Eckbow, Dean, Austin & Williams, territorial master land use plan	$90,000
Touche Ross & Co., develop business skills among local businessmen	3,000
Total	93,000
Total development planning office budget	$226,000
Consultants as percent of total budget	41.2

No IBA funds budgeted.

SPECIAL PROGRAMS

Cresap, McCormick & Puget, management study of department of administration services (contract admiinstered by government's office)	$48,000
George Sanderson, exhibit designer—museum	4,800
Total	52,000

Supplemental appropriations by local legislature—(no IBA funds involved).

Mr. MAHAR. But you would exclude, I presume, A. & E. design, engineering design?

Mr. MCKAY. Yes.

Mr. MAHAR. We do this by consultants.

Mr. MCKAY. You are talking more about planning—you have consultants who say, "You ought to do this or you ought not do this," and planners and whether you can or can't do it.

What I am trying to get at is if you have a lot of planners and designers to plan and design and then to design the plan. I notice here you have $100,000 or something, or $200,000 to get it completed, design contract or a planning contract, and then you need another $100,000 to get another plan to develop the plan you plan, and this is what I am concerned about, is that maybe we are planning on planning and not really getting to the core of what we need to do.

Governor HAYDON. It seems to many of us that there is an overuse

of consultants in education and yet you hesitate if you are a noneducator to question the use of consultants.

Mr. McKay. Especially if they question you in your field.

Governor Haydon. But I think, sir, that the percentage of money that we are spending on planning would be fairly rational.

Mr. McKay. I am not questioning whether it is or isn't. I would just like to know. I am not an antiplanner because I think that is one of the problems we have in Congress, we legislate in crisis rather than anticipation of what we need to get ahead of, and therefore, it costs us twice as much.

But, on the other hand, we may be doing a study and then that isn't good enough so somebody else calls for another study so we do a study again and we keep it alive with studies which costs us millions of dollars for which we get nothing.

That is what I am after.

Mr. Mahar. We can provide that.

Mr. McKay. If we have a conscientious study already and plan, I am not opposing it; I would just like to know what percentage of the budget is going into it. Maybe we are topheavy. Maybe we are not. It works two ways.

Governor Haydon. We will provide that for you.

Mr. McKay. Fine.

Governor Haydon. We are on our guard because in planning I find it is very hard to spread it on bread and I like to see things done and I get this feeling that we plan too long and we don't get it completed.

Mr. McKay. Let us see if we can get some figures so we see what it is.

Mrs. Hansen. I would like to express my appreciation and the committee's for your presentation, Governor Haydon. I would particularly like to express my appreciation to the members of the Samoan Legislature who so courteously came and participated with us and had the patience to listen. We always enjoy working with you.

It is a great privilege to have our fellow legislators with us. Mr. McDade.

Mr. McDade. Thank you, Madam Chairman.

Governor, we are all very proud of the wonderful job that you are doing and we appreciate it very much and we welcome our fellow legislators, as our Chair Lady has said.

We appreciate your coming such a distance to be present in the budget justification hearings and we do appreciate your advice and your assistance on all these matters.

We thank you very much.

Mrs. Hansen. I am glad the weather wasn't as cold today as it was last week.

Governor Haydon. Madam Chairman, could I say this? There is a hidden element here that may well be the most valuable thing of all, the fact that not only our speaker and our president are here but that the chairmen of our two budget committees are here this year for the first time and that we have several young men here.

I alluded to this before but the time is really not far away that people sitting across this table from you are going to be Samoans and we are very anxious that they get used to the types of questions that are asked, the kind of information that you want to have, and while we have had our differences at home—it is only natural between executive and legislative bodies—I do feel there is a growing area of understanding.

I know that my Samoan colleagues feel sometimes that our reasoning is not necessarily their reasoning and we get between a rock and a hard place every once in a while but it is coming along.

Mrs. HANSEN. The Congress doesn't always agree with the President and the President doesn't always agree with the Congress. This is reflected many times in all the States. The Governors and the legislatures have what I call your justifiable discussions because this is government. Government will only work when you have a frank and free discussion between the executive branch, be it a mayor, or Governor, or a President, and the legislative branch. This is our whole constitutional way of life and discussion is healthy and disagreement is healthy.

Governor HAYDON. We have some interesting men to work with in our legislature and some real individuals.

Mrs. HANSEN. I am still waiting for the election of a woman member of the Samoan Legislature.

Governor HAYDON. We had three run this year. They all were defeated.

Mrs. HANSEN. Maybe next time they will do better.

Governor HAYDON. That was a break for surrogation and 12 members of the legislature, I might add, were defeated and 12 new members came in so that there were some major changes in our legislature and perhaps in the next election a year from now we just might get some women members.

Mrs. HANSEN. I think that is a very good idea. You tell the women to run again.

Thank you all very much.

MONDAY, APRIL 16, 1973.

TRUST TERRITORY OF THE PACIFIC ISLANDS

WITNESSES

HIGH COMMISSIONER AND STAFF

EDWARD E. JOHNSTON, HIGH COMMISSIONER
FRANCISCO C. ADA, DISTRICT ADMINISTRATOR, MARIANA ISLANDS DISTRICT
WILLIAM D. OYLER, PROGRAM AND BUDGET OFFICER

CONGRESS OF MICRONESIA

RAYMOND SETIK, CHAIRMAN, JOINT COMMITTEE ON PROGRAM AND BUDGET PLANNING
ENDY DOIS, VICE SPEAKER, HOUSE OF REPRESENTATIVES

DEPARTMENT OF THE INTERIOR

STANLEY S. CARPENTER, DEPUTY ASSISTANT SECRETARY FOR TERRITORIAL AFFAIRS
FRANCIS M. WILES, DIRECTOR OF BUDGET, OFFICE OF THE SECRETARY

Mrs. HANSEN. We now have the Trust Territory of the Pacific Islands. We have as our principal witness Edward E. Johnston, the High Commissioner.

Mr. Commissioner, it is a pleasure to welcome you back to the committee. I think you have appeared before the committee longer than any other High Commissioner.

INTRODUCTION OF WITNESSES

Mr. JOHNSON. Thank you, Madam Chairman.

Mrs. HANSEN. Mr. Johnston, would you introduce the members of the Micronesian Legislature who are present this afternoon?

Mr. JOHNSTON. Yes, ma'am. Congressman Ray Setik——

Mrs. HANSEN. We have met.

Mr. JOHNSTON. The chairman of the Program and Budget Committee of the Congress of Micronesia, who has appeared before, and the Honorable Endy Dois, from the Truk district, who is the vice speaker of the House of Representatives.

We also have with us this year, Madam Chairman, for the first time one of our district administrators, Mr. Frank Ada, the district administrator of the Marianas district, and Mr. Ben Fitial, one of our top budget people. He is here with Mr. Oyler and Mr. Tubbs to give us administrative support from the budget staff.

Mrs. HANSEN. It is a pleasure to welcome you. It is a particular pleasure to welcome the members of the Legislature of Micronesia as fellow legislators.

We understand your problems very well and we are just delighted that you have taken the time and effort to come here and sit with us as we discuss the budget.

GENERAL STATEMENT

Mr. Johnston, I am sure you have a general statement.

Mr. JOHNSTON. Yes, ma'am.

Mrs. HANSEN. You can place your statement in the record and summarize it or read it as you wish.

Mr. JOHNSTON. If I may, Madam Chairman, I would like to place my statement in the record and comment on it just briefly.

[The statement follows:]

STATEMENT OF EDWARD E. JOHNSTON, HIGH COMMISSIONER, TRUST TERRITORY OF THE PACIFIC ISLANDS

Madam Chairman: We of the trust territory once again welcome the opportunity to appear before this committee to discuss our fiscal year 1974 budget request. We are requesting an appropriation of $56 million. This amount includes $46.8 million for grants-operations, $8.2 million for capital improvements, and $1 million for the economic development loan fund.

The priorities in the budget were established in the districts, and were reviewed and approved by the district administrators, the local legislatures, the program staff and the Congress of Micronesia. The distribution of funds in this budget reflects the combined thinking of both the executive and legislative branches of the trust territory government.

SINGLE PAY PLAN

We are pleased to inform the committee that after several years of trial and error, we have finally developed a true single pay plan; one that covers all employees of the trust territory government with the single exception of our declining civil service staff. In this new pay plan all employees, Micronesian, U.S. citizen, and third country nationals will be classified in the same schedule and paid the same base pay. Equitable treatment of all is achieved through extra tax allowances and recruitment premiums for expatriate employees.

EDUCATION PROGRAM

The largest element in our grants-operations request is our education program. Nearly $13 million is earmarked for the education of the young people of Micronesia. In 1974 we anticipate an elementary school enrollment of almost 27,000 children, with our secondary schools enrolling over 6,800.

As the result of a reevaluation of the educational needs of Micronesia, our vocational education program has grown from 13 teachers and 320 students in 1970 to 141 teachers and 3,134 students in 1972. In 1974 every high school will provide classes in at least four vocational trades and the Micronesian Occupational Center will have 442 students receiving training in 16 different vocational trades.

There are now 871 Micronesian students attending postsecondary schools outside the trust territory. Three hundred thirty-eight of these are receiving full or partial scholarships granted by the trust territory government. Other scholarships are provided by the Congress of Micronesia, district legislatures, and other organizations and educational institutions. Funds requested in this budget will provide 147 full and 277 partial scholarships.

HEALTH PROGRAM

Our new, modern Truk Hospital, which has been in operation since May of 1971, coupled with the new hospital to be constructed in Ponape will give us an integrated teaching/referral complex for Micronesia. We plan to intensify our venereal disease control program and to operate our own maternal and child care and crippled children programs. We will also strengthen our immunization program, extend more dental care to schoolchildren on the outer islands, and increase our efforts in pollution control through augmented health education programs.

CAPITAL IMPROVEMENTS

We are requesting $8,224,000 for our caiptal improvement program. The largest single item in this request is $4.5 million for construction of the Ponape teaching/referral hospital. Fiscal year 1973 funds provide for the design of this two-story structure of approximately 57,000 square feet containing 116 beds. Construction can begin in fiscal year 1974 with completion scheduled for fiscal year 1976.

Education facilities are budgeted at approximately $1.5 million. These funds will contribute to the expansion of secondary school facilities in Truk and the Marshalls and provide a small amount of collateral equipment for the Outer Islands High School in Yap. Funds are also requested for elementary classrooms in Truk and for a dormitory at the Community College of Micronesia in Ponape.

Sum of $720,000 is requested to continue the benefits provided by the military civic action teams. Six of these teams will be functioning in the trust territory contributing much needed facilities as well as training Micronesians in all phases of construction work.

The Bikini rehabilitation program requires $330,000 for 10 more houses and additional facilities. Although this will not complete our planned construction program, we plan to start resettling the Bikini people in fiscal year 1974.

Sum of $790,000 is required for power; $350,000 will provide an additional 1,500 kW generator for Saipan and $300,000 will be used in Yap for a generator as well as for additional power distribution; $110,000 will fund 3 small generators and some line work on Satawan in the Truk district and $30,000 is needed for power distribution on Kusaie in Ponape.

One of the greatest needs of the trust territory today is the need for improved airport facilities. It is generally agreed that tourism presents a tremendous potential for economic development; however, without airports capable of handling modern jet aircraft no tourist industry can be developed.

This past December, I had the pleasure of participating in the dedication of the new Majuro International Airport. This airport, with its runway of nearly 8,000 feet, provides not only a first-class 24-hour-per-day airport, but also a water catchment and storage system with some 16 times the capacity of the former facilities.

Our next modern airport is planned for Saipan which is rapidly developing as a tourist destination area where 400 new hotel rooms will be constructed by the end of fiscal year 1974. A reprograming of fiscal year 1973 funds is being

requested to rehabilitate Isley Field to provide landing facilities for the largest jet planes.

ECONOMIC DEVELOPMENT LOAN FUND

Included in this budget is $1 million for the economic development loan fund which was authorized by Public Law 92-257. This public law authorizes appropriations to the fund until it reaches a total of $5 million. With a $5 million fund we anticipate a total loan program of $5.8 million in direct loans and $7 million in guaranteed loans. We will use this program to promote the development of tourism, agriculture, and marine resources; those areas in which our greatest potential for economic development lies. Funds requested here will bring the total capitalization of the fund to $2.9 million.

STAFFING CHANGES

Since our last appearance before this committee, two Micronesians have been placed in positions as department directors. Dr. Masao Kumangai is now the director of health services and Mr. Strik Yoma is the director of public affairs. I have strengthened the staff within the office of the high commissioner by the addition of a special assistant for district affairs and a special assistant for legislative affairs. Our continuing program of decentralization requires high level coordination of district programs as well as close liaison with the various legislative bodies in the districts.

POLITICAL STATUS

Another development since our last appearance here is the expression of the desires of the people of the Mariana Islands to hold separate negotiations with the United States to form a closer relationship apart from whatever political status is agreed upon for the trust territory as a whole. Ambassador Williams and his delegation have held one meeting with the Mariana Islands District Political Status Commission and a further meeting is scheduled for this spring. Further negotiations with the Congress of Micronesia Joint Committee on Future Status are expected to be held in the near future.

WAR CLAIMS

As you are aware, the Japanese contribution to the war claims fund will not be in cash, but in goods and services. To obtain it we must buy from our contract with Japanese businesses for items in agreed upon categories. The Japanese Government will pay the Japanese firm and we will place an equal amount of budgeted funds in the war claims fund for payment to Micronesians.

Since the devaluation of the currency, the $5 million in yen has grown to $7 million or more. One of our top priority goals is to identify needs for goods or services which can be acquired from Japan and applied to the war claims fund.

Since our budget request for fiscal year 1974 is a reducton below the appropriation for fiscal year 1973, and in view of the austere U.S. fiscal climate for the intermediate future, we shall find it extremely difficult to budget for purchases of goods and services from Japan on such a large scale.

We shall be pleased to answer such questions as the committee may wish to ask.

Mr. JOHNSTON. And Congressman Setik has a statement on behalf of the Congress of Micronesia and Mr. Ada has a statement which he would like to introduce on behalf of the district administrators.

Mrs. HANSEN. Fine.

SINGLE PAY PLAN

Mr. JOHNSTON. Madam Chairman, first of all, I know it has been a great concern of this committee for the past several years in the field of a single pay plan for the trust territory.

Mrs. HANSEN. It certainly has.

Mr. JOHNSTON. This year I am proud to say positively and absolutely we have a single pay plan. It was signed into law after a great deal of excellent coordination between the legislative and executive branches

of our Government and will take effect during this calendar year. The law provides that it will take place between the 1st of July and the 1st of October of 1973.

This will provide a single pay scale for all employees in the trust territory government except the steadily declining U.S. Federal Civil Service.

There will be tax relief allowances and recruitment incentives for expatriates who could not be hired at the prevailing rates or the wages for the Micronesians. It does establish 38 separate levels and everybody will have the same base salary.

Mrs. HANSEN. Regardless whether they are Micronesians, Americans, or third country nationals?

ELEMENTARY AND SECONDARY SCHOOL ENROLLMENT

Mr. JOHNSTON. Yes. In the field of education we would like to make a slight correction in our statement which we submitted. The elementary school enrollment should read about 28,800 and the secondary schools enrollment should read about 6,500.

Mrs. HANSEN. How much has your elementary and secondary school enrollment increased?

Mr. JOHNSTON. Well, I would have to——

Mrs. HANSEN. Insert in the record the enrollment for 1960, 1965, 1970, 1971, 1972, and 1973.

Mr. JOHNSTON. All right.

[The information follows:]

PUBLIC SCHOOL ENROLLMENT

	Elementary	Secondary	Total
1960	11,565	135	11,700
1965	17,497	2,984	20,481
1970	24,881	3,721	28,602
1971	25,793	4,162	29,955
1972	26,555	5,039	31,594
1973	27,371	5,525	32,896

SECONDARY SCHOOL ENROLLMENT IN EASTERN DISTRICTS

Mrs. HANSEN. You have shown an ever-increasing enrollment?

Mr. JOHNSTON. Yes.

Mrs. HANSEN. You know the committee has been concerned about school attendance in the eastern districts. You will remember the discussion we have had about the number of students that could not attend secondary school because you lacked facilities.

Mr. JOHNSTON. That is correct.

Mrs. HANSEN. How are you progressing in this regard?

Mr. JOHNSTON. We are making progress. We had hoped to have the problem solved by the end of 1975. However, at current budget levels, it will maybe be as long as 1978 before we completely solve that problem.

Mrs. HANSEN. How much progress have you made since last year?

Mr. JOHNSTON. About 71 percent of the eighth grade graduates go on, it is up from somewhere below 50 percent 2 years ago.

Mrs. HANSEN. Yes; it was below 50 percent.

Mr. JOHNSTON. So it is now getting closer to our eventual goal of 80 percent.

CAPITAL IMPROVEMENTS REQUEST

Our capital improvements request is $8.224 million. The largest single item in this is the $4.5 million for the construction of the Ponape Teaching Referral Hospital.

The budget for this year includes $55 million of regular appropriated and grant funds and $1 million for the economic development loan fund, which is an area in which we have badly needed support for a number of years, and we are very pleased to have that additional $1 million included in our budget.

WAR CLAIMS AGREEMENT

One of the problems that would not be apparent on the surface but will be a definite problem for us in administering the trust territory in the next few years is the war claims arrangement with the Government of Japan.

Mrs. HANSEN. What has occurred in this regard?

Mr. JOHNSTON. As you will recall, the agreement between the Governments of Japan and the United States was signed in April of 1969. We have just reached the stage of real implementation. The Congress of the United States appropriated $5 million as an ex gratia payment. The Government of Japan agreed to give 1.8 billion yen, which at that time translated into $5 million, in goods and services rather than as a direct payment. Due to the devaluation of the dollar, this fund will now become the equivalent of approximately 7 to 7.5 million U.S. dollars.

The first increment of 600 million yen was deposited on March 30 of this year in the Bank of Kobe, which will handle our funds. Some of our funds are invested in time certificates of deposit and will draw interest which accrues to the trust territory.

However, in order to make this convertible into U.S. dollars so it can be given to the claimants as awarded by the Micronesian Claims Commission, we must submit to the Government of Japan a list, which we are now preparing, of the items which we propose to purchase with this money over a period of the next 3 years.

Mrs. HANSEN. What items will be purchased?

Mr. JOHNSTON. They are to be about equally divided among capital goods, consumer goods, and contractual services.

I do not think that the Government of Japan will be absolutely to the penny insistent upon that division. But, for example, one capital improvements project which would be a natural for this would be the Palau Bridge, which will run somewhere over $2 million.

This almost specifically obligates us at this point to seek possibly only Japanese contractors to bid on that bridge. There will be many items which, rather than having competitive worldwide bidding, we will have to purchase the items from Japan; otherwise, the claims fund will never be completely implemented.

We mention that, Madam Chairman, because it will be a problem for our budget staff in the next 2 or 3 years, that certain items will very definitely have to be purchased from Japan, setting all other considerations aside, if we are to provide the maximum amount of money in the fund for dissemination to the claimants.

Mrs. HANSEN. I can see where we will be involved in a discussion.

Mr. JOHNSTON. I think that summarizes our opening statement.

CIVIC ACTION TEAMS

Mrs. HANSEN. $720,000 is requested to continue benefits provided by the military civic action teams. In what areas are the teams now functioning, what are they accomplishing, and how well is this program working?

Mr. JOHNSTON. There are now for all practical purposes six teams. The seventh team, which was on Kusaie, is in the process of phasing out this month. It will be phased out by the 1st of May and will not be replaced. That leaves one team in each of the districts. They have continued their progress working on road projects; in some of the districts they have assisted in building our new dispensaries and other small public buildings, they have been active in land clearing, seawall construction.

Right now one augmented team is working on the Palau Airport. The team which is leaving Kusaie will probably go to Yap to effect some emergency repairs on the Yap Airport so that we can keep the jets landing in the western districts.

In addition to that, the teams have trained now 170 graduate trainees in Micronesia, young men who have worked with the teams and learned various trades by working with them.

The medical aides, which are the 13th member of each team, have had almost 24,000 patients in the years that the teams have been in the trust territory.

Mrs. HANSEN. How long do you think they will be in the territory?

Mr. JOHNSTON. So long as we can continue our share of the funding, Madam Chairman. They are a very popular program. They are unanimously accepted by the six districts. There have been requests for additional teams. But we are asking for funding for only six teams, which is one team per district.

Mrs. HANSEN. The construction projects under their jurisdiction have moved ahead?

Mr. JOHNSON. Yes, ma'am.

Mr. CARPENTER. This has been a very successful program, Madam Chairman. We would like to see it continue.

BIKINI REHABILITATION PROGRAM

Mrs. HANSEN. What is the status of the Bikini rehabilitation program?

Mr. JOHNSTON. That is progressing. We have just authorized as a local contract something over $300,000 to build another increment of buildings, the cookhouses and the outbuildings and the next group of homes for the people.

Mrs. HANSEN. How many homes will be constructed?

Mr. JOHNSTON. Through 1973 we will have 52 housing units complete with their outbuildings, and fiscal 1974 request will provide for 10 more houses and 10 more sets for a total of 62 housing units.

Mrs. HANSEN. Are the 62 units the total number that will be constructed?

Mr. JOHNSTON. There will be 78 in the plan.

Mrs. HANSEN. Seventy-eight in all?

Mr. JOHNSTON. Total.

But we do plan to reschedule the resettlement of the island for fiscal 1974. The people start moving back to the island. Now this is a few years ahead of what we had originally anticipated, but due to the very strong sentiments of the people to start moving back, we feel that it has reached a stage where they can start moving back to the island gradually.

Mrs. HANSEN. You have no other problems beyond proceeding with the resettlement?

Mr. JOHNSTON. No, other problems have all been solved.

Mrs. HANSEN. Including your coconut crabs?

Mr. JOHNSTON. Well, I recall we discussed that several times and I believe the latest reading on that is that they are not real sure; that maybe the one problem remaining, whether the people choose to voluntarily eat coconut crabs or desist from that. But certainly all the rest of the marine life and the samplings they have taken of vegetable life——

Mrs. HANSEN. No radioactivity at all?

Mr. JOHNSTON. No.

TRANSPORTATION

Mrs. HANSEN. As I recall, some of your greatest problems involve transportation. Has your interisland transportation system improved?

Mr. JOHNSTON. The air transportation has improved tremendously with the addition of a second jet by Air Mirconesia.

Mrs. HANSEN. How many islands are served?

Mr. JOHNSTON. All six of our district centers are served, and the Island of Rota in the Marianas District, for a total of seven.

SEA TRANSPORTATION

Mrs. HANSEN. Also you have the existing problem of water transportation with your smaller islands.

What progress have you made to provide adequate boats and dock facilities?

Mr. JOHNSTON. We have contracted for the first of our new field trip vessels. If the Korean shipyard which is building it can stay on schedule, we will have it in service prior to the end of calendar 1973; in other words, before January 1 of next year we should have it in service.

Mrs. HANSEN. Will this serve all your districts?

Mr. JOHNSTON. We need eight of them to serve all the districts. That will serve as one of the eight.

Mrs. HANSEN. That is what I thought.

Mr. JOHNSTON. The others, we have some of them in a mothball fleet in Palau, because we just do not have the funds to operate them. We lost one of our ships, unfortunately; it went aground on one

of the islands in the Kwajalein Lagoon, a few months ago; attempts to salvage it were unsuccessful. The *Palau Islander* was lost to service.

The situation has not improved substantially, Madam Chairman, but we feel that it will once we can get our new field trip vessels.

Mrs. HANSEN. I have heard that for 8 years.

Mr. JOHNSTON. Yes, ma'am. I am afraid you may hear it for just a little bit longer. That part of our Government, Madam Chairman, has the greatest tendency for overruns because it is almost impossible to budget what will happen to these old beat-up vessels which have been serving since before World War II.

Whenever we have to make emergency repairs or put in a new engine, that just causes overruns in that department. We are trying to keep the budget at its budgeted level and still provide field trip services.

SERVICE SCHEDULE

Mrs. HANSEN. How often do you reach these islands on your regular trips?

Mr. JOHNSTON. We try to have a trip in at least every 30 days, although there are some areas, some of the islands that do not have so much population, the northern Marianas is about 60 to 90 days.

Mr. ADA. It is served every 3 months, but there are other intervals with trips, like the LCU, a small privately owned plane lands on Pagan. They get service whenever the plane lands.

Mr. JOHNSTON. These are islands that have 25 to 50 people on them, not major population centers. Our major population centers we have tried to serve at least every 30 days.

DISTRICT POPULATION CENTERS

Mrs. HANSEN. Where are your major population centers in the Marshall district?

Mr. JOHNSTON. In the Marshall district, Majuro and Ebeye are two population centers.

Mrs. HANSEN. You have plane service into Majuro?

Mr. JOHNSTON. And to Kwajalein.

Mrs. HANSEN. What are the population centers in the Marianas district?

Mr. JOHNSTON. We have Saipan with about 9,000 or 10,000 people, Rota with maybe 1,400, and Tinian with about 700 to 800.

Mrs. HANSEN. What are the major population centers on the Ponape district?

Mr. JOHNSTON. Actually, Ponape Island has maybe the greatest population center of any one island, although some areas of it are still accessible only by water. They have almost 16,000 people on Ponape Island proper.

Kusaie is a major population center with almost 5,000 people now.

Mrs. HANSEN. The Truk district?

Mr. JOHNSTON. In the Truk district the population is in the Truk Lagoon, on various islands there, fairly evenly distributed among Dublon, with about 2,700, Fefan with 2,400, Moen with 6,500 and Tol with 3,600, Uman with 2,100.

These are all islands within a fairly easy small boat trip right in the Truk Lagoon.

Mrs. HANSEN. The Yap district?

Mr. JOHNSTON. You have your major population center on Yap Island proper, with a subdistrict at Ulithi, also a fairly good sized population on Woleai, but mainly Ulithi and Yap Island.

Mrs. HANSEN. The Palau district?

Mr. JOHNSTON. Palau, your big population is in Koror; one of the purposes of our proposed new Palau bridge is so the largest island in the trust islands, Babelthuap, may be more generally connected with Koror and take some of the pressure off Koror.

PALAU BRIDGE

Mrs. HANSEN. How long will that bridge be?

Mr. JOHNSTON. Roughly 300 yards, a thousand feet.

Mrs. HANSEN. I always ask about your transportation problems because it seems to me that is where the greatest lag is in the territory. Is that correct?

Mr. JOHNSTON. Yes, ma'am. Our communications have improved much better and more rapidly than transportation has.

Mrs. HANSEN. Your justification shows that it has improved more than transportation. We have been dealing with those old ships of yours for years. I am sure some members of the Micronesian Legislature would like to make a statement at this point.

GENERAL STATEMENT OF REPRESENTATIVE SETIK

We are very happy to welcome you, Representative Setik.

Mr. SETIK. Yes, I have a prepared statement to be read on behalf of our delegation.

Madam Chairman, it is a privilege and pleasure to be with you today and to be able to testify before this committee on the fiscal year 1974 budget request for the Trust Territory of the Pacific Islands.

The Congress of Micronesia supports the budget allocations within the $56 million submission for fiscal year 1974. It was, in fact, prepared with the active participation of my committee and the Congress, but at a $70 million level rather than the $56 million submission which you see before you.

The $70 million estimate was generated and developed from a 5-year plan covering fiscal years 1974 to 1978 and was last reviewed in 1972.

I have here this 5-year plan which I mentioned was first developed way back in fiscal 1969 and it was updated every year thereafter. At that time the authorized ceiling was at the level of $25 million, $35 million, and it was up again to $50 million, and in the last fiscal years, 1971 to 1973, it was at a $60 million level.

The plan consisted of an operations section of $48 million and capital improvement program amounting to $22 million. In July and August of 1972 my committee reviewed this budget in detail and the High Commissioner incorporated our recommendations into the $70 million budget. Last August the Congress of Micronesia and my committee were advised that the basic fiscal year 1974 budget submission must total only $55 million plus a $1 million fund for the economic

development loan fund, and not $70 million as previously planned. We had 2 days in which to respond to this reduction, which, of course, was a completely inadequate period in which to make meaningful balanced reductions of this magnitude. We chose, therefore, not to respond, as the committee members were dispersed all over Micronesia. The High Commissioner had no alternative but to reply as best he could and submit the $56 million budget based on the information available. The Congress of Micronesia and my committee, in the meantime, have been concentrating on fiscal year 1975. Particular emphasis has been placed on policy matters regarding management improvements and other operating changes desired. We have also been concerned with the establishment of specific objectives within functions to be secured and the establishment of clear statements and assignments of responsibility and authority to accomplish and deliver results.

It now appears that the $8 million of other categorical Federal grants expected to be available at the time of initial planning for fiscal year 1974, in addition to the $70 million, will not materialize. Nor will funds be available to Micronesia under the revenue sharing as we now understand the ground rules. Hence we are going from $78 million base in planning to a $56 million base in fiscal year 1974. This program curtailment of $8 million of categorical aid funds and $15 million of U.S. grant, capital improvement program funds will have a tremendous impact on our teaching, welfare, and health programs in the first case, and in utilities and infrastructure in the second case; but not in operations costs which continue to expand.

In addition, Madam Chairman, $10 million of our obligation authority in the current fiscal year 1973 has been withheld as of January 18, 1973. Thus, there appears the additional ominous prospects of losing these funds irrevocably. In fact, it is the hope of my committee that $5 million of these capital improvement funds could be made available and credited to the Micronesian Claims Fund, thus discharging this obligation under Public Law 91–578 in full this fiscal year.

Ships, harbors, airfields and to a lesser extent roads will require all of the new capital which we can generate for Micronesia. Micronesia has less than 110,000 people, yet we must have six airports capable of handling jet aircraft safely; not one airport as would a normal isolated community of this size. We need a minimum of six new ships which are cost effective, small and fast enough to permit a satisfactory mix of services and costs within the vast area of Micronesia. We need harbors and improvements to permit the development of commerce, as well as fisheries and agriculture, electricity, water, sewers, schools, and hospitals.

It is our belief and desire that Micronesia share in these costs and share these burdens and responsibilities. We need the authority to discharge all of these programs and functions. As you are aware, the Congress of Micronesia has been reviewing the trust territory budget for the past 5 years. We feel this experience has given us the necessary expertise to properly manage these funds for the best interests of our own people. To this end, we ask that in fiscal year 1975 the Congress of the United States provide a 90–10-percent direct budget appropriation to the Congress of Micronesia, thus removing from the current process retarding layers of nonproductive bureaucracy. The Congress of Micronesia wishes to assume entire responsibility for program

achievement and for securing our own destiny. To this end we will be accountable to the Congress of the United States and to the people of Micronesia.

Thank you.

Mrs. HANSEN. Thank you very much.

STATEMENT OF DISTRICT ADMINISTRATOR ADA

The District Administrator, Mr. Ada has a statement.

Mr. JOHNSTON. Yes, ma'am.

Mr. ADA. Madam Chairman, in the interest of time, I would perhaps with your permission simply place my statement in the record and summarize it.

Mrs. HANSEN. It is so ordered.

[The statement follows:]

Madam Chairman, I would amplify the words of the High Commissioner that we welcome the opportunity to appear before your committee to testify, in person, to the needs of our people in the trust territory. This is the first opportunity for a district administrator to appear before your committee to testify on behalf of his people, and I am honored of his opportunity. It is my desire that I may be capable of answering general questions concerning all districts, and specific questions about my own. If I may, I would like to reflect very quickly on some of the events of the past year, and the effect it has had on my district. This year has seen much interest in the economic development of the Marianas, and specifically Saipan. We have seen the final rounds on the Guam, Saipan, Osaka, and Tokyo route case which will initiate 2 flights daily through Saipan and will bring our total flights by major airlines up to 40 per week, not to mention general aviation (charter flights, air taxis, and so forth). This coupled with a recent chamber of commerce seminar on tourism development, has spurred much interest in economic development and several major hotel investors are moving ahead to complete their buildings within the next year. Our total capacity should then reach 600–700 rooms.

With this planned economic development, we would very soon be within permanent danger of water and power shortages. As a matter of information in the last 2 months nearly all of the six districts have suffered from inadequate water supply caused by the rather unusual and prolonged drought we are experiencing. Koror in the Palau district and the Yap district are critically short of water, even, to the point that the TT government may find it necessary to haul water by barges from Guam and ration it to the people of these two populated islands, Saipan, the provisional capital of Micronesia and the seat of the Marianas district government has been on water hours for 6 months. In the Marianas to help rectify this critical problem we have invested more than one-half million dollars in water projects in this fiscal year. Two projects are complete and two more are under contract. When completed, these will alleviate some problem areas in distribution in our most populated section and give us additional catchment capability of 18 million gallons annually.

A group of prominent U.S. businessmen visited the trust territory in January of this year and their foremost observation on economic obstacles was the lack of infrastructure with adequate and suitable water supply being their priority in order to aid and enhance economic development. I am happy to report that, after some very difficult times due to the loss by fire of our Saipan powerplant, the new plant is nearing completion. This will give us a total capacity of 9,000-kilowatt with a present peak hour usage of about 6,000 kilowatt. We believe that, with the purchase of one 1500-kilowatt generator in fiscal year 1974, we may be able to furnish utilities to the now planned development. Therefore, our priority item within the available fiscal year 1974 budget is to add this one generator. In this way, we hope to keep pace with this economic development by providing adequate infrastructures. The past 18 to 24 months have seen a large number of new small contractor bidding on government projects on the island of Saipan, which is the district center. We are not as advanced in the out islands and because of very little construction capability within these areas, we have requested that our only other item in the fiscal year 1974 capital improvement

program be for the civic action team (military Seabees) to accomplish these projects. Our operational budget reflects only a very modest increase to cover costs of price escalation, and we have added no new functions over last year's budget.

We feel that the Marianas district is on the brink of an economic development explosion with the building of a new modern airport at Isley Field on Saipan. The construction bids were called in as of April 12, and we are excited about the potential revenue as well as the tourist business the new airport will create. In closing, I would also mention that the Marianas district is negotiating with Ambassador Williams to form a closer relationship with the United States. However, no consideration of separate funding is included in this request.

I shall, at this time, be pleased to answer any question your committee wishes to ask.

MARIANAS DISTRICT NEEDS

Mr. ADA. I will summarize the statement which merely highlights the need for strengthening and improving our infrastructure, such as water, power, air fields, not only to service the people, but also to enhance the economic development. This is primarily the crux of my statement, Madam Chairman, so I would just insert this for the record.

CONGRESS OF MICRONESIA REVENUE

Mrs. HANSEN. Thank you very much, Mr. Ada.

Senator Setik, in regard to your 90–10 percent direct budget appropriation, what is the current revenue you raise?

Mr. SETIK. Our current revenue is roughly about $5 million.

Mrs. HANSEN. $5 million?

Mr. SETIK. Yes.

Mrs. HANSEN. Do you propose to have your appropriation funded directly to the Congress of Micronesia?

Mr. SETIK. Yes, ma'am.

Mrs. HANSEN. However, the funding would still come through the budgetary procedures that we use in this committee?

Mr. SETIK. Yes.

Mrs. HANSEN. I was going to say when you get yourself into a grant category the funding is not always as certain. The budgetary process seems to be the best way for this type of program.

IMPOUNDMENT OF $10 MILLION

Ten million dollars of your funds have been impounded. What project did you eliminate?

Mr. JOHNSTON. Madam Chairman and we discussed this with Mr. Wiles just this morning, these projects are merely deferred——

Mrs. HANSEN. What projects were deferred?

Mr. JOHNSTON. The Palau bridge, $2.5 million.

Mrs. HANSEN. Does this involve construction funds?

Mr. JOHNSTON. Yes. These are all capital improvement projects.

Mrs. HANSEN. I know but I want to know whether it involves planning or design funds or actual construction funds.

Mr. JOHNSTON. That is the construction.

Mrs. HANSEN. Why did you defer this project? Wasn't it considered important?

Mr. JOHNSTON. These are all very important but they were ones that we weren't quite ready to go on.

Mrs. HANSEN. Have your designs been completed?

Mr. JOHNSTON. The design is almost completed now. The design contract has been let.

NEED FOR BUDGETED PROJECTS

Mrs. HANSEN. The reason I am asking you is because there is no use coming to the committee and testifying at a budget hearing that you are going to use the $10 million and then we discover the funds can't be spent.

You testified on behalf of the full $10 million? Isn't that correct?

Mr. JOHNSTON. Yes.

Mrs. HANSEN. You didn't tell the committee the projects weren't ready to be constructed.

Mr. JOHNSTON. When we asked for it last year?

Mrs. HANSEN. Yes.

Mr. JOHNSTON. No; we have to first get a project budgeted before we can even start. We have a very small revolving A. & E. fund which helps some but on most of these projects we have to first get them put in the budget, then do the architectural-engineering work——

Mrs. HANSEN. But last year you justified everything that was in your budget and these projects totaling $10 million were in your budget.

Mr. JOHNSTON. Yes, ma'am.

PALAU BRIDGE DESIGN

Mrs. HANSEN. Why are the funds impounded?

Mr. JOHNSTON. First of all, we had to meet with the engineering firm who got us all in a room like this and showed us five different possible designs for the bridge.

Mrs. HANSEN. That is not unusual.

Mr. JOHNSTON. Each one had a different level of cost and so on, and we reached a decision as to which one of the designs seemed to be the most practical for our purposes and within our budget and then we had to proceed with the actual designing of the bridge itself before we can put it out to bids.

It has not yet reached the stage where we can seek bids on it.

Mrs. HANSEN. This is $2.5 million you weren't ready to spend. Are you going to be ready to spend it this year?

Mr. JOHNSTON. As soon as we get the reserve released we can spend it now.

Mrs. HANSEN. When do you feel the funds will be released?

Mr. OYLER. We hope and pray, Madam Chairman, that we would have an opportunity to use these next year.

Mrs. HANSEN. If OMB allows you to use the funds.

CAPITAL IMPROVEMENTS CARRYOVER

Mr. CARPENTER. If I may clarify the discussion here a little bit, for various good reasons there was a rather heavy carryover of capital improvement money that was not possible to obligate——

Mrs. HANSEN. I questioned you last year on whether you would be able to obligate all of your funds. If I recall correctly the answer was "Yes."

Mr. CARPENTER. The $10 million was placed in budget reserve because it wouldn't be possible to obligate it.

ISLEY AIRFIELD

Mrs. HANSEN. What are the other projects which have been impounded?

Mr. JOHNSTON. The Isley airfield on Saipan which is receiving matching grants from the FAA.

Mrs. HANSEN. How much does this involve?

Mr. JOHNSTON. Our share of it is $1.8 million. That again is for the construction phase.

Mrs. HANSEN. Has the planning been completed?

Mr. JOHNSTON. It is all planned but there is some question whether the FAA can come up with its share of the matching funds in this fiscal year.

Mrs. HANSEN. Probably for the same reason your funds were impounded.

Mr. JOHNSTON. Right, so that would have to be postponed.

KUSAIE PROJECTS

The third major project is what we call the Kusaie package. We have now completed what we call the Tofol Road which connects the harbor area and the main settlement of Kusaie, which is an area which is ideal for future development and we are going to build in there a government complex including a hospital, a high school, and other facilities.

Now, this comes to a package of $2.1 million and the slowdowns in this have been at the local level. Kusaie is virtually inaccessible. It has no airfield. There are numerous times of the year when a ship cannot get in there and the breakdowns—it is not hooked into our regular communications system—have caused that package to get way behind schedule.

Mrs. HANSEN. What is your population on Kusaie?

Mr. JOHNSTON. Almost 5,000. We do have a Kusaie master plan for all of these facilities but this is some years in the future and we now have gotten bids from contractors who are already mobilized in the area to bring in outside contractors and award this entire package at once.

However, there again it will take another few months to get that organized and probably we would be using the funds shortly after the end of this fiscal year.

WITHDRAWAL OF PREVALIDATED FUNDS

Mrs. HANSEN. That totals something over $7 million. What are the other projects?

Mr. JOHNSTON. There is a $3 million figure of what we call prevalidation reversions. When we prevalidate funds to a district for a local contractor to build a project and the funds have not actually been obligated by the district to the contractor on June 30 they revert to unobligated funds and then shortly after July 1 they are prevalidated to the district again so the project can continue. The balance of it, Madam Chairman, is in various school projects, most of it.

LAND CERTIFICATION PROBLEMS

Mrs. HANSEN. Why?

Mr. JOHNSTON. We have a great deal of difficulty in certifying land for building projects. In order to start a capital improvement project I must certify as the Chief Administrator that the land on which it is to be constructed is available and ready for the construction to start, and that, Madam Chairman, has been a considerable bottleneck.

We think perhaps we have solved the problem now, at least to a great extent. On May 1 of this year all land certification will be done at the district level and we have provided each district with a qualified district attorney to assist in this process.

One of the delays has been the back and forth movement of paperwork between the district and the headquarters holding up construction projects because the land on which they were to be constructed has not been certified as available.

Now, I stuck my neck out a few times in the early days of my administration by saying, "Go ahead with the project if you feel sure that it will be certifiable."

But now there is an ever-increasing awareness on the part of Micronesian citizens of the right and, according to some of their legal advisers, the desirability of suing people at the drop of a hat and we must be even more careful that all of the land is properly certified before we start any major capital improvement project.

This has been one of the real slowdowns in the entire program.

JUSTIFICATION MATERIAL

Mrs. HANSEN. We will insert justification pages 1 through 109 in the record at this point.

[The justification follows:]

Trust Territory of the Pacific Islands

HIGHLIGHT STATEMENT

Fiscal Year 1974

Description

The Trust Territory of the Pacific Islands includes the Northern Mariana Islands, the Eastern and Western Caroline Islands, and the Marshall Islands. There is a total of 2,141 islands. Although they are scattered over three million square miles in the Western Pacific Ocean, they have but 700 square miles of land. An estimated population of 107,000 inhabits 97 of the islands. The Territory is divided for administrative purposes into six districts, each of which exhibits notable cultural and linguistic differences.

Authority and Government of the Territory

The responsibilities and mission of the United States in Micronesia are set forth in the July 18, 1947 Trusteeship Agreement between the United States and the United Nations Security Council. The obligations assumed under that agreement require the United States to promote the economic, social, political, health and educational development of Micronesia toward self-government. Executive Order 11021 of May 8, 1962, vested executive, legislative and judicial authority for the administration of civil government in the Secretary of the Interior. Secretarial Order No. 2918 of December 27, 1968, as amended, delimits the extent and nature of the authority of the Government of the Trust Territory and prescribes the manner in which the relationships of that Government shall be established and maintained with the Congress of the United States, the Department of the Interior and other Federal agencies, and with foreign governments and international bodies.

Following the United States separation-of-powers model, executive authority is vested in a High Commissioner appointed by the President. A bi-cameral Congress of Micronesia exercises legislative authority. Judicial authority rests in a High Court whose three Justices are appointed by the Secretary of the Interior. District Administrators, appointed by the High Commissioner, are responsible for Territorial affairs, including execution of laws passed by the District Legislature, in their respective jurisdictions.

Programs and Policies

The Trust Territory program derives from the fundamental need of any government to provide programs and services to the people which cannot be effectively or efficiently supplied by the individual or family. The Territorial government as a whole renders the full range of services comparable in range, if not in size, to those obtaining at Federal, State and local levels of the United States government. The United States is directly responsible within the Territory only for national defense, the postal system, and the monetary system. Indirect responsibility is exercised over other functions through Executive and Legislative control of United States appropriations and grants to finance the major share of Trust Territory government operations.

Programs include Education, Health Services, Resources and Development, Public Works, Public Affairs, Transportation and Communications, Attorney General, Personnel, Finance and several staff functions. Directors of these activities are responsible for establishment and implementation of Territory-wide policies and programs. District Administrators are responsible for program operations of each activity in their districts. Decentralization of authority and responsibility for program operations is proceeding in the face of immense problems involving communications, distance, and the lack of trained, qualified personnel at the district level.

The FY 1974 Program

The budget request for FY 1974 totals $56,000,000, a decrease of $4,000,000 below the currently approved FY 1973 program.

The FY 1974 request for Operations is $46,776,000 (including the Office of the High Commissioner and the Judiciary), an increase of $3,111,000 above the $43,665,000 appropriated for 1973. The 1974 request for the Capital Improvement program is $8,224,000, a decrease of $8,111,000 as compared to the $16,335,000 appropriated for 1973. The 1974 request for the Economic Development Loan Fund, authorized by Public Law 92-257, is $1,000,000 for which no funds were appropriated in 1973.

Major program increases in operations are sought for Health Services and Education.

The emphasis in the 1974 Capital Improvement program will be on Health and Education facilities. The funds requested will provide for the Ponape Teaching/Referral Hospital, secondary school facilities in Truk and the Marshalls, elementary classrooms in Truk, and additional dormitory spaces at the Community College of Micronesia in Ponape. The installation of physical infrastructure will continue with power projects planned for the Marianas, Yap, Truk, and Ponape, and a road project in Truk. The rehabilitation of Bikini atoll will continue. The work of the Civic Action Teams will be supported in all districts. Less significant amounts are requested for the Truk Marine Resources program and for emergency and minor construction.

Funds requested in 1974 will provide for 280 new Micronesian positions and 7 additional U.S. positions, bringing our staffing level to a total of 6,734 Micronesians and 675 U.S.. Micronesian employment requirements increase by one in Judiciary, 66 in Health Services, 106 in Education, 5 in Public Affairs, 22 in Resources and Development, 35 in Protection to Persons and Property, 11 in Administration, 3 in Transportation and Communications, and 31 in Public Works. U.S. employment increases by 2 in Judiciary, one in Health Services, 2 in Resources and Development, and 7 in Administration. The increases in U.S. employment are partially offset by decreases of 3 in Public Affairs, and 2 in Public Works.

Appropriation, 1972	$ 59,980,000
Appropriation, 1973	60,000,000

Summary of Increases and Decreases, 1974

	Base for 1974	Increase 1974	
High Commissioner's Office To provide for increased operating costs	$ 313,000	+98,000	+98,000
Judiciary To provide for increased operating costs	325,000	+75,000	+75,000
Grants Net decrease of $5,173,000 consists of a decrease of $8,111,000 for capital improvements partially offset by an increase of $2,938,000 for operations	59,362,000	-5,173,000	-5,173,000
Economic Development Loan Fund To provide additional funds for the Economic Development Loan Fund (PL 92-257)	-	+1,000,000	+1,000,000
Net decrease, 1974.			$-4,000,000
Budget Estimate, 1974....			$56,000,000

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Trust Territory of the Pacific Islands

ANALYSIS BY ACTIVITIES

Activity	Fiscal Year 1972 Amount Available	Fiscal Year 1973 Total Appropriation	Fiscal Year 1973 Unobligated Balances	Fiscal Year 1973 Program
1. High Commissioner's Office ..	$ 272,101	$ 313,000	$ 20,899	$ 333,899
2. Judiciary	330,093	325,000	6,805	331,805
3. Grants	54,978,885	59,362,000	13,875,609 1/	73,237,609
Total.....	$55,581,079	$ 60,000,000	$13,903,313	$73,903,313

1/ Includes Capital Improvement carryover of $12,930,228, needed to complete or continue projects previously justified; and Operations carryover of $945,381.

Trust Territory of the Pacific Islands

ANALYSIS BY ACTIVITIES

	FY 1972 Amount Available	FY 1973 Amount Available	FY 1974 Estimate	Increase (+) or Decrease (-) 1974 Compared with 1973
1. High Commissioner's Office.....	$ 272,101	$ 333,899	$ 411,000	$ +77,101
2. Judiciary.....	330,093	331,805	400,000	+68,195
3. Grants.....	54,978,885	73,237,609	54,189,000	-19,048,609
4. Economic Development Loan Fund.....	--	--	1,000,000	+1,000,000
Total	$55,581,079	$73,903,313	$56,000,000	$ -17,903,313

The estimate of $56,000,000 for FY 1974 represents a decrease of $4,000,000 in budget authority from FY 1973, exclusive of carryover funds of $13,903,313.

High Commissioner's Office.....	$ +98,000
Judiciary.....	+75,000
Grants.....	-5,173,000
Economic Development Loan Fund.....	+1,000,000
Decrease.....	$-4,000,000

Trust Territory of the Pacific Islands

BUDGET AUTHORITY

Summary by Activities
Fiscal Year 1974

	FY 1972	FY 1973	Estimate FY 1974	Increase + Decrease -
I. DIRECT APPROPRIATIONS:				
A. HIGH COMMISSIONER'S OFFICE	$ 285,600	$ 313,000	$ 411,000	$ +98,000
B. JUDICIARY	322,700	325,000	400,000	+75,000
TOTAL - DIRECT APPROPRIATIONS	$ 608,300	$ 638,000	$ 811,000	$ +173,000
II. GRANTS, REIMBURSEMENTS AND OPERATING INCOME:				
A. PROGRAMS, ADMINISTRATION AND OPERATIONS:				
1. Health Services	$ 6,090,900	$ 6,924,000	$ 7,594,100	$ +670,100
2. Education	10,270,400	11,490,000	12,834,100	+1,344,100
3. Public Affairs	2,070,800	2,139,000	2,107,000	-32,000
4. Resources and Development	4,914,000	4,548,000	4,760,400	+212,400
5. Protection to Persons and Property	1,805,600	2,186,000	2,359,600	+173,600
6. Administration	4,312,100	4,744,000	5,038,100	+294,100
7. Transportation and Communications	2,966,800	3,158,000	3,246,700	+88,700
8. Public Works and Utilities	6,581,100	7,838,000	8,025,000	+187,000
TOTAL - PROGRAMS, ADMINISTRATION AND OPERATIONS	$ 39,011,700	$43,027,000	$45,965,000	$+2,938,000

Trust Territory of the Pacific Islands

	FY 1972	FY 1973	Estimate FY 1974	Increase + Decrease -
B. CAPITAL IMPROVEMENTS	$20,660,000	$16,335,000	$ 8,224,000	$-8,111,000
TOTAL - GRANTS, REIMBURSEMENTS AND OPERATING INCOME	59,671,700	$59,362,000	$54,189,000	-5,173,000
LESS: ESTIMATED REIMBURSEMENTS AND OPERATING INCOME	-300,000	-	-	-
III. ECONOMIC DEVELOPMENT LOAN FUND	-	-	1,000,000	+1,000,000
NET GRANTS REQUIRED	59,371,700	59,362,000	55,189,000	-4,173,000
ADD: DIRECT APPROPRIATIONS	608,300	638,000	811,000	+173,000
GRAND TOTAL	$59,980,000	$60,000,000	$56,000,000	$-4,000,000

Trust Territory of the Pacific Islands

Personnel Staffing - Permanent Positions
FY 1972, 1973 and 1974

	FY 1972	FY 1973	FY 1974
DIRECT APPROPRIATIONS:			
U.S. - Civil Service	13	15	16
U.S. - Contract	0	2	3
U.S. Total	13	17	19
Micronesians	8	7	8
GRANTS - OPERATIONS:			
Health Services:			
U.S. - Civil Service	7	4	3
U.S. - Contract	40	40	42
U.S. Total	47	44	45
Micronesians	1,152	1,198	1,264
Education:			
U.S. - Civil Service	12	9	9
U.S. - Contract	242	259	259
U.S. Total	254	268	268
Micronesians	1,782	1,899	2,005
Public Affairs:			
U.S. - Civil Service	15	13	10
U.S. - Contract	2	3	3
U.S. Total	17	16	13
Micronesians	206	213	218
Resources and Development:			
U.S. - Civil Service	45	34	34
U.S. - Contract	20	43	45
U.S. Total	65	77	79
Micronesians	608	670	692
Protection to Persons and Property:			
U.S. - Civil Service	15	10	10
U.S. - Contract	9	17	17
U.S. Total	24	27	27
Micronesians	343	368	403
Administration:			
U.S. - Civil Service	77	68	68
U.S. - Contract	19	33	40
U.S. Total	96	101	108
Micronesians	525	566	577

Trust Territory of the Pacific Islands

	FY 1972	FY 1973	FY 1974
Transportation and Communications:			
U.S. - Civil Service	31	23	23
U.S. - Contract	2	11	11
U.S. Total	33	34	34
Micronesians	152	175	178
Public Works and Utilities:			
U.S. - Civil Service	22	19	18
U.S. - Contract	54	65	64
U.S. Total	76	84	82
Micronesians	1,165	1,358	1,389
TOTAL - DIRECT APPROPRIATIONS AND GRANTS - OPERATIONS:			
U.S. - Civil Service	237	195	191
U.S. - Contract	388	473	484
U.S. Total	625	668	675
Micronesians	5,941	6,454	6,734
CONSTRUCTION - Public Works (Paid from Capital Improvement Projects)			
U.S. - Civil Service	8	7	7
U.S. - Contract	58	58	57
U.S. Total	66	65	64
Micronesians	66	81	82
Industrial funded:			
Government Print Shop:			
U.S. Civil Service	2	2	2
Micronesians		25	25
Marianas Housing Authority:			
U.S. Civil Service	1	1	1

Trust Territory of the Pacific Islands

I. DIRECT APPROPRIATION

A. Office of the High Commissioner: FY 1973 $333,899, FY 1974 $411,000: Increase $77,101. The increase consists of:

Increase (+) or Decrease (-) Amount	Positions	Total Program	Total Positions	Explanation
(1) $ +4,700	...	...	...	Normal salary increments for 9 U.S. and 6 Micronesian ongoing positions.
(2) +58,300	...	...	...	Full funding for positions partially lapsed in FY 1973.
(3) +14,101	...	...	...	Increase in travel and other support services, partially offset by a decrease in equipment.
$+77,101	...	$411,000	9 U.S. 6 Micro	

Cost Factors Involved in Increases

(1) Normal salary increments for ongoing staff of 9 U.S., $1,800; and 6 Micronesians, $2,900.

(2) Full funding of positions partially lapsed in FY 1973: U.S., $58,300.

(3) Increased travel, $9,200; rent, communications and utilities, $1,200; printing, $2,300; other contractual services, $3,600; supplies and materials, $3,201; partially offset by reduced requirements in equipment, $5,400.

Need for Increase:

(1) Normal salary increments for 9 U.S. and 6 Micronesian ongoing positions, $4,700: Normal within grade increases must be awarded except in the case of unsatisfactory performance. An increase of $4,700 is requested to meet these increased pay costs.

(2) Full funding for positions partially lapsed in FY 1973, $58,300: Positions for which recruitment was delayed in FY 1973 will require full funding in FY 1974. The amount of $58,300 is requested to fully fund these positions.

(3) Increase in travel and other support services, partially offset by a decrease in equipment, $14,101: An increase of $19,501 is required to provide for essential additional travel of the High Commissioner and his staff, additional operational supplies, materials and services, partially offset by a reduction of $5,400 in nonrecurring equipment costs.

Trust Territory of the Pacific Islands

I. DIRECT APPROPRIATION

A. Office of the High Commissioner:

FY 1973 $333,899, FY 1974 $411,000: Increase $77,101

The estimate for the support of this office in FY 1974 is as follows:

	FY 1973 Estimate	FY 1974 Estimate	Increase + Decrease -
Personnel Compensation and Benefits	$231,400	$294,400	$+63,000
Business and Recruitment Travel	58,200	67,400	+9,200
All Other Object Classes	44,299	49,200	+4,901
Total	$333,899	$411,000	$+77,101
Source of Funding for above:			
Appropriated Funds	$313,000	$411,000	$+98,000
Unobligated funds brought forward from prior years	20,899	- 0 -	-20,899
Total	$333,899	$411,000	$+77,101

A total of $411,000 is required for the support of the Office of the High Commissioner in FY 1974, an increase of $77,101 over FY 1973.

The executive and administrative authority of the Government of the Trust Territory of the Pacific Islands and the responsibility for carrying out the international obligations undertaken by the United States under the terms of the Trusteeship Agreement with the United Nations with respect to the Territory are vested in the High Commissioner, who is appointed by the President of the United States and is under the general supervision of the Secretary of the Interior.

The High Commissioner's "Cabinet" continues to include the Deputy High Commissioner, the Attorney General, the Executive Officer, the Special Consultant, the Directors of Health, Education, Public Affairs, Resources and Development, Transportation and Communications, Finance, Personnel, Public Works, and the Program and Budget Officer. In FY 1973, two new members have been added to the "Cabinet": a Special Assistant to the High Commissioner for Legislative Affairs and a Special Assistant to the High Commissioner for District Affairs. The Special Assistant to the High Commissioner for Legislative Affairs serves as the principal advisor in all legislative matters and as the principal representative of the High Commissioner and the Executive Branch in liaison with the Congress of Micronesia. In this role, he serves as the point of staff coordination for the High Commissioner within the Executive Branch in the development and revision of proposed and existing legislation and in assuring that the content of such legislation is consistent with Administration policy and objectives. He also functions as the official transmitter and interpreter of High Commissioner and Administration policy. He also serves in a liaison capacity for the Trust Territory in its relations with the U.S. Congress, the Department of Interior, and other U.S. Government agencies concerning the development and impact of Trust Territory legislation. The Special Assistant to the High Commissioner for District Affairs is responsible for serving as a point of coordination with the Headquarters staff in gathering information, analyzing causes, and in providing recommendations to the High Commissioner toward the solution of problems in District programs and

operations. He also coordinates or accomplishes special projects for the High Commissioner and Deputy High Commissioner involving District Affairs.

The budget for the Office of the High Commissioner includes the salaries and the supporting costs of the High Commissioner and his immediate office staff. All other officials are funded from grants in the appropriate program areas. There will be no increase of staff in FY 1974.

Staffing:	FY 1973	FY 1974
	8 U.S. Civil Service	8 U.S. Civil Service
	1 U.S. Contract	1 U.S. Contract
	9 U.S. Total	9 U.S. Total
	6 Micronesians	6 Micronesians

The increase of $77,101 includes $4,700 for normal within grade increments for both U.S. and Micronesian ongoing positions; $58,300 for full funding of U.S. positions partially lapsed in FY 1973; $9,200 for increased travel, $3,600 for contractual services; $2,300 for printing; $1,200 for rent, communications and utilities; and $3,201 for supplies and materials. These increases are partially offset by reduced equipment need, $5,400.

Trust Territory of the Pacific Islands

I. DIRECT APPROPRIATION

B. Judiciary: FY 1973 $331,805, FY 1974 $400,000: Increase $68,195. The increase consists of:

	Increase (+) or Decrease (-) Amount	Positions	Total Program	Total Positions	Explanation
(1)	$ +5,100	...	...	...	Normal salary increments for 8 U.S. and one Micronesian ongoing positions.
(2)	+54,700	+2 U.S. +1 Micro	...	10 U.S. 2 Micro	To provide for two new U.S. and one new Micronesian positions.
(3)	+8,395	...	...	...	Increase in travel and other object classes, partially offset by a decrease in other contractual services.
	$+68,195	+2 U.S. +1 Micro	$400,000	10 U.S. 2 Micro	

Cost Factors Involved in Increases

(1) Normal salary increments for ongoing staff of 8 U.S., $4,600; and one Micronesian, $500.

(2) Two new U.S. positions, $48,100 and one new Micronesian position, $6,600.

(3) Increased travel, $10,100; printing, $3,000; supplies and equipment, $1,700; rent, communications and utilities, $400; partially offset by a reduction in other contractual services of $6,805.

Need for Increase:

(1) Normal salary increases for 8 U.S. and one Micronesian ongoing positions, $5,100: Normal within grade increases must be awarded except in the case of unsatisfactory performance. An increase of $5,100 is requested to meet these increased pay costs.

(2) To provide for two new U.S. and one new Micronesian positions, $54,700: In FY 1974, one U.S. Associate Justice and one U.S. Court Reporter will be added to insure the prompt, just handling of the increasing number of complex cases coming before the High Court. One new Micronesian Law Clerk will also be added to perform the necessary legal research.

(3) Increase in travel and other object codes, partially offset by a decrease in other contractual services, $8,395: An increase of $15,200 is required for additional travel of the High Court and for additional rent, printing, supplies and equipment. This increase is partially offset by a reduction of $6,805 in other contractual services.

Trust Territory of the Pacific Islands

I. DIRECT APPROPRIATION

B. Judiciary:

FY 1973 $331,805, FY 1974 $400,000: Increase $68,195

The estimate for the support of this office in FY 1974 is as follows:

	FY 1973 Estimate	FY 1974 Estimate	Increase + Decrease -
Personnel Compensation and Benefits	$205,100	$261,700	$+56,600
Business and Recruitment Travel	79,800	93,100	+13,300
All Other Object Classes	46,905	45,200	-1,705
Total	$331,805	$400,000	$+68,195
Source of Funding for above:			
Appropriated Funds	$325,000	$400,000	$+75,000
Unobligated funds brought forward from prior years	6,805	- 0 -	-6,805
Total	$331,805	$400,000	$+68,195

A total of $400,000 is required to support the Judiciary - High Court in FY 1974, an increase of $68,195 over FY 1973.

There are three types of courts in the Trust Territory: High Court, District Court, and Community Courts. In this document "Judiciary" applies only to the High Court, with the District and Community Courts being funded as "Local Judiciary" in the Grant funds.

The High Court has Trial and Appellate Divisions. The Trial Division has original jurisdiction to try all cases, civil and criminal, including probate, admiralty, and maritime matters, and the adjudication of title to land or any interest therein. The Appellate Division has jurisdiction to review, on appeal, the decisions of the Trial Division of the High Court in the following instances:

1. All cases tried originally in the High Court.

2. Certain cases decided by the High Court on appeal from a District Court.

3. All cases decided by the High Court on review of the record of a District or Community Court decision in which the High Courthas reversed or modified the decision so as to affect the substantial rights of the appellant.

The High Court presently is staffed with a Chief Justice, two Associate Justices, and supporting administrative and court reporter/secretarial personnel.

The Trial Division of the High Court holds sittings on a circuit-riding basis at the six district centers, and with a fair degree of regularity at three of the sub-centers, in addition to sittings at outlying islands when the need arises. The High Court Judges, the Director, and the Deputy Director also supervise the work of, and endeavor to train the District and Community Court Judges and the Clerks of Courts and their assistants, who have had either very little or no legal training prior to their appointments.

In FY 1974, in order to cope with these widely dispersed needs, the High Court staff must be strengthened, and travel to all areas must be appropriately increased. The proposed new staff are one additional U.S. Associate Justice, one additional U.S. Court Reporter/Secretary for the Associate Justice, and one Micronesian Law Clerk.

Judiciary operations are funded partly from appropriated funds (High Court and Chief Justice Office) and partly from grant funds (Local Judiciary). Therefore, separate budgets and separate narrative justifications are prepared for these two sections of the Judiciary. All of the Courts in the Trust Territory share facilities, personnel, equipment and some responsibilities. Funds cannot be justified solely for High Court and solely for Local Judiciary use. High Court funds will be utilized in part to train and assist the Micronesian members in the Local Judiciary. Extensive training and assistance to the District and Community Courts remain a basic function of the High Court.

The funds requested for FY 1974 will enable the High Court to provide the following:

(a) An enlarged qualified High Court staff for:

(1) The hearing of the most serious criminal and civil cases.

(2) The hearing of cases under appeal.

(3) Expanded training of Micronesian Judiciary personnel.

(4) Professional supervision of the courts.

(5) Accurate transcripts of trials.

(6) Review of lower court decisions.

(b) Increased travel necessary for:

(1) The prompt hearing of cases in all districts including outlying islands.

(2) Continuing to decrease the backlog of cases through more frequent High Court sittings. (See attached statistical charts.)

(3) Training and supervision of Micronesian personnel by having the High Court staff available more frequently in all districts.

(4) Training of Micronesians through conferences and structured observation of other courts, both within and outside the Trust Territory.

(c) Funds for printing to insure High Court opinions will continue to be printed, made available to all concerned promptly, and added to the volumes of the Trust Territory Reports.

(d) Training programs will be continued and expanded: to increase the efficiency of the courts, to provide higher quality of justice in the lower courts, and to enable Micronesians to assume more responsible positions within the Judiciary. The training programs will include Judiciary scholarships for Micronesians to study law and court reporting in the U.S., and training conferences for Micronesian Judiciary employees.

(e) Equipment necessary for more adequate functioning of the courts will be procured or improved, including legal research materials and basic office equipment.

All lower courts throughout the Trust Territory will continue to be staffed entirely by Micronesians in FY 1974.

Staffing:	FY 1973	FY 1974
	7 U.S. Civil Service	8 U.S. Civil Service
	1 U.S. Contract	2 U.S. Contract
	8 U.S. Total	10 U.S. Total
	1 Micronesian	2 Micronesians

The increase of $68,195 includes $5,100 for normal within grade increments for U.S. and Micronesian ongoing staff; $54,700 for two U.S. and one Micronesian new positions; $10,100 for travel; $3,000 for printing, $1,700 for supplies and equipment; and $400 for rent, communications and utilities. These increases are partially offset by a reduction of $6,805 in other contractual services.

Trust Territory of the Pacific Islands

CHART NO. 1

TRUST TERRITORY COURTS

Cases Disposed of Per Year

	High Court Appellate Division		High Court Trial Division		District Court		Community Court	
	Criminal	Civil	Criminal	Civil	Criminal	Civil	Criminal	Civil
1965	6	5	46	125	1,463	1,035	710	1,739
1966	1	2	41	89	1,509	853	1,150	2,546
1967	0	1	44	175	1,736	1,406	934	2,456
1968	1	3	54	251	2,545	1,273	1,388	2,589
1969	3	11	67	193	2,988	1,365	1,282	2,403
1970	3	12	73	153	3,016	1,236	1,450	2,636
1971	1	16	110	756 1/	3,821	1,286	1,092	1,355
1972 2/	2	3	83	132	1,675	593	697	1,401

1/ Unusually high number of High Court Civil cases disposed of in 1971 reflects out of court settlement of over 500 damage and loss claims against one shipping company.

2/ 1972 figures show cases disposed of at the end of second quarter of 1972.

CHART NO. 2

TRUST TERRITORY COURTS

Cases Pending at End of Year

	High Court Appellate Division		High Court Trial Division		District Court	
	Criminal	Civil	Criminal	Civil	Criminal	Civil
1965	1	6	23	269	66	215
1966	0	5	25	335	132	341
1967	1	6	15	327	142	206
1968	2	23	28	231	217	266
1969	4	28	5	312	229	422
1970	6	28	54	876 1/	328	454
1971	6	17	73	350	375	381
1972 2/	8	19	42	334	424	405

NOTE: Community Courts report only cases disposed of; pending cases are not reported.

1/ Includes over 500 damage and loss claims against one shipping company.

2/ Figures show cases pending at end of second quarter of 1972.

Trust Territory of the Pacific Islands

A. PROGRAMS, ADMINISTRATION AND OPERATIONS

1. Health Services: FY 1973 $6,924,000, FY 1974 $7,594,100: Increase $670,100. The increase consists of:

Increase (+) or Decrease (-) Amount	Positions	Total Program	Total Positions	Explanation
(1) $+195,400	...	...	...	Normal salary increments for 42 U.S. and 1,198 Micronesian ongoing positions.
(2) +144,400	...	...	...	Full funding for positions partially lapsed in FY 1973.
(3) +279,800	-2 U.S. +59 Micro	...	36 U.S. 1,100 Micro	To strengthen medical administration and district hospitals' Micronesian staff and provide increases in supplies and equipment, partially offset by the elimination of two U.S. positions.
(4) +50,500	+3 U.S. +7 Micro	...	9 U.S. 164 Micro	Strengthening of staff in other activities in Health Services and providing supporting supplies and materials.
$+670,100	+1 U.S. +66 Micro	$7,594,100	45 U.S. 1,264 Micro	

Cost Factors Involved in Increases

(1) Normal salary increments for ongoing staff of 42 U.S., $10,600; and 1,198 Micronesians, $184,800.

(2) Full funding for positions partially lapsed in FY 1973: U.S., $22,400; Micronesian, $122,000.

(3) Increase of $164,100 for fifty-nine new Micronesian positions, and an increase of $141,100 primarily for food for patients and additional equipment; partially offset by a decrease of $25,400 for the reduction of two U.S. positions.

(4) Increase of $30,000 for three new U.S. positions, and $19,900 for seven new Micronesian positions, plus a net increase of $600 after offsetting decreases in equipment against increases in travel and supplies.

Need for Increase:

(1) Normal salary increments for 42 U.S. and 1,198 Micronesians, $195,400: Normal within grade increments must be awarded except in the case of unsatisfactory performance. The Micronesian staff is a young staff and the pattern of an older staff higher in grade and in increments retiring and being replaced by

youth lower in grade and in beginning increments will not be evident for some years to come. An increase of $195,400 is requested to meet these increased pay costs.

(2) Full funding for positions partially lapsed in FY 1973, $144,400: Positions for which recruitment was delayed in FY 1973 will require full funding in FY 1974. The amount of $144,400 is requested to fully fund these positions.

(3) To strengthen Medical Administration and District Hospitals' Micronesian staff and provide increased supplies and equipment, partially offset by the elimination of two U.S. positions, $279,800: In Medical Administration seven new Micronesian positions are added, two of which will replace U.S. positions which will be phased out in FY 1974. In District Hospitals, 35 of the 52 new Micronesian positions will be located in the Truk Hospital, 3 in the Marianas, 5 in Yap, 6 in Palau, and 3 in the Marshalls. The balance of the increase will provide for patient feeding and for additional and updated hospital equipment.

(4) Strengthening of staff in other activities in Health Services and provide supporting supplies and materials, $50,500: The new positions are located in the following areas: Environmental Health and Sanitation, two U.S. and one Micronesian;Dental Services, one U.S. and five Micronesians; and School of Nursing, one Micronesian. The increase of $50,500 requested is for the new positions and to provide supporting supplies and materials.

Trust Territory of the Pacific Islands

Activity	FY 1973 Estimate	FY 1974 Estimate	Increase + Decrease -
1. Health Services:			
a. Medical Administration	$ 374,000	$ 368,000	$ -6,000
b. Hospital and Out-Islands Services 1/	5,663,000	6,255,100	+592,100
c. Environmental Health and Sanitation	265,000	303,800	+38,800
d. Dental Services	385,000	427,200	+42,200
e. Trust Territory School of Nursing	237,000	240,000	+3,000
Total	$6,924,000	$7,594,100	$+670,100

1/ Medical Referrals and Medical Supplies are included in the Hospital and Out-Islands account.

The Health Services program, headed by a Micronesian Director, is established to maintain and improve health and environmental conditions, minimize and eventually control communicable disease, establish standards of medical and dental care, encourage scientific investigations in the field of health, supervise and administer all government-owned hospitals, clinics, dispensaries and other medical and dental facilities.

a. Medical Administration:

FY 1973 $374,000, FY 1974 $368,000: Decrease $6,000

A total of $368,000 is required for Medical Administration in FY 1974, a decrease of $6,000 from FY 1973.

The administration of all health programs is carried out by specialists in the fields of medicine, dentistry, pharmacy, health services and hospital administration, nursing, environmental health, planning/evaluation, vital statistics, medical supply and equipment repair who provide technical services and give leadership and direction for the implementation of all programs.

Comprehensive health planning has resulted in increasing implementation of Preventive Health Programs. This emphasis on preventive care coupled with improvements in potable water systems is markedly reducing the prevalence of many diseases which now constitute the bulk of curative care.

In FY 1974, emphasis will continue on comprehensive health planning through the Office of Health Planning/Evaluation, and the Trust Territory Health Planning Councils. Greater emphasis will be given to Territory-wide control programs on tuberculosis and venereal diseases.

In FY 1974, seven (7) new Micronesian positions will be added: one Medical Supply Officer, one Assistant Chief Nurse, one Program Analyst, one Health Educator, one Medical Equipment Repair Specialist, one Supply Clerk and one Clerk Steno. Two U.S. positions, one Medical Supply Officer and one Clerk Steno will be converted to Micronesian positions in FY 1974.

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Staffing:	FY 1973	FY 1974
	3 U.S. Civil Service	2 U.S. Civil Service
	5 U.S. Contract	4 U.S. Contract
	8 U.S. Total	6 U.S. Total
	19 Micronesians	26 Micronesians

The decrease of $6,000 results from eliminating two U.S. positions budgeted at $43,100, while adding seven Micronesian positions at $33,400. Normal salary increments increase $7,200 and printing and supplies decrease by $3,500.

b. Hospital and Out-Islands Services:

FY 1973 $5,663,000, FY 1974 $6,255,100: Increase $592,100

A total of $6,255,100 is required for Hospital and Out-Islands Services in FY 1974, an increase of $592,100 over FY 1973.

The Trust Territory Government provides all the medical care that is available for the citizens of Micronesia. There are no private hospitals or pharmacies. There are no medical officers in private practice. Delivery of health care is almost exclusively carried out by Micronesian medical officers, dental officers, sanitarians, nurses, health aides and other paramedical personnel. The general level of health is quite good. Some of the outer-island services are sub-standard in terms of appropriately trained health aides and good physical facilities. This is improving constantly with continuous health aide training programs and an accelerated dispensary replacement program.

Medical care is provided through six district hospitals, three sub-district hospitals and 154 rural dispensaries. By FY 1974, Truk Hospital will be staffed with five specialists and possibly a sixth (the latter financed from special grant funds). Volunteer short term specialists will be recruited to augment the staffs in other districts. Hopefully, by FY 1974, this system will reduce the cost of medical referrals to Guam and Honolulu hospitals. (In FY 1972, 448 inpatient and 269 outpatient visits to Guam and Honolulu were recorded. Total expenditures for medical charges, transport, and subsistence for patients and escorts were $676,000.)

Activities in the areas of Maternal and Child Health, School Health, Case-finding for Crippled Children Service, and Family Planning will be intensified.

The mass immunization program with the assistance of the National Communicable Disease Center of Atlanta, Georgia will also be continued in FY 1974. This will provide protective levels of immunity against diphtheria, tetanus, whooping cough, smallpox, poliomyelitis, measles and other pertinent diseases for the entire population. The resultant immunity level is to be maintained by routine immunization via the Maternal and Child Health Programs and related public health clinics. Mass X-rays and PPD's (Purified Protein Derivative) tests will also be continued on a regular basis as part of the Tuberculosis Control Program. A Venereal Disease Control grant will enable greater efforts in case-finding and treatment.

To ensure better quality and comprehensive health care, the proposed programs for FY 1974 will be concentrated on upgrading and broadening both the types of personnel and the scope of health care delivery services.

Emphasis will be placed on periodic training and retraining of health personnel. Training assistance will be available from Federal Manpower Training Act, the Regional Health Program of Hawaii and other U.S.P.H.S. grants.

Increases in number of admissions to hospitals and outpatient visits are anticipated due to growing population and improved programs in case-finding and treatment. The increases are anticipated to be around 3,300 in hospital admissions and 35,000 outpatient visits (see Table I).

In FY 1974, the new Ebeye and Kusaie sub-district hospitals and the Palau Pediatric Ward are expected to be fully operational. These additions of beds and facilities will need additional staffing, supplies, materials, drugs, and equipment.

Fifty-two new Micronesian positions will be required in FY 1974 primarily to diminish staffing shortages in district hospitals. District distribution of the new Micronesian positions is as follows: Marianas 3; Yap 5; Palau 6; Truk 35; and Marshalls 3.

Staffing:	FY 1973	FY 1974
	30 U.S. Contract	30 U.S. Contract
	1,022 Micronesians	1,074 Micronesians

The increase of $592,100 includes $156,300 for normal salary increments for 30 U.S. and 1,022 Micronesian ongoing positions, $142,800 for full funding for positions partially lapsed in FY 1973, and $148,400 for new positions. Supplies and materials are increased $96,400, equipment, $51,100, and travel and other services are reduced $2,900.

c. Environmental Health and Sanitation:

FY 1973 $265,000, FY 1974 $303,800: Increase $38,800

A total of $303,800 is required for Environmental Health and Sanitation in FY 1974, an increase of $38,800 over FY 1973.

The function of the Division of Environmental Health and Sanitation is to develop and implement a comprehensive program of environmental health with the objective on protection and prevention of communicable diseases and other environmental factors for the people of the Trust Territory.

Under the general supervision of the Director of Health Services, the Chief of Environmental Health and Sanitation is charged with the responsibility of carrying out the above program with the involvement of the Environmental Protection Board established by the Congress of Micronesia under Public Law 4C-78.

For the past year, training and seminars were conducted for sanitarians on various subjects with consultants from the Environmental Protection Agency and South Pacific Commission to upgrade staff capability in various fields of environmental health. This will be continued in FY 1974.

Also in FY 1974 more emphasis will be put on Comprehensive Pollution Control Programs. This will be done with the assistance and direction from the nine members of the Environmental Protection Board and by direct involvement of both Headquarters and District staff in the review of long range plans for:

1. Land use, including overall zoning and others.

2. Development of residential subdivision, commercial enterprises such as hotels, shopping centers, etc. Such concern includes provisions for: adequate water supplies for drinking, fire and other use, adequate sewers, liquid waste treatment and disposal facilities and solid waste management.

In FY 1974, two U.S. and one Micronesian positions will be added to the Trust Territory-wide Environmental Health and Sanitation staff. The two U.S. (one Environmental Health Specialist and one Laboratory Technician) are needed in order to properly carry out the provisions of Public Law 4C-78 which created the Trust Territory Environmental Protection Board. The one Micronesian Sanitarian Aide is needed for Satawan in the Truk District.

Staffing:	FY 1973	FY 1974
	- 0 - U.S.	2 U.S. Contract
	68 Micronesians	69 Micronesians

The increase of $38,800 includes $24,100 for two additional U.S. and one additional Micronesian positions, $9,800 for normal salary increments for ongoing positions, and $5,900 for supplies and materials, partially offset by reductions in equipment and other services of $1,000.

d. Dental Services:

FY 1973 $385,000, FY 1974 $427,200: Increase $42,200

A total of $427,200 is required for Dental Services in FY 1974, an increase of $42,200 over FY 1973.

The mission of the Division of Dental Services is to develop and implement a comprehensive program of dental services and education with the objectives on prevention and treatment of dental diseases for the inhabitants of the Trust Territory of the Pacific Islands.

Under the general supervision of the Director of Health Services, the Chief of the Dental Services is responsible for the formulation of programs relating to dental health care for the schools and general population in all districts. The administration of the above programs is carried out by specialists in the field of dentistry with direct involvement of the District Chiefs of Dental Services who are responsible for all matters pertaining to their districts.

For the past year, seminars were conducted for Dental Officers on various professional subjects to keep the professional people up-to-date in the various fields in dentistry. Participants included consultants from the United States, South Pacific Commission and the Trust Territory. This will be continued in FY 1974. The Dental Nursing School at Micronesian Occupational Center will also be continued in FY 1974. More emphasis will be put on preventive care in the school areas for children. The preventive programs will include dental health education as well as topical application of sodium fluoride on teeth surfaces, and operative and restorative care.

It is also planned that the number of field trip services in connection with dental care will increase in FY 1974 to meet more of the needs of the outer-islands population.

In FY 1974, one U.S. and five Micronesian positions will be added to the Trust Territory-wide dental staff: one U.S. Dental Officer, one Micronesian Dental Officer, and one Dental Nurse will be for Truk; one each Dental Nurse for Palau and Ponape; and one Dental Supply Clerk for Headquarters.

Staffing:	FY 1973	FY 1974
	- 0 - U.S.	1 U.S. Contract
	78 Micronesians	83 Micronesians

The increase of $42,200 includes $18,400 for normal salary increments for ongoing positions, $21,600 for one U.S. and five Micronesian new positions, $1,600 for full funding for positions partially lapsed in FY 1973. Travel is increased $2,000, and supplies and materials, $1,200, partially offset by a reduction in equipment purchases of $600 and an increase of anticipated revenues of $2,000.

e. Trust Territory School of Nursing:

FY 1973 $237,000, FY 1974 $240,000: Increase $3,000

A total of $240,000 is required for the operation of the Trust Territory School of Nursing in FY 1974, an increase of $3,000 over FY 1973.

Under the general supervision of the Director of Health Services, the School of Nursing provides training of nursing personnel for district hospitals and dispensaries; as well as basic training in public health. The School of Nursing education is provided through a scholarship for two and one-half years. The scholarship includes transport from and to the home district, uniforms, text books, and full room and board plus a stipend of $390 per annum for personal needs.

Continuance of a total enrollment of 100 students is anticipated in FY 1974. The program will continue to increase output of qualified Micronesian professional nurses to staff new hospitals and dispensaries and to develop nursing personnel for candidates for postgraduate Public Health training.

In FY 1974, one Micronesian Nurse Instructor is added to the Nursing School staff.

Staffing:	FY 1973	FY 1974
	1 U.S. Civil Service	1 U.S. Civil Service
	5 U.S. Contract	5 U.S. Contract
	6 U.S. Total	6 U.S. Total
	11 Micronesians	12 Micronesians

The increase of $3,000 consists of increases of $3,700 for normal salary increments for six U.S. and eleven Micronesian ongoing positions, $4,200 for one new Micronesian position and $2,800 for travel and supplies. These increases are partially offset by decreases in equipment, $6,900, and printing, $800.

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TABLE I

UTILIZATION OF HOSPITAL FACILITIES

Fiscal Year 1972

District Hospital	Beds Available	Average Daily Census	Percent of Occupancy	Total Census Days	Outpatient visits
Marianas	92	49	53	17,811	32,995
Marshalls	88	59	65	21,713	61,588
Palau	82	65	79	23,833	46,077
Ponape	68	50	74	18,173	48,986
Truk	125	80	64	29,245	54,926
Yap	42	20	48	7,467	14,781
Total	497	323	65	118,242	259,353
Sub-Hospitals					
Rota	10	5	50	1,802	7,234
Ebeye	18	11	60	4,145	52,656
Kusaie	14	15	107	5,565	7,405
Total	42	31	74	11,512	67,295
GRAND TOTAL	539	354	66	129,754	326,648

TABLE II

PATIENT ADMISSIONS

	FY 1969	FY 1970	FY 1971	FY 1972
TOTAL	9,792	10,005	10,783	11,063
Marianas	1,702	1,750	1,788	1,672
Marshalls	1,223	1,263	1,594	1,784
Palau	2,133	2,168	2,297	2,039
Ponape	1,802	1,849	1,979	2,142
Truk	2,251	2,261	2,481	2,668
Yap	681	714	644	758

(1) Figures do not include admissions to sub-district hospitals at Ebeye, Kusaie and Rota.

2. Education: FY 1973 $11,490,000, FY 1974 $12,834,100: Increase $1,344,100. The increase consists of:

Increase (+) or Decrease (-) Amount	Positions	Total Program	Total Positions	Explanation
(1) $ +369,400	...	...	...	Normal salary increments for 261 U.S. and 1,899 Micronesian ongoing positions.
(2) +571,200	...	...	...	Full funding of positions partially lapsed in FY 1973.
(3) +191,100	-2 U.S. +62 Micro	...	43 U.S. 1,460 Micro	Strengthen staff in Elementary Education and provide for equipment replacement and increased cost for students busing program.
(4) +339,200	+7 U.S. +36 Micro	...	149 U.S. 351 Micro	Strengthen Secondary Education staff and provide for increased requirement for supplies, materials, and food for increased secondary enrollment.
(5) +33,200	-5 U.S. +8 Micro	...	76 U.S. 194 Micro	Slight strengthening of staff in other education areas and providing for increased requirement in travel and other contractual services primarily for MOC and MMC.
(6) -160,000	...	...	...	In FY 1974 the Inservice Teacher Training program will be continued but with the major portion of the cost being absorbed by the district education departments and the rest funded by other Federal grants.
$+1,344,100	-0- U.S. +106 Micro	$12,834,100	268 U.S. 2,005 Micro	

Cost Factors Involved in Increases

(1) Normal salary increments for ongoing staff of 261 U.S., $37,500; and 1,899 Micronesians, $331,900.

(2) Full funding for positions partially lapsed in FY 1973: U.S., $112,600; Micronesians, $458,600.

(3) Sixty-two Micronesian positions, $191,500; equipment, $10,900; contractual services, $8,800; supplies and travel, $1,000; partially offset by a decrease of $21,100 due to elimination of two U.S. positions.

(4) Seven U.S. and thirty-six Micronesian positions, $188,400; supplies, materials, and food, $147,800; contractual services, $4,100; equipment, $3,600; partially offset by a net decrease of $4,700 in other object classes.

(5) One U.S. position, $16,100, more than offset by a decrease of $66,700 due to elimination of six U.S. positions no longer needed; eight Micronesian positions, $40,600; travel, $45,000; printing, $2,800; contractual services, $5,400; partially offset by decreases in supplies and materials, $5,400; equipment, $2,100; and grants, $2,500.

(6) Program reduction, $160,000.

Need for Increase:

(1) Normal salary increments for 261 U.S. and 1,899 Micronesian ongoing positions, $369,400: Normal within grade increases must be awarded except in the case of unsatisfactory performance. The Micronesian staff is a young staff and the pattern of an older staff higher in grade and in increments retiring and being replaced by youth in lower grade and beginning increments will not be evident for some years to come. An increase of $369,400 is requested to meet these increased pay costs.

(2) Full funding of positions partially lapsed in FY 1973, $571,200: Positions for which recruitment was delayed in FY 1973 will require full funding in FY 1974. The amount of $571,200 is requested to fully fund these positions.

(3) Strengthen staff in Elementary Education and provide for equipment replacement and increased cost for students busing program, $191,100: Additional facilities and the need to overcome staffing shortages in several district centers have made necessary an increase in Elementary Education staff. Fifty-one of the sixty-two new Micronesian positions are for the eastern districts (30 for Truk, 5 for Ponape, and 16 for the Marshalls) and the remaining 11 for Marianas. An increase of $191,500 is requested for these new positions. Additional increases are for equipment replacement, $10,900; increased cost of students busing program, $8,800; and minor increases in other codes, $1,000. These increases are partially offset by a decrease of $21,100 due to elimination of two U.S. positions.

(4) Strengthen Secondary Education staff and provide for increased requirement for supplies, materials, and food for increased secondary enrollment, $339,200: Expanded facilities and increase in secondary enrollment require additional staff. Seven U.S. and thirty-six Micronesian new positions are needed for expanded facilities and to overcome staffing shortages primarily in the district centers. An increase of $188,400 is requested for these new positions. The remaining balance of the increase will provide for increased supplies and materials, primarily food for students, and minor increases in other object codes, $150,800.

(5) Slight strengthening of staff in other education areas and providing for increased requirement in travel and other contractual services, $33,200: Of the eight new Micronesian positions, four are needed in Administration, three are needed in Community College of Micronesia, and one in Micronesian Maritime Center. One U.S. position is needed in Micronesian Occupational Center. An increase of $56,700 is requested for these new positions.

Additional increases are for increased travel, printing, and contractual services, $53,200. These increases are partially offset by decreases of $66,700 due to elimination of six U.S. positions and $10,000 in materials, supplies, equipment, and grants.

(6) In FY 1974 the Inservice Teacher Training program will be continued but with the major portion of the cost absorbed by the district education departments and the rest funded by other Federal grants, $-160,000: Inservice Teacher Training in past years has been a one-year program in which the trainees left the classrooms and spent full time in a training situation. In FY 1974 the program is reoriented to a more direct classroom approach in which the trainees continue to teach their classes and participate in training seminars when school is not in session. In FY 1974 the major portion of the cost of the training will be absorbed by the district education departments and the rest funded by other Federal grants. Consequently, no funding request is being made for this program in FY 1974.

Activity	FY 1973 Estimate	FY 1974 Estimate	Increase + Decrease -
2. Education:			
a. Administration	$ 963,000	$ 938,900	$ -24,100
b. Elementary	5,081,000	5,984,300	+903,300
c. Secondary	3,161,000	3,641,900	+480,900
d. Inservice Teacher Training	160,000	- 0 -	-160,000
e. Scholarship and Medical Education	634,000	635,000	+1,000
f. Micronesian Occupational Center	806,000	878,000	+72,000
g. Community College of Micronesia	418,000	465,000	+47,000
h. Micronesian Maritime Center	55,000	79,000	+24,000
i. Aid to Non-public Schools	212,000	212,000	- 0 -
Total	$11,490,000	$12,834,100	$+1,344,100

a. Administration:

FY 1973 $963,000, FY 1974 $938,900: Decrease $24,100

A total amount of $938,900 is required for Education Administration in FY 1974, a decrease of $24,100 from FY 1973.

The Department of Education is headed by a Director and a Deputy Director. The Director of Education is a member of the High Commissioner's Cabinet. His immediate staff, whose function is to coordinate programs, channel information, and implement education policies throughout the six districts,includes two Assistant Directors and an Administrative Officer. The Administrative Officer has in-line authority over staff in the areas of finance, facilities, federal programs, student services, personnel services and research and development. One Assistant Director has in-line authority over staff in the areas of elementary, secondary, teacher and special education, curriculum development, library services, and English language programs. The other Assistant Director has in-line authority in the areas of vocational and pre-vocational programs, home economics, adult basic education, and manpower development and training programs. The same Assistant Director acts as technical assistant to Micronesian Occupational Center and Community College of Micronesia.

At the district level, the District Directors of Education are responsible for the operation of all public schools. Each district operates one or more high schools, and from twelve to fifty-six elementary schools. The District Directors' functions include implementation of policies, employment of teachers, assignment and direction of staff, requisitioning, and storage and distribution of all supplies, equipment, and curriculum development. In FY 1974, district staffs and Boards of Education are assessing and evaluating their needs for possible revision of direction of their programs, particularly in the area of economic skills.

Education Administration is responsible for all matters pertinent to the total operation of schools; e.g., management of logistic support, supervision and improvement of instruction, dormitory management, budget preparations, development of curriculum materials, inservice teacher training, determination of needs for school buildings and facilities; and participation in the development of long range policies and plans for education.

The District Directors of Education as well as the Directors of Micronesian Occupational Center, Community College of Micronesia, and Micronesian Maritime Center report to the Director of Education through the District Administrators.

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In FY 1974, six U.S. contract positions (two in Headquarters, two in Truk, one in Yap and one in Ponape) are eliminated and four new Micronesian positions (two in Headquarters, one in Ponape, and one in Truk) are added.

Staffing:	FY 1973	FY 1974
	2 U.S. Civil Service	2 U.S. Civil Service
	31 U.S. Contract	25 U.S. Contract
	33 U.S. Total	27 U.S. Total
	73 Micronesians	77 Micronesians

Education Administration decreases $24,100 in FY 1974. The increases of $22,700 for within grade increments for U.S. and Micronesian staff, $2,800 for full funding of positions lapsed in FY 1973, $25,000 for four new Micronesian positions, and $6,500 minor increase in other codes are more than offset by decreases in contractual services, $9,600; equipment, $4,800; and abolishment of six U.S. positions which are no longer required, $66,700.

b. Elementary:

FY 1973 $5,081,000, FY 1974 $5,984,300: Increase $903,300

A total of $5,984,300 is required for Elementary Education in FY 1974, an increase of $903,300 over FY 1973.

The public elementary school program provides eight years of schooling for the children of Micronesia in a system having 209 elementary schools with an estimated total enrollment of 26,868 by FY 1974. This is only a slight increase from the FY 1973 estimated enrollment of 26,831. Education is compulsory for children of ages 6 through 14 or until the completion of the elementary program. Class sizes vary especially in small schools located on isolated islands. In many of the smaller schools, three or four grades are combined in one class. Due to geographical conditions it is difficult to consolidate these schools. The curriculum design and development includes the language arts, mathematics, social studies, science and health and homemaking. Major emphasis is being placed on the development of pride in themselves and their community. A major effort for improvement in teaching capability is being made by restricting new teacher employment to high school graduates. Presently, it is estimated that 85% of the elementary teachers are high school graduates. Further upgrading is being done by conducting intensive inservice training programs within each district, redesigning projects to support teacher training programs in each district, developing standardized approaches for curriculum design for Micronesia, shifting and redesigning organizational structures, starting programs to strengthen the supervisory and administrative support throughout Micronesia, more effective recruitment and supporting special training programs at the East-West Center in Hawaii for Micronesian administrators and supervisors.

The development and adoption of curriculum materials that are culturally and geographically oriented to Micronesia has increased to the point where districts can expect prototype copies of curriculum materials for reproducing in at least five grades of science and four grades of mathematics. Two years of social studies curriculum material specifically developed for Micronesia is available for the opening of school in September 1972 with another year projected for FY 1973.

In FY 1974, two U.S. contract positions (one in Truk and one in Ponape) are eliminated and 62 new Micronesian positions are added in the following districts: Marianas 11; Truk 30; Ponape 5; and the Marshalls 16. The new Micronesian positions are needed for additional facilities and to overcome staffing shortages in order to improve the teacher/pupil ratio in the district centers.

Staffing:	FY 1973	FY 1974
	3 U.S. Civil Service	3 U.S. Civil Service
	42 U.S. Contract	40 U.S. Contract
	45 U.S. Total	43 U.S. Total
	1,398 Micronesians	1,460 Micronesians

The $903,300 increase includes $259,400 for within grade increments for U.S. and Micronesian ongoing staff; $452,800 full funding of positions partially lapsed in FY 1973; $191,500 for sixty-two new Micronesian positions; $10,900 for replacement equipment; $9,000 for contractual services; and $800 minor increase in other codes. These increases are partially offset by the elimination of two U.S. positions, $21,100.

c. Secondary:

FY 1973 $3,161,000, FY 1974 $3,641,900: Increase $480,900

A total of $3,641,900 is required for Secondary Education in FY 1974, an increase of $480,900 over FY 1973.

The secondary school program normally provides four years of schooling in grades nine through twelve, though there is an emerging pattern of Junior High School and Post-Elementary Schools in at least three districts, Yap, Truk, and Marianas. Total potential public enrollment in grades 9-12 should increase above 6,800 students. In the three eastern districts, the lack of either dormitory and/or instructional facilities or both makes it necessary to limit enrollment on a selective basis. During FY 1974, limitations on enrollment will continue in spite of accelerated facility construction. Some of the public secondary schools provide dormitory accommodations, and the percentage of dormitory student ranges from approximately 6% to 80% for those schools located in district centers and about 85% at O.I.H.S. in Yap District. The secondary schools that do not have dormitory facilities are on Saipan where students from other islands in the Marianas live in private homes under a student support program and in Yap proper where secondary students are bused. In other districts, significant numbers of students also come to the district centers and live in private homes.

The instructional program in the secondary school has been largely one of general education, but is being re-evaluated for making changes which will meet Micronesian values and needs. It presently includes communication skills, arithmetic and basic mathematics, social studies, physical and biological science at the introductory levels. In these general high schools, agriculture, industrial education, carpentry, boat and auto mechanics, electricity, drafting, homemaking, business (general business, typing, bookkeeping, business arithmetic, office practice) and physical education are included to a greater or lesser extent, dependent upon the availability of instructional staff and plant facilities at any one school. The achievement level of students is not equivalent to that found in the average secondary school in the United States, and generally ranges from three to five years below average achievement levels based on U.S. standardized tests.

To carry out the secondary education program in FY 1974, 7 new U.S. positions (4 in Palau, 4 in Yap, one in Marianas, less 2 in Truk) and 36 new Micronesian positions (14 in Truk, 7 in Palau, 7 in Ponape, 7 in Marianas, and one in Yap) will be needed.

Staffing:	FY 1973	FY 1974
	2 U.S. Civil Service	2 U.S. Civil Service
	140 U.S. Contract	147 U.S. Contract
	142 U.S. Total	149 U.S. Total
	315 Micronesians	351 Micronesians

The increase of $480,900 includes $61,200 for within grade increments for both U.S. and Micronesian ongoing staff; $80,500 for full funding of positions partially lapsed in FY 1973; $188,400 for seven U.S. and thirty-six Micronesian new positions. The increases in other objects include $147,800 for supplies and materials primarily for feeding program; $3,100 for contractual services, $3,600 for replacement equipment. These increases are partially offset by a minor decrease in other objects, $3,700.

d. Inservice Teacher Training:

FY 1973 $160,000, FY 1974 $ - 0 -: Decrease $160,000

Inservice Teacher Training, in past years, has been a one-year program in which the trainees left the classrooms and spent full time in a training situation.

In FY 1974, the program is reoriented to a more direct classroom approach in which the trainees continue to teach their classes and participate in training seminars when school is not in session. Major emphasis will be centered on practical teacher education activities (student teaching, observation-participation, etc.).

Funds are not being requested for this program in FY 1974. The training of teachers will be continued at the district level with a major portion of the cost being absorbed by the District Education Departments and the rest funded by other Federal grants.

e. Scholarship and Medical Education:

FY 1973 $634,000, FY 1974 $635,000: Increase $1,000

A total of $635,000 is required for Scholarships in FY 1974, an increase of $1,000 over FY 1973.

The Scholarship Office under the direction of the Scholarship Officer administers a program that provides full and partial scholarships at the University of Guam, University of Hawaii, mainland colleges and universities, various trade and technical schools, as well as schools in Fiji, New Guinea, and the Philippines. A full scholarship includes all costs pertaining to the pursuit of a degree while a partial scholarship may include tuition only, transportation, or such partial help as the student might need. It is expected that 147 full scholarships will be granted in FY 1974 (129 grants will be for continuing students and 18 for new students). Partial scholarships (ranging from $100 to $1,000) will furnish limited assistance to an estimated 277 students in FY 1974. This office also

coordinates such training programs as are sponsored by World Health Organizations, American Field Service, United Nations Fellowships, East-West Center Scholarships and others that become available.

There is no change in staff in FY 1974.

Staffing:	FY 1973	FY 1974
	2 U.S. Civil Service	2 U.S. Civil Service
	4 U.S. Contract	4 U.S. Contract
	6 U.S. Total	6 U.S. Total
	4 Micronesians	4 Micronesians

The increase of $1,000 includes $1,600 for normal within grade increments and $2,700 for full funding of positions partially lapsed in FY 1973, partially offset by decreases of $2,500 in grants and $800 in equipment.

f. Micronesian Occupational Center:

FY 1973 $806,000, FY 1974 $878,000: Increase $72,000

A total of $878,000 is required in FY 1974 to fund the Micronesian Occupational Center, an increase of $72,000 over FY 1973.

Under the general supervision of the Director of Education, the Director of Micronesian Occupational Center is charged with the responsibility for the administration and supervision of this large Territory-wide vocational school.

The Department of Education continues to place a strong emphasis on training and upgrading Micronesians to meet the challenges of Micronesia for today and for the future. In keeping with that emphasis, Micronesian Occupational Center is entrusted to develop a viable work force in the Trust Territory and coordinate its programs with Economic Development activities to ensure that its graduates are placed in positions for which they are capable, either in the private sector or in governmental agencies.

The Micronesian Occupational Center program funds six district vocational education supervisors and provides the overhead for feeding approximately 800 Palau High School students. Micronesian Occupational Center, the Territory's residential vocational school, offers courses in 22 different occupational choices. Included are such vitally needed trades as appliance, automotive, heavy equipment maintenance and repair, air conditioning, welding, electrical, plumbing, and institutional food preparation and serving (with its Palau High School feeding program offering practical experience in the latter). Anticipated enrollment for FY 1974 will be 442, compared to the 422 estimated enrollment for FY 1973.

Staffing:	FY 1973	FY 1974
	27 U.S. Contract	28 U.S. Contract
	78 Micronesians	78 Micronesians

The $72,000 increase includes $14,100 for within grade increments for Micronesian staff; $21,600 for full funding of positions partially lapsed in FY 1973; $16,100 for one new U.S. position, and $39,200 for travel primarily for students travel from their home districts to the school. These increases are partially offset by a reduced requirement in supplies and materials, $19,000.

g. Community College of Micronesia:

FY 1973 $418,000, FY 1974 $465,000: Increase $47,000

A total of $465,000 is required for the Community College of Micronesia in FY 1974, an increase of $47,000 over FY 1973.

The Community College of Micronesia (CCM) is a two-year college specializing at the moment in elementary teacher education. Along with a core of general education, the College offers intensive work in spoken and written English, and courses in academic subjects related to elementary school programs. Principles and methods of teaching, observation, and finally supervised student teaching in elementary classrooms complete the course of training. The initiation of a liberal arts program will constitute a significant addition during FY 1974.

In the 1972-73 academic year (FY 1973) Community College of Micronesia will have a total enrollment of 123 full-time students. Enrollment for FY 1974 is not expected to significantly differ.

All students at Community College of Micronesia are on scholarship which includes their transportation to and from the school, room and board, and books. Presently, Community College of Micronesia awards the Associate in Science degree in Education. In June 1972, 35 graduates were awarded this degree.

As part of the Trust Territory Department of Education, the faculty of the Community College is responsible for the planning, programming and budgeting for this two-year institution. Its function can best be described as evolving in a combination of an institute of higher learning capable of A.A. and A.S. programs, a source of consultative personnel, extension services, short-term community support programs and a center for curriculum development.

Specific programs which will be in effect in this time span are:

1. Pre-service elementary teacher program which will graduate 50 or more A.S. students per year.

2. Teacher training program in the area of special education for the mildly handicapped.

3. An operational Instructional Materials Resource Center for use on a Trust Territory-wide basis.

4. Coordination and support service to each district in the development of extension and correspondence courses.

5. Leadership and supervisory training programs for district personnel.

6. Internship training for Micronesians who will become full instructors on the Community College staff.

7. The offering of Liberal Arts Courses as part of the total program leading to an A.A. degree.

8. Development and implementation of other programs as determined by district needs.

In FY 1974, three new Micronesian positions will be added to strengthen the teaching staff.

Staffing:	FY 1973	FY 1974
	14 U.S. Contract	14 U.S. Contract
	27 Micronesians	30 Micronesians

The increase of $47,000 includes $10,400 for within grade increments for ongoing staff; $10,800 for full funding of positions partially lapsed in FY 1973; and $12,500 for three new Micronesian positions. Other increases include travel, $5,000; supplies and materials, $9,400; and minor increases in other codes, $2,300. These increases are partially offset by a decrease in contractual services, $3,400.

h. Micronesian Maritime Center:

FY 1973 $55,000, FY 1974 $79,000: Increase $24,000

A total of $79,000 is required in FY 1974 for Micronesian Maritime Center, an increase of $24,000 over FY 1973.

Under the general supervision of the Director of Education and direct supervision of the Director of the Micronesian Maritime Center, this facility will train seamen so that they may obtain positions on board the vessels which ply the waters of the Trust Territory. The Education Department has acquired a fully operational ship to give trainees direct experience and first hand knowledge of maritime work.

The Department of Education places a strong emphasis on training Micronesians for Micronesia in place of bringing in employees from other parts of the world. The vessels which operate in Micronesia are primarily staffed with non-Micronesian employees because there has been no training facility easily available in which the indigenous residents of the Trust Territory could obtain the necessary skills.

Forty new students are enrolled each year replacing the forty graduates that are granted Able-Seaman's papers upon completion of the program. The scope of the program may be expanded in future years to allow other maritime training endeavors at which time additional funds will be required.

Since the Trust Territory is completely surrounded by water and depends largely on goods transported by ship there are now many employment positions available for trained Micronesians within the shipping industry. The employment possibilities will increase with economic development growth.

In FY 1974, one Micronesian Assistant Engineer will be added.

Staffing:	FY 1973	FY 1974
	1 U.S. Contract	1 U.S. Contract
	4 Micronesians	5 Micronesians

The $24,000 increase includes $3,100 for one new Micronesian position, $18,000 for contractual services for the maintenance of the training vessel, $2,600 for replacement equipment, and a minor increase in travel, $300.

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i. Aid to Non-Public Schools:

FY 1973 $212,000, FY 1974 $212,000: Increase $ - 0 -

The amount of $212,000 is required for Aid to Non-Public Schools in FY 1974, the same amount as in FY 1973.

Public Law 3C-36 enacted by the Congress of Micronesia for aid to non-public schools requires the Trust Territory to provide non-public school pupils with benefits equal to those provided to public schools students in the areas of transportation, textbooks, accident insurance, testing, medical nursing services, supplies and apparatus, and feeding programs.

The Trust Territory has 19 non-public elementary schools with an estimated enrollment of 2,650 students and 14 non-public Junior and Senior High Schools with an estimated enrollment of 1,100.

The ratio of cost per elementary pupil to cost per secondary pupil in public schools is approximately one to three. This same ratio is used in allocating funds to non-public schools; for every $1 given for elementary pupils, $3 is given for secondary pupils. The individual schools use the funds for the purposes outlined above.

There are no staff members paid from these funds.

The program will remain at the same level as in FY 1973.

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3. Public Affairs: FY 1973 $2,139,000, FY 1974 $2,107,000: Decrease $32,000. The decrease consists of:

Increase (+) or Decrease (-) Amount	Positions	Total Program	Total Positions	Explanation
(1) $+52,700	...	...	...	Normal salary increments for ongoing positions.
(2) +16,200	...	...	...	Full funding of positions partially lapsed in FY 1973.
(3) -25,500	-1 U.S. +1 Micro	...	...	Minor staff change in Office of Director along with decrease in non-recurring contractual services.
(4) -8,600	+3 Micro	...	...	Minor additions to staff in Civic Affairs, Legislative Liaison, and Public Information more than offset by decrease in nonrecurring requirements for travel, equipment and other support costs (includes Broadcasting activity).
(5) -56,800	-2 U.S. +1 Micro	...	...	Decreased requirements in grant funds and minor staffing change in Community Development.
(6) -10,000	...	...	...	Decreased costs of Congress of Micronesia elections in FY 1974 due to "off year."
$-32,000	-3 U.S. +5 Micro	$2,107,000	13 U.S. 218 Micro	

Cost Factors Involved in Increases

(1) Normal salary increments for ongoing staff of 13 U.S., $2,300; and 213 Micronesians, $50,400.

(2) Full funding for positions partially lapsed in FY 1973: Micronesian, $16,200.

(3) Elimination of one U.S. position, $-20,500; additional Micronesian position, $6,400. Increases of $700 in travel and printing are more than offset by reductions in other contractual services, $9,700; supplies and materials, $1,300; and equipment, $1,100.

(4) Three new Micronesian positions, $6,400. Increases in printing, $1,900; contractual services, $500; supplies and materials, $1,300. Decreases are in travel, $10,000, and equipment, $8,700.

(5) Elimination of two U.S. positions, $-27,200; one additional Micronesian position, $1,800. Increases in travel, $900, and contractual services, $2,800. Decreases in supplies and materials, $900; equipment, $3,000; and grant funds, $31,200.

(6) Decreased cost of elections due to "off year," $-10,000.

Need for Increase:

(1) Normal salary increments for 13 U.S. and 213 Micronesian ongoing staff, $52,700: Normal within grade promotions must be awarded except in cases of unsatisfactory performance. The Micronesian staff is a young staff and the pattern of an older staff higher in grade and in increments retiring and being replaced by youth in lower grade and beginning increments will not be evident for some years to come. An increase of $52,700 ($2,300 for U.S. and $50,400 for Micronesians) is required to meet these increased pay costs.

(2) Full funding of positions partially lapsed in FY 1973, $16,200: Positions in FY 1973 were partially lapsed due to planned recruitment delays. An increase of $16,200 is requested to meet the full funding of these positions in FY 1974.

(3) Minor staff change in Office of Director along with decrease in nonrecurring contractual services, $-25,500: In early FY 1973, a U.S. Director of Public Affairs was replaced by a Micronesian. In FY 1974, a U.S. secretary will be replaced also by a Micronesian. A Micronesian District Director of Public Affairs will be recruited to head up the new office in Ponape starting in FY 1974. Additional funding required to support the new Ponape District Director ($6,400) is more than offset by savings realized from the replacement of the U.S. Director and the drop of the U.S. secretary positions ($20,500) along with the decrease in nonrecurring contractual services ($11,400).

(4) Minor strengthening of staff in Civic Affairs, Legislative Liaison, and Public Information more than offset by decrease in nonrecurring requirements for travel, equipment, and other support costs (includes Broadcasting activity), $-8,600: Three new Micronesian positions at a cost of $6,400 will be added to strengthen the staff (one each) in Civic Affairs, Legislative Liaison, and Public Information in FY 1974. This increase is more than offset by reduced requirements in travel, $10,100, and other object codes, $4,900.

(5) Decreased requirements in grant funds with minor staffing change in Community Development, $-56,800: The amount of funds for Grant-in-Aid has been reduced from a total of $387,300 in FY 1973 to $356,100 in FY 1974 to permit greater participation by Congress of Micronesia and local governments. The other reduction of $25,600 represents a drop of two U.S. positions which more than offsets the costs of an additional Micronesian Community Development Specialist for Palau and in contractual services.

(6) Decreased costs of Congress of Micronesia elections in FY 1974 due to "off year," $-10,000.

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Activity	FY 1973 Estimate	FY 1974 Estimate	Increase + Decrease -
3. Public Affairs:			
a. Office of the Director	$ 125,000	$ 108,000	$-17,000
b. Legislative Liaison	164,000	168,800	+4,800
c. Civic Affairs	119,000	125,900	+6,900
d. Public Information	233,000	241,400	+8,400
e. Broadcasting	345,000	357,200	+12,200
f. Community Development	275,000	265,300	-9,700
g. Grant-in-Aid	483,000	455,400	-27,600
h. Housing Loan Fund	250,000	250,000	- 0 -
i. Congress of Micronesia - Elections	20,000	10,000	-10,000
j. Congress of Micronesia - Operations	125,000	125,000	- 0 -
Total	$2,139,000	$2,107,000	$-32,000

The Public Affairs Department includes the Divisions of Legislative Liaison, Civic Affairs, Public Information, Broadcasting, Community Development, and the Government Print Shop, which is industrially funded. It is dedicated to the development and improvement of the Micronesian society. In FY 1974, major emphasis will continue to be on the political development of the Territory as well as in the Community Development self-help programs.

a. Office of the Director:

FY 1973 $125,000, FY 1974 $108,000: Decrease $17,000

A total of $108,000 is required for the Office of the Director of Public Affairs in FY 1974, a decrease of $17,000 from FY 1973.

Under the general supervision of the High Commissioner, the Director of Public Affairs has supervisory responsibility over the Divisions of Civic Affairs, Legislative Liaison, Public Information, Broadcasting, Community Development (including Grant-in-Aid), and the Government Print Shop at Trust Territory Headquarters. The Director is responsible for organizing, planning, directing and coordinating all activities relating to these divisions of the Trust Territory Government. He advises the High Commissioner on policy matters relating to these divisions' activities; and makes continuing appraisal of their effectiveness in the performance of their assigned responsibilities in compliance with applicable law, regulation, policies and procedures.

In FY 1974, similar functions will be carried out in each of the six districts by a District Director of Public Affairs. For the first time, the District Director is included under the budget of the Trust Territory Director of Public Affairs. Previously, the District Director (formerly District Political Affairs Officer) was budgeted in the Office of the District Administrator in the Marianas, Yap, and Truk Districts. In the other districts, the position was not clearly identified. With increasing decentralization, the need for District Directors of Public Affairs has become evident. Except for Ponape, all the districts have or will have a District Director of Public Affairs in FY 1973. Ponape is slated to have a Director in FY 1974.

Staffing:	FY 1973	FY 1974
	1 U.S. Civil Service	- 0 - U.S.
	8 Micronesians	9 Micronesians

The decrease of $17,000 is the net result of increases of $6,100 for normal salary increments for ongoing positions, $2,400 for full funding for positions partially lapsed in FY 1973, $6,400 for one additional Micronesian position, and minor increases of $400 for travel and $300 for printing; as more than offset by a reduction of $20,500 for dropping one U.S. position, and reductions of $9,700 in contractual services, $1,300 in supplies and materials, and $1,100 in equipment.

b. Legislative Liaison:

FY 1973 $164,000, FY 1974 $168,800: Increase $4,800

A total of $168,800 is required to carry on the work of Legislative Liaison in FY 1974, an increase of $4,800 over FY 1973.

Under the general direction of the Director of Public Affairs, the Legislative Liaison Division is responsible for monitoring the Executive Branch bills submitted to the Congress of Micronesia for consideration and advising the High Commissioner through the Director of the status of current legislative proposals pending in the Congress. This responsibility entails ascertaining that all interested departments are kept appraised of the status of the 400 or more bills and resolutions introduced every session.

Each year the Division reviews the laws and resolutions adopted/enacted by the Congress of Micronesia and advises the departments and the district administrations of any changes and amendments to the current laws. The Division has been designated as the depository for all official communications for the High Commissioner and is responsible for maintaining up-to-date files of all approved laws and all executive orders issued by the Secretary of the Interior.

Once a bill enacted by the Congress is approved or an executive order is received, the Legislative Liaison Division assumes the task of its distribution and dissemination to the district administrations, district legislatures and appropriate governmental agencies. While the Congress of Micronesia convenes annually for a duration of no more than 50 days, the Division maintains constant contact with the Congress and its Standing Committees and keeps the executive departments concerned advised on any hearings that may take place in Headquarters and in the districts.

Upon the request by the District Administrations and the District Legislatures, the Legislative Liaison Division participates in the conduct of legislative and municipal workshops, and assists in the drafting of bills and ordinances. The Division monitors the 50 to 60 laws and resolutions which result from every session of each of the six District Legislatures. The functions of the Division are carried out in the districts by Legislative Liaison Offices, each consisting of a staff of three or more personnel working under the supervision of the District Administrator or his designee. With the policy of decentralization already in effect, there is the ever growing need for Headquarters and district staff to meet annually to exchange ideas on district problems and mutually related matters; to assess and evaluate policies and increase understanding of significant political developments as they relate to the problems of the Trust Territory.

The district legislative liaison offices participate in the conduct of municipal, district legislatures, and Congress of Micronesia elections. They recommend to the Election Commissioner members to serve on the District Election Board, print and distribute election materials and instructions. Headquarters staff provides assistance as may be needed and requested.

Staffing:	FY 1973	FY 1974
	- 0 - U.S.	- 0 - U.S.
	30 Micronesians	31 Micronesians

The increase of $4,800 consists of $8,400 for normal salary increments for ongoing positions, $1,500 for full funding for positions partially lapsed in FY 1973, and $2,600 for one new Micronesian position. An increase of $900 for printing is more than offset by decreases of $5,000 for equipment, $2,800 for travel, and $800 for supplies and other contractual services.

c. Civic Affairs:

FY 1973 $119,000, FY 1974 $125,900: Increase $6,900

A total of $125,900 is required to support the continuation of the civic/political education and information programs within the Trust Territory in FY 1974, an increase of $6,900 over FY 1973.

Under the general supervision of the Director of Public Affairs, the Civic Affairs Division at the Headquarters level is primarily responsible for the planning, developing, and implementing of programs of political education to encourage the people of Micronesia to fulfill their citizenship responsibilities by participating more fully in the affairs of their government at the territorial, district, and the municipal levels. This Division is also charged with the responsibility to familiarize the Micronesian people with the various political alternatives so as to reasonably prepare them to undertake a more meaningful act of self-determination.

While the future political status of Micronesia is its main concern, the Division's present efforts are devoted more to increasing the level of citizens' understanding of the present system of government and of their responsibilities. This is predicated on the premise that better understanding of the present system of government will enable Micronesians to make a wise decision on their future political status.

The Division's activities include the following: assisting district counterparts in conducting research and preparing discussion materials for legislative and municipal officials workshops or political education conferences; providing advice and assistance to various district legislatures and municipal governments in updating their charters; preparing political education materials; and assisting the Legislative Liaison Division in providing assistance to the district legislative bodies in the conduct of their legislative business.

Staffing:	FY 1973	FY 1974
	- 0 - U.S.	- 0 - U.S.
	16 Micronesians	17 Micronesians

The increase of $6,900 consists of $3,900 for normal salary increments for ongoing positions, $4,800 for full funding of positions partially lapsed in FY 1973, and $2,100 for one new Micronesian position. An increase of $400 for supplies and materials is more than offset by decreases in equipment, $4,100; printing, $100; and contractual services, $100.

d. Public Information:

FY 1973 $233,000, FY 1974 $241,400: Increase $8,400

A total of $241,400 is required for the Public Information Division in FY 1974, an increase of $8,400 over FY 1973.

The Public Information Division is primarily a Headquarters function with its major programs devoted to gathering, evaluating, preparing and disseminating information on a Territory-wide level. In addition, it has offices in all the districts except the Marshalls. The District Public Information offices, under the direct supervision of the District Administrators, receive technical assistance and training from Headquarters personnel. The Headquarters staff provides assistance to districts in circulating news and other information between the six district broadcast stations and other news media. They also send to the districts news and other information produced at Headquarters for district use.

A principal function of the Public Information Division is the development of a network of communication, knowledge and understanding throughout the Territory. This involves daily dispatches to and from the Districts' radio stations and newspapers, together with a twice-monthly printed review of information for distribution to government employees, students and community leaders. Assistance in the form of writing and graphic presentation of material is given to the Department's political education program. The goal: to provide residents with a complete, pertinent, credible information source for news of events within their own communities and throughout the Territory, as well as to provide political information material as a foundation for an enlightened citizenry.

As a second function, the Public Information Division must prepare and disseminate information about the Territory to people in the United States and the world community. This is a growing need, not only because of increasing tourism and general interest, but to inform Americans and others about this Pacific Island Territory which is seeking to determine its future political status.

A third function is the preparation and publication of numerous brochures, handbooks and reports, including those to the United Nations and the Secretary of the Interior. Public and press relations are part of another increasingly important departmental activity as there becomes a greater international awareness of Micronesia.

To meet these needs, the following major activities have been programmed:

MICRONESIAN NEWS SERVICE - A daily, comprehensive, credible report of Micronesia's newsworthy events. Through the Headquarters Public Information Division, this material is gathered and distributed via teletype to district radio stations and newspapers as well as to news media on Guam, and by daily air mail to national press wire services and selected newspapers. Now five years old, MNS has established itself as a responsible source of news and information. It provides a comprehensive report that reaches all regions of the Territory in English and in the vernacular. News service operations have been expanded to include distribution of a weekly tape-recorded summary of news events to Territory broadcast

stations as well as stations on Guam, Kwajalein and in Hawaii. In addition, limited distribution of a printed version of this weekly summary is carried out.

HIGHLIGHTS - A twice-monthly newsletter from the High Commissioner with a circulation of 10,000 throughout all districts, among Micronesians outside the Trust Territory, and members of the U.S. Congress. It covers matters of concern to all residents and others interested in the Territory, with emphasis on major activities of the Executive, Legislative and Judicial Branches of the government.

MICRONESIAN REPORTER - A quarterly journal of Micronesia, addressing itself to an audience of interested readers within and outside the Territory, reporting developments in politics, society and business, commenting on travel and culture, and providing a form for expressing a variety of viewpoints concerning the administration, Micronesian legislative bodies, and other forces influencing the direction of the Territory.

Major emphasis in the Division's operations in FY 1974 will be placed on strengthening the various district public information programs. Assistance through training for Information Specialists in the districts will continue to receive priority.

Staffing:	FY 1973	FY 1974
	2 U.S. Civil Service	2 U.S. Civil Service
	3 U.S. Contract	3 U.S. Contract
	5 U.S. Total	5 U.S. Total
	16 Micronesians	17 Micronesians

The increase of $8,400 includes $5,200 for normal salary increments for ongoing positions, $2,600 for full funding for positions partially lapsed in FY 1973, and $1,700 for one new Micronesian position. Increases of $1,000 for printing and $700 for supplies and materials are more than offset by decreases in equipment, $2,100, and travel, $700.

e. Broadcasting:

FY 1973 $345,000, FY 1974 $357,200: Increase $12,200

A total of $357,200 is required for Broadcasting in FY 1974, an increase of $12,200 over FY 1973.

The Broadcast Division of the Public Affairs Department in the Trust Territory consists of six radio stations, one located in each administrative district and a Broadcast and Training Center at Headquarters, which serves as the administrative, training, planning, coordinating, equipment procurement, advisory, and programming office for the entire system.

The Division is responsible for keeping the six broadcast stations on the air for up to 18 hours daily, providing their listeners with news, entertainment, informational and educational programs. The stations also serve as a direct communication link between district centers and outlying villages or islands having no other means of communication. During typhoons or other natural disasters, the stations often remain on the air around the clock broadcasting information vital to the preservation of life and property.

In FY 1974, the Broadcast Division will continue to emphasize the development and training of personnel, replacing old equipment with new, producing and exchanging news and informational programs. The number of field trips to outer islands will be increased to allow for surveys and the gathering of news and program materials. Again, this year Broadcast stands ready to produce and air Political Education programs to be developed by the Civic Affairs Division at the district and headquarters level.

The Division is increasing its efforts to involve the listeners in programming and in station policies by conducting more frequent surveys of audience preferences and requirements, and by working closely with broadcast boards in various districts.

In FY 1974, there will be no increase in the staffing of the Broadcast Division.

Staffing:	FY 1973	FY 1974
	3 U.S. Civil Service	3 U.S. Civil Service
	80 Micronesians	80 Micronesians

The increase of $12,200 includes $13,800 for normal salary increments for ongoing positions and $700 for full funding of positions partially lapsed in FY 1973. Increases of $1,100 in other contractual services and $3,100 for supplies and equipment are more than offset by a decrease in travel of $6,500.

f. Community Development:

FY 1973 $275,000, FY 1974 $265,300: Decrease $9,700

A total of $265,300 is required for the operation of the Division of Community Development in FY 1974, a decrease of $9,700 from FY 1973.

Under the general direction of the Director of Public Affairs, the Division of Community Development is responsible for developing, coordinating and providing technical assistance to a variety of projects in partnership with local governments, private non-profit agencies, clubs, and community organizations whose primary aim is to improve the social welfare of Micronesians. It directs or coordinates certain special Federal grant programs such as Neighborhood Youth Corps, Job Corps, and an Office on Aging. It administers the Housing Loan Fund and Grant-in-Aid funds, and a Trust Territory film library. This Division provides direct technical assistance to youth group organizations, women's group activities, and agencies (both public and private) working to improve community self-reliance and development capabilities.

In FY 1974, the goals and objectives of the Community Development program will be to continue to seek to improve Micronesian living by working with individuals, groups, and communities. This Division will continue to furnish a variety of technical and educational services for the various communities: organizing youth clubs for guidance and recreation to control the rising level of juvenile delinquency; demonstrating improved mechanical devices, such as manually operated washing machines and economical water storage systems; and teaching home economics in such areas as sewing, soap making and family budgeting and nutrition.

Staffing:	FY 1973	FY 1974
	6 U.S. Civil Service	4 U.S. Civil Service
	42 Micronesians	43 Micronesians

The decrease of $9,700 consists of: $12,200 for normal salary increments for ongoing positions and $2,100 for full funding of positions partially lapsed in FY 1973. Two U.S. positions are dropped in FY 1974 at a saving of $27,200 and one Micronesian position added at $1,800. Increases of $3,700 in contractual services and $300 in travel are partially offset by decreases of $1,600 for equipment and $1,000 for supplies and materials.

g. Grant-in-Aid:

FY 1973 $483,000, FY 1974 $455,400: Decrease $27,600

A total of $455,400 is required for the Grant-in-Aid program in FY 1974, a decrease of $27,600 from FY 1973.

Since its establishment in 1967, this program has proven to be very successful.

The Grant-in-Aid program, supervised by local Community Development Offices, assists Micronesian communities, usually remote or outer-island villages, in developing self-help projects. These projects, initiated by the Micronesian communities which contribute labor, cash, local materials and land, have produced tangible and satisfying results. Projects include schools, dispensaries, copra boats, sailing canoes, roads, bridges, seawalls, water supply systems, copra warehouses, small generators for electrification of small industries, community centers, ice machines, municipal offices and dormitories.

In FY 1972, fifty-eight (58) projects were awarded grants. The Government's contribution was $402,486; the communities' contribution in cash and/or in-kind was $147,404. In FY 1973, $387,300 is available for grants. In FY 1974, funds available for grants are reduced by $31,200 to a total of $356,100.

Staffing:	FY 1973	FY 1974
	1 U.S. Civil Service	1 U.S. Civil Service
	21 Micronesians	21 Micronesians

The decrease of $27,600 includes: $3,100 for normal salary increments for ongoing positions and $2,100 for full funding for positions partially lapsed in FY 1973. An increase of $700 in travel and supplies is more than offset by decreases of $900 in contractual services, $1,400 in equipment, and $31,200 in grants.

h. Housing Loan Fund:

FY 1973 $250,000, FY 1974 $250,000: Increase $ - 0 -

A total of $250,000 is requested for the Housing Loan Fund Program in FY 1974, the same amount as FY 1973.

The Low-Cost Housing Loan Fund was established in FY 1971 to provide seed capital for the beginning of a housing program for low-income families in each district. Each of the six districts has been urged to develop a government assisted housing program that will fit the unique culture and land tenure patterns of the area involved. Over 150 loans had been made by the end of fiscal year 1972 and an estimated 60 additional loans will be made by the end of the second quarter of FY 1973. Three district governments have appropriated funds to help support their Housing Authorities. Technical guidance is provided by Headquarters

Community Development. Each district Housing Authority establishes its own regulations in consultation with Headquarters. Interest rates vary between 3% and 4½%. No loan exceeds $9,000. The maximum loan period is 20 years.

Distribution of funds by district:

	Marianas	Palau	Yap	Truk	Ponape	Marshalls
FY 1973	$41,666	$41,666	$41,666	$41,666	$41,666	$41,666
FY 1974	41,666	41,666	41,666	41,666	41,666	41,666

i. Congress of Micronesia - Elections:

FY 1973 $20,000, FY 1974 $10,000: Decrease $10,000

A total of $10,000 is required in FY 1974 for elections to the Congress of Micronesia, a decrease of $10,000 from FY 1973.

Elections for members of the Congress of Micronesia are governed by Secretarial Order No. 2918. Under provision of the law, elections are to be held biennially in each even-numbered year on the first Tuesday following the first Monday in November. The decrease of $10,000 reflects that FY 1974 is an off-year. Nevertheless, funds must be provided for the conduct of any special elections which may be held during the fiscal year to fill unforeseen vacancies which may arise in the Congress of Micronesia during the fiscal year. The sum of $10,000 is based on the assumption that special elections will take place in only one or two districts.

j. Congress of Micronesia - Operations:

FY 1973 $125,000, FY 1974 $125,000: Increase $ - 0 -

A total of $125,000 is required for Congress of Micronesia - Operations in FY 1974, the same amount as FY 1973.

In fiscal years 1971, 1972, and 1973, $125,000 per year was allocated for partial support to the operation of the Congress of Micronesia. This request for continuing support is made in accordance with Secretarial Order No. 2918, as amended, which stated that subsequent to FY 1973 the Congress of Micronesia may request additional funds for its operations and expenses from grants appropriated by the U.S. Congress.

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4. Resources and Development: FY 1973 $4,548,000, FY 1974 $4,760,400: Increase $212,400. The increase consists of:

	Increase (+) or Decrease (-) Amount	Positions	Total Program	Total Positions	Explanation
(1)	$+148,500	...	...	...	Normal salary increments for 77 U.S. and 670 Micronesian on-going positions.
(2)	+62,300	...	...	...	Full funding of positions partially lapsed in FY 1973.
(3)	+74,000	+2 U.S. +4 Micro	...	...	Start of modest Marine Resources program in Yap, added staff for Marine Laboratory, Palau, and increase in support costs.
(4)	-2,000	+13 Micro	...	...	Slight strengthening of field staff in Agriculture more than offset by decreased support requirements.
(5)	-70,400	+5 Micro	...	...	Cost of minor staff additions more than offset by decreased requirements for contractual services and equipment in other program areas.
	$+212,400	+2 U.S. +22 Micro	$4,760,400	79 U.S. 692 Micro	

Cost Factors Involved in Increases

(1) Normal salary increments for ongoing staff of 77 U.S., $29,600; and 670 Micronesians, $118,900.

(2) Full funding for positions partially lapsed in FY 1973: U.S., $30,800; Micronesian, $31,500.

(3) Two U.S. and four Micronesian positions, $42,200, and additional WAE labor, $6,400; other contractual services, $11,400; equipment, $8,800; supplies and materials, $3,700; and minor increases in other classes, $1,500.

(4) Thirteen additional Micronesian positions, $22,800; supplies and materials, $15,900; other contractual services, $12,800; reduction in equipment purchase, $46,500 and travel, $5,800; other minor reduction, $1,200.

(5) Five new Micronesian positions (two in Economic Development and three in Lands and Surveys), $15,300, less reduced WAE labor in Land Commission, $9,600; additional travel, $9,300; additional printing, $3,900; reductions are in other contractual services, $42,900; supplies and materials, $12,700; and equipment, $33,700.

Trust Territory of the Pacific Islands

Need for Increase:

(1) Normal salary increments for 77 U.S. and 670 Micronesian ongoing positions, $148,500: Normal within grade promotions must be awarded except in cases of unsatisfactory performance. The Micronesian staff is a young staff and the pattern of an older staff higher in grade and in increments retiring and being replaced by youth in lower grade and in beginning increments will not be evident for some years to come. An increase of $148,500 ($29,600 for U.S.; $118,900 for Micronesians) is requested to meet these increased pay costs.

(2) Full funding of positions partially lapsed in FY 1973, $62,300: Positions in FY 1973 were partially lapsed due to planned recruitment delays. An increase of $62,300 is requested to meet the full funding of these positions in FY 1974.

(3) Start of modest Marine Resources program in Yap, added staff for Marine Laboratory, Palau, and increase in support costs, $74,000: Two U.S. and four Micronesian positions at a total cost of $48,600 will be added in FY 1974 to strengthen existing district programs including the new program in Yap. An additional increase of $25,400 will be required for necessary equipment purchase, feasibility studies on fish farming and commercial production of shrimp, oysters, turtles, etc., and office supplies.

(4) Slight strengthening of field staff in Agriculture more than offset by decreased equipment requirements, $-2,000: Thirteen (13) additional Micronesian positions will be added in FY 1974 to strengthen field staff in Agriculture to provide continuous extension service to the vegetable, fruit and livestock growers. An increase of $22,800 is requested to fund these positions. This increase is more than offset by reduced support requirements (including equipment), $24,800.

(5) Cost of minor staff additions more than offset by decreased requirements for contractual services and equipment in other program areas, $-70,400: Two new Micronesian positions (one Economic Development Technician and one Economic Development Aide) will be added in FY 1974 to strengthen the Economic Development staff in Truk and Ponape. Three additional Micronesian positions (a Draftsman, a Realty Technician, and a Land Commissioner) will also be added in FY 1974 to augment the Lands and Surveys forces in Palau and Yap. An increase of $15,300 is requested to fund these additional positions. This increase is more than offset by a substantial decrease in equipment requirements and contractual services, $85,700.

Trust Territory of the Pacific Islands

Activity	FY 1973 Estimate	FY 1974 Estimate	Increase + Decrease -
4. Resources and Development:			
a. Office of the Director	$ 70,000	$ 74,000	$ +4,000
b. Agriculture	1,523,000	1,579,000	+56,000
c. Economic Development	567,000	598,000	+31,000
d. Marine Resources	493,000	579,900	+86,900
e. Lands and Surveys	1,822,000	1,854,500	+32,500
f. Labor Division	73,000	75,000	+2,000
Total	$4,548,000	$4,760,400	$+212,400

Under the general supervision of the Director of Resources and Development, this organizational element of the Trust Territory Government is responsible for the development, conservation and management of the Trust Territory's natural resources. It is composed of the divisions of Agriculture, Economic Development, Marine Resources, Lands and Surveys, and Labor.

a. Office of the Director:

FY 1973 $70,000, FY 1974 $74,000: Increase $4,000

A total of $74,000 is required to operate the Office of the Director of Resources and Development in FY 1974, an increase of $4,000 over FY 1973.

The Office of the Director of Resources and Development is responsible for providing policy guidance and supervision to the various resources and development programs of the Trust Territory Government. The Office of the Director also serves as chief advisor to the High Commissioner on all matters concerning the economic development of Micronesia.

Staffing:	FY 1973	FY 1974
	1 U.S. Civil Service	1 U.S. Civil Service
	3 Micronesians	3 Micronesians

The increase of $4,000 consists of $1,600 for normal salary increments for one U.S. and three Micronesian ongoing positions, $800 for full funding for positions partially lapsed in FY 1973, and $1,600 for travel, supplies and other services.

b. Agriculture:

FY 1973 $1,523,000, FY 1974 $1,579,000: Increase $56,000

A total of $1,579,000 is required to support the Agriculture program in FY 1974, an increase of $56,000 over FY 1973.

The basic aim of the Agriculture program is to promote the production of sufficient food items for local consumption as well as for export. The major source of food for Micronesians comes from subsistence farming; this means the growing and harvesting of taro, bananas, coconuts, breadfruit, various other root and tuber crops, vegetables and fruits. A beginning has been made in commercial agriculture production in the past several years and this will be further

accelerated during the subject fiscal year to take advantage of producing those crops suitable and adaptable to soil and climatic conditions of the islands. For example, the Trust Territory has sufficient and suitable land area to produce much of its domestic rice needs and all of its vegetable and meat products. In addition to supplying domestic food needs, commercial agriculture will exploit the production of those crops for which there is an economic potential for export to Guam (meat and vegetables), Japan (copra and cacao) and to the U.S. (black pepper).

Crop and livestock promotion programs take the bulk of the operating funds of the Agriculture Division. This includes coconut rehabilitation and planting in the Marshalls, Truk, Ponape, and the outer islands of Yap. The aim is to rehabilitate and/or replant approximately 4,000 acres of coconut land in these areas.

The vegetable production program's goal is to neutralize imports and reduce cash outflow and increase food production in all districts to fulfill local demand. Production in the Marianas (because of irrigation and better growing conditions) will be increased to meet local demand and for export to Guam.

Ponape Island black pepper production is expected to continue. Additional plants will be encouraged. Banana production for air shipment to the Marshalls and Guam markets is expected to reach nearly 200,000 pounds annually. Continuous extension services will be provided to vegetable, fruit, and livestock farmers.

The cattle, hog and poultry programs involve the production of beef, pork and eggs in the Marianas for domestic use and export to Guam; and production of poultry products and pork in all districts for domestic use to offset imports. This activity operates and maintains 250 acres of grazing land, feed grass improvement areas, and beef, hog and poultry breeding and rearing facilities and stock. It demonstrates pasture improvement techniques and provides custom bulldozer service for pasture land clearing at a nominal cost.

The livestock program also operates two USDA approved slaughterhouses which are used by the ranchers. Through the Poultry Management Specialists, on-the-farm advice for economical poultry units of a minimum of 1,000 layers is a continuing program until local demand for eggs is met.

Territory-wide technical services programs are Forestry, Entomology, Plant Pathology, Animal Health, and Conservation. The first activity conducts surveys of forestry potential existing on one-third of the land of Micronesia, drafts legislation for forest reserves and park areas and conducts training centers for project personnel and local people who are interested in forest production. Entomology service is a support program for the purpose of controlling or eradicating pests, preventing the entry and further spread of pests through the exercise of quarantine, and training Micronesians in the techniques for accomplishing the above. Plant Pathology service is a support program for the purpose of research, prevention and control of plant diseases of breadfruit, bananas, vegetables, black pepper, rice and tuber crops. Animal Health Service is responsible for the formulation of programs relating to Veterinary Medicine and Surgery. Veterinary medical, surgical and preventive medicine is offered to all livestockmen. It also provides meat inspection and animal quarantine inspection. The Conservation Service program is concerned with terrestrial conservation including soil, water, range, forest and wildlife. Efforts will be devoted to production of posters, news media, radio broadcasts and literature to inform and make the public aware that conservation is everybody's business.

In FY 1974, thirteen new Micronesian positions will be added to strengthen field staff in order to provide continuous extension service to the farmers.

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Staffing:	FY 1973	FY 1974
	12 U.S. Civil Service	12 U.S. Civil Service
	6 U.S. Contract	6 U.S. Contract
	18 U.S. Total	18 U.S. Total
	289 Micronesians	302 Micronesians

The increase of $56,000 includes $49,000 for normal salary increments for 18 U.S. and 289 Micronesian ongoing positions, $22,800 for 13 new Micronesian positions, and $9,000 for full funding for positions partially lapsed in FY 1973. Increases of $15,900 for supplies and materials, $13,600 for other services are offset by decreases of $46,500 for equipment purchases and $7,800 for travel.

c. Economic Development:

FY 1973 $567,000, FY 1974 $598,000: Increase $31,000

A total of $598,000 is required to operate the Economic Development Division in FY 1974, an increase of $31,000 over FY 1973.

Under the general supervision of the Director of Resources and Development, the Economic Development Division is basically responsible for the following service-oriented activities:

a. Identification of business opportunities and documentation of new and innovative methods to stimulate economic growth;

b. Promotion and development of tourism and the regulation of its growth to achieve balance, order and maximum social and economic benefits for the people of Micronesia;

c. Administration of the Economic Development Loan Fund which provides medium-term, low interest, high risk, loans for development of commercial projects; and

d. Development and monitoring of cooperatives and credit unions in the Territory to mobilize resources of groups or communities having common social and economic problems.

Micronesia is characterized by a dual economy where aspects of a traditional-based, subsistence economy constantly interact with the forces of a modern, money economy. A li tle more than one third of the total population presently estimated at 107,054 live at or near the six district centers; the remaining portion of the population are geographically concentrated in island groups away from the district centers, many as copra producers and subsistence fishermen. Employment opportunities are found in the district centers where it is estimated that roughly 13,000 are employed for wages in private business and by the Government.

The emphasis on speeding up the construction of required infrastructure facilities, particularly power and water distribution systems, sea and air transportation facilities, telephone and communication networks and the establishment of lending institutions, is now showing results in terms of moving the economy of the Territory forward. With plans for renovating Isley Airport on Saipan by the end of 1974, for example, jet aircraft of the type now being used in Trans-Pacific service will be accommodated. Majuro's new airstrip and improvements to other district center airfields will also open greater opportunities for district tourism growth.

The development of Micronesia as a tourist destination will follow goals set forth by each district. Programs will be monitored closely to protect local environment, social amenities and Micronesia's meager resources, while at the same time aiming toward productive tourism development. In FY 1972, tourism earned roughly $2.7 million with some 36,000 visitors. Past and projected visitor growth is closely linked to the number of available hotel rooms. The Territory's 431 rooms existing at the end of FY 1971 increased to 496 at the end of FY 1972 with 162 more under construction. By FY 1974, additional accommodation now planned could bring in more than 100,000 visitors with potential expenditures nearing the $10 million mark.

Certain basic needs must be provided to assure that Micronesia will maintain a strong position among Pacific and Far East destination areas. Additional funds will be necessary for expanding promotional programs which are currently funded primarily by carriers and other private interests, for continuing local education to provide a fuller understanding and acceptance of the visitor business, and for technical and professional assistance to local enterpreneurs entering hotel and related tourism enterprises.

With the FY 1974 funds, the Division will maintain current level of operations, with slightly increased activity in servicing cooperatives and credit unions and small Micronesian businesses in regard to business management, personnel training, inventory and financial control, and other aspects of business operations. In enhancing the operation of the Economic Development Loan Fund, specialized on-the-job training will be given to district loan personnel in loan application procedures, credit evaluation, identification of loanable projects and loan servicing and counseling to further strengthen the program. There are approximately 204 loan portfolios aggregating roughly $1,268,700 which require constant field visitations and technical support from the Economic Development personnel. Other activities of the Division which will require close staff support include economic research, private foreign investment, and cooperative and credit sections.

Two new Micronesian positions will be added in FY 1974 to strengthen the Economic Development staff in Truk and Ponape.

Staffing:	FY 1973	FY 1974
	6 U.S. Civil Service	6 U.S. Civil Service
	7 U.S. Contract	7 U.S. Contract
	13 U.S. Total	13 U.S. Total
	53 Micronesians	55 Micronesians

The increase of $31,000 includes $19,000 for normal salary increments for 13 U.S. and 53 Micronesian ongoing positions, $6,300 for two new Micronesian positions, and $7,100 for full funding for positions partially lapsed in FY 1973. Increases of $5,900 in travel, $4,400 for printing and $1,400 for other contractual services are offset by decreases in equipment and supplies, $13,100.

d. Marine Resources:

FY 1973 $493,000, FY 1974 $579,900: Increase $86,900

A total of $579,900 is required in FY 1974 for Marine Resources, an increase of $86,900 over FY 1973.

Under the general supervision of the Director of Resources and Development, the Marine Resources Division is responsible for developing and operating a Trust Territory-wide program in marine resources conservation (protection of species, suppression of illegal activities), commercial fisheries promotion and technical development (both inshore and offshore fisheries), boatbuilding and drydocking (including commercial and sports craft), marine research and starfish control. These responsibilities are carried out through a Headquarters office in Saipan, a marine laboratory in Palau, and marine resources activities in the districts.

In FY 1974, a new modest program will be established in Yap. This program will consist largely of planning for an action program starting in FY 1975. Boats and necessary equipment will be acquired and feasibility studies will be made in the areas of fish farming and commercial production of shrimp, oysters and turtles. Education of the public in conservation will be carried out.

Ongoing programs include the marine laboratory and boatbuilding and drydocking facility in Palau, as well as programs relating to the development, conservation, and management of the marine resources of the district. The Ponape program will emphasize the improvement of dockside facilities and increasing inshore fisheries production. The objectives of the program in Truk will focus on the enforcement of conservation laws and development of inshore fisheries.

Starfish control will continue to be monitored wherever the threat continues to exist.

In FY 1973, the Marine Resources program included 11 U.S. and 47 Micronesian positions. In FY 1974, 2 U.S. and 4 Micronesian positions will be added to strengthen existing district programs as well as starting new programs.

Staffing:	FY 1973	FY 1974
	2 U.S. Civil Service	2 U.S. Civil Service
	9 U.S. Contract	11 U.S. Contract
	11 U.S. Total	13 U.S. Total
	47 Micronesians	51 Micronesians

The increase of $86,900 includes $42,200 for 12 U.S. and 4 Micronesian new positions, $10,200 for normal salary increments for 11 U.S. and 47 Micronesian ongoing positions, $2,700 for full funding for positions partially lapsed in FY 1973, and $6,400 for WAE divers in Starfish Control. Other increases are in other contractual services, $11,400; equipment, $8,800; supplies, $3,700; and travel and printing, $1,500.

e. Lands and Surveys:

FY 1973 $1,822,000, FY 1974 $1,854,500: Increase $32,500

A total of $1,854,500 is required to support the Lands and Surveys Division in FY 1974, an increase of $32,500 over FY 1973.

Under the general supervision and direction of the Director of Resources and Development, the Division of Lands and Surveys performs a variety of both public land management and private land title registration services for the Trust Territory Government and the people of Micronesia.

Trust Territory of the Pacific Islands

The 447,000 acres of land comprising the Trust Territory are fragmented into some 400,000 vari-size parcels on 2,141 islands scattered over 3,000,000 square miles of Western Pacific Ocean. About 58% of these lands are "public lands", but their boundaries are uncertain, plagued with contests and their characteristics have not been catalogued for development, disposal or planning purposes. Of the thousands of private and public land holdings, 2,934 parcels of land have been surveyed and monumented; preliminary inquiries have been held on 4,844 parcels, provisional titles have been issued on 1,651 parcels; and formal hearings have been held on 3,357 parcels as of July 31, 1972. Land rights, land ownership, use easements, special interest, reversionary rights, ownership and tenure history and title records are filed in fractured pieces in memory, tradition, and in Spanish, German, Japanese and American records in Micronesia, Europe, and Japan. It is true that some surveys of record exist and some titles have been researched, but an indeterminate number of these are disputed. Controversy is commonplace and land litigation is increasing each year.

To assist in these activities, an effort has been made to secure, microfilm, examine and if necessary, translate all available land records of prior administrations. To date, 29,647 such records have been translated and many more have been secured and examined.

Generalized land use capability surveys have been completed for the islands of Saipan, Rota and Pagan in the Mariana Islands. Detailed investigations have been made of most of the tracts for which cadastral surveys have been completed. A Territory-wide survey of historic and cultural sites has been completed as has a summarization of all available information on the mineral resources of Micronesia.

The processing of homesteading documents has proceeded; 234 deeds have been issued, lease agreements involving non-citizens of the Trust Territory are reviewed for compliance with laws and to assure that the Micronesian interest is protected. Title to 329 parcels has been cleared and certified as being available for use under the Capital Improvement Program.

The Division provides such administrative services as investigation of property damage claims; review of non-citizen leasing of public domain and private lands; acquisition of private land for public or military use (especially in relation to the Trust Territory Capital Improvement Program); negotiation with private owners for interests in land and right of entry for survey or soil exploratory purposes; property and engineering survey services to certain programs and to economic development projects; property surveys for U.S. Federal Agencies; appraisal of public and private lands; and administration of the Board of Land Surveying Examiners.

In FY 1974, district Land Resources personnel will continue to aid the Micronesian people in achieving the best possible use of their valuable but limited land base. The programs are based on the belief that the use of land should be dictated by the capability of the land and the abundance of its resources in relation to the needs of the people.

In FY 1973, the Division of Lands and Surveys is staffed with 33 U.S. and 264 Micronesians. Three new Micronesian positions will be added in FY 1974.

Staffing:	FY 1973	FY 1974
	13 U.S. Civil Service	13 U.S. Civil Service
	20 U.S. Contract	20 U.S. Contract
	33 U.S. Total	33 U.S. Total
	264 Micronesians	267 Micronesians

The increase of $32,500 includes $65,200 for normal salary increments for 33 U.S. and 264 Micronesian ongoing positions, $41,100 for full funding for positions partially lapsed in FY 1973, $9,000 for three new Micronesian positions and a decrease of $9,600 reflecting less WAE labor in Land Commission work. Travel increases $2,800 while other contractual services decrease $44,100, equipment is decreased $22,200 and supplies and materials decrease by $9,700.

f. Labor Division:

FY 1973 $73,000, FY 1974 $75,000: Increase $2,000

A total of $75,000 is required in FY 1974 to support the Labor Division, an increase of $2,000 over FY 1973.

Under the general supervision of the Director of the Resources and Development Department, the Labor Division administers the Protection of Resident Workers Act in the Trust Territory. This involves the regulation and control of labor contracts covering the importation of alien workers: the establishment of public employment services offices for resident workers; and the administration of all Trust Territory labor laws, manpower programs, job placements, training and qualification programs, and workmen's safety and health programs.

District offices will serve district centers and outlying areas with emphasis on development of a qualified Micronesian work force.

In FY 1972, applications for the importation of over 1,200 alien workers were processed. With the increase foreseen in construction projects, fisheries activities, tourism, and general economic development, there will be substantial increases in the workload, affecting both alien and Micronesian workers.

Staffing consists of one U.S. and 14 Micronesian positions. There is no increase anticipated in FY 1974.

Staffing:	FY 1973	FY 1974
	1 U.S. Contract	1 U.S. Contract
	14 Micronesians	14 Micronesians

The increase of $2,000 includes $3,500 for normal salary increments for 14 Micronesian ongoing positions and $1,600 for full funding for positions partially lapsed in FY 1973. Minor reductions in five other object classes total $3,100.

5. Protection to Persons and Property: FY 1973 $2,186,000, FY 1974 $2,359,600: Increase $173,600. The increase consists of:

	Increase (+) or Decrease (-) Amount	Positions	Total Program	Total Positions	Explanation
(1)	$ +86,800	...	...	...	Normal salary increments for the 27 U.S. and 367 Micronesian ongoing positions.
(2)	+56,000	...	...	...	Full funding of positions partially lapsed in FY 1973.
(3)	-2,300	+3 Micro	...	16 U.S. 24 Micro	Strengthening of staffing in the Office of the Attorney General more than offset by reduced costs of supplies, equipment and other contractual services.
(4)	+4,700	+3 Micro	...	25 Micro	Improved staffing in Immigration partially offset by reductions in other object codes.
(5)	+30,500	+30 Micro	...	4 U.S. 288 Micro	Strengthen staffing in Police and Fire functions and other support services partially offset by decreases in supplies and equipment.
(6)	-5,000	...	...	7 U.S. 22 Micro	Minor increase in travel, supplies and other contractual services in Public Defender more than offset by a major reduction in equipment.
(7)	+2,900	-1 Micro	...	44 Micro	To provide for additional training and equipment in Local Judiciary partially offset by the abolishment of one Micronesian position.
	$+173,600	+35 Micro	$2,359,600	27 U.S. 403 Micro	

Cost Factors Involved in Increases

(1) Normal salary increments for ongoing staff of 27 U.S., $15,800; and 367 Micronesians, $71,000.

(2) Full funding for positions partially lapsed in FY 1973: U.S., $20,300; Micronesian, $35,700.

(3) Three new Micronesian positions in Office of the Attorney General, $6,200; increase in printing, $900; and travel, $100; decreases in supplies and materials, $5,500; other contractual services, $2,400; and equipment, $1,600.

(4) Three new Micronesian positions in Immigration, $6,300; decrease in travel, $1,200; and minor decrease in other object classes, $400.

(5) Thirty new Micronesian employees in Public Safety, $61,000; increase in travel, $2,600; other contractual services, $1,400; decreases in equipment purchases, $31,500; and supplies and materials, $3,000.

(6) Increases in other contractual services, $800; travel, $600; and supplies and materials, $300; decrease in equipment purchases, $6,700.

(7) One position dropped in Local Judiciary, $4,400; increases in equipment purchases, $4,600, and other contractual services, $2,700.

Need for Increase:

(1) Normal salary increments for 27 U.S. and 367 Micronesians, $86,800: Normal within grade increments must be awarded except in the case of unsatisfactory performance. The Micronesian staff is a young staff and the pattern of an older staff higher in grade and in increments retiring and being replaced by youth lower in grade and in beginning increments will not be evident for some years to come. An increase of $86,800 is requested to meet these increased pay costs.

(2) Full funding for positions partially lapsed in FY 1973, $56,000: Positions for which recruitment was delayed in FY 1973 will require full funding in FY 1974. The amount of $56,000 is requested to fully fund these positions.

(3) Strengthening of staffing in Office of the Attorney General, more than offset by reduced costs in other object codes, $-2,300: In FY 1974, a new office will be established in sub-district center of Satawan, Truk District, which will require one District Prosecutor and one clerk typist. One clerk typist for Kusaie will also be added to provide the necessary clerical assistance to the prosecutor in that area. The additional staffing which requires $6,200 along with a minor increase of $1,500 in travel, rent and printing are more than offset by reduced costs of supplies, equipment and other contractual services, $-10,000.

(4) Improved staffing in Immigration partially offset by decreases in other object codes, $4,700: Three new Micronesian Immigration Inspectors at a cost of $6,300 will be added in FY 1974 (one each for the Marianas, Palau, and the Marshalls) to upgrade immigration services in all areas and ease the heavy workload due to increasing traffic of persons, vessels, and aircraft. Printing and equipment increase slightly by $300. These increases are partially offset by reductions in travel, supplies, and other contractual services totalling $-1,900.

(5) To improve staffing in Police and Fire functions with slight increase in support services, partially offset by decreases in supplies and equipment, $30,500: As district centers continue to grow in population, the problems associated with urbanization continue to mount. Juvenile delinquency, burglaries, traffic violations, etc., are on the increase. Additionally, the stock of public and private property grows larger each year. To cope with the mounting workload, additional staff, at a cost of $61,000, are needed in FY 1974: twenty-four police officers (nine for Marianas, four for Truk, and eleven for Ponape) and six firemen for Ponape. Other increases are in printing, travel, and other contractual services, $4,000. These are partially offset by reduction of $34,500 in nonrecurring purchases of supplies and equipment.

(6) Minor increase in general support services in Public Defender more than offset by a major reduction in equipment, $-5,000: The minor increase of $1,700 for travel, supplies and other contractual services in Public Defender is more than offset by a major reduction of $6,700 in nonrecurring equipment purchases.

(7) To provide for additional training and equipment in Local Judiciary partially offset by the abolishment of one Micronesian position, $2,900: With the completion of Truk and Majuro courthouses, new equipment will have to be procured as well as replacement equipment for the other districts. One Micronesian Court Reporter position will be abolished in FY 1974.

Trust Territory of the Pacific Islands

Activity	FY 1973 Estimate	FY 1974 Estimate	Increase + Decrease -
5. Protection to Persons and Property:			
a. Office of the Attorney General	$ 437,000	$ 464,100	$ +27,100
b. Immigration	109,000	119,700	+10,700
c. Public Safety	1,131,000	1,236,800	+105,800
d. Public Defender	263,000	279,000	+16,000
e. Local Judiciary	246,000	260,000	+14,000
Total	$2,186,000	$2,359,600	$+173,600

a. Office of the Attorney General:

FY 1973 $437,000, FY 1974 $464,100: Increase $27,100

A total of $464,100 is required to support the Office of the Attorney General and the District Legal Offices in FY 1974, an increase of $27,100 over FY 1973.

The Attorney General's Office (excluding Immigration and Public Safety) is responsible for carrying out the legal and law enforcement programs of the Trust Territory Government. The office provides the legal services required by the Government and renders legal opinions when requested by the High Commissioner or other officials of the Trust Territory Government and represents the Government in all litigation in which the Government is a party or has any interest, including the prosecution of all criminal cases. The office also oversees the administration of contracts to which the Government is a party. It drafts or reviews all legislation proposed by the Executive Branch of the Government and reviews and recommends Executive actions on all acts passed by the Congress of Micronesia.

In addition, there is a District Legal Office in each district, headed by a District Attorney, who is chief legal advisor for the District Administrator. The District Attorneys represent the Government in all criminal and civil matters in their respective districts and they are assisted by the District Prosecutors.

The goal of the Office of the Attorney General, both at Headquarters and at the district level, is to meet the challenge, the need for increased legal services due to the overall increased budget of the Trust Territory Government, and in particular, the increased Capital Improvement Program which necessitates continuing advice concerning contract administration. The immediate and accurate response to requests for legal services must be continued to insure that the proper legal approach is taken by the Government.

In FY 1974, a new office will be set up in the sub-district center of Satawan, Truk District which will greatly improve and provide better legal services to the people of Satawan. With the establishment of the new office, one District Prosecutor and one clerk typist will be added to handle the legal services and clerical needs there. Also, one additional clerk typist will be added for Kusaie to provide the necessary clerical assistance to the prosecutor in this sub-district. U.S. staffing remains the same.

Staffing:	FY 1973	FY 1974
	7 U.S. Civil Service	7 U.S. Civil Service
	9 U.S. Contract	9 U.S. Contract
	16 U.S. Total	16 U.S. Total
	21 Micronesians	24 Micronesians

The increase of $27,100 includes $12,300 for normal salary increments for ongoing positions, $17,100 for full funding for positions partially lapsed in FY 1973, and $6,200 for three new Micronesian positions. A minor increase of $1,500 in travel, freight, and printing is more than offset by reductions in supplies and materials, $5,500; other contractual services, $2,400; and equipment, $2,100.

b. Immigration:

FY 1973 $109,000, FY 1974 $119,700: Increase $10,700

A total of $119,700 is required for the Immigration Office in FY 1974, an increase of $10,700 over FY 1973.

Under the direction of the Attorney General, the Immigration Division administers and controls the entrance, movement and departure of persons, vessels, and aircraft in the Trust Territory. Rules, regulations, and operational instructions are established, promulgated, and enforced by personnel at Headquarters and the six District Immigration Offices. The Immigration Office is also responsible for applications and issuance of Trust Territory passports and provides back up work for the United States Consular functions.

The number of persons making applications to enter the Trust Territory for purposes of tourism, business, employment, etc., has substantially increased. Over 37,000 entries were made in fiscal year 1972. The number of alien workers is approaching the 2,000 figure. The Mariana Islands District alone witnessed over 1,500 aircraft entries and 200 vessels in FY 1972. The increase in number of entries is expected to grow at a significant rate during FY 1974 when hotels and other tourist accommodations will be completed.

The Immigration Division emphasizes the need for personnel training. Seminar type sessions will continue to be conducted on a yearly basis. On-the-job training with the U.S. Immigration and Naturalization Service is now being arranged by the Training Division at Headquarters.

Three new Micronesian Immigration Inspectors will be added in FY 1974: one each for the Marianas, Palau, and the Marshalls. The addition of these positions will improve immigration services in all areas, as well as easing the heavy workload due to increasing traffic of persons, vessels, and aircraft.

Staffing:	FY 1973	FY 1974
	22 Micronesians	25 Micronesians

The increase of $10,700 includes $6,300 for three new Micronesian positions, $4,800 for normal salary increments for ongoing positions, and $1,200 for full funding of positions partially lapsed in FY 1973. An increase of $300 in printing and equipment is more than offset by decreases in travel, $1,200, and in supplies and other contractual services, $700.

c. Public Safety:

FY 1973 $1,131,000, FY 1974 $1,236,800: Increase $105,800

A total of $1,236,800 is required for Public Safety in FY 1974, an increase of $105,800 over FY 1973.

Public Safety has the responsibility for law enforcement, fire fighting, and jails in the Trust Territory, registration of vehicles, and licensing of drivers and firearms.

The law enforcement includes primarily patrol, investigation, and the arrest of offenders. Fire fighting includes the handling of brush and structural fires, airport crash and rescue, and inspection of buildings. In district jails, humane incarceration as well as work projects for those serving time must be provided. The Division issues drivers licenses and inspects and licenses private vehicles.

All the above is supervised and coordinated by Headquarters Public Safety. Headquarters supervision includes assistance with certain district investigations, coordination and planning of training programs, helping with district budgeting and regular inspection of district operations. Headquarters makes certain investigations with its own personnel or personnel borrowed from the districts. Headquarters personnel give special training for policemen and firemen. When the United States Secret Service is protecting individuals in Micronesia, Headquarters Public Safety helps to coordinate the job. In the event that visitors or officials in Micronesia are threatened, Headquarters Public Safety provides protection so long as is necessary.

The incidence of crime is increasing especially among juveniles. Drugs, including hard drugs, have been introduced into the Territory. More sophisticated crimes such as murders and counterfeiting have been reported. Burglaries are on the rise and have become a serious problem in some district centers.

This increase in crime rates, together with a growing resident and tourist population and the increasing stock of public and private property, necessitates a more stringent enforcement and application of the law. To meet this challenge, more emphasis will be placed on training. This will ensure that life and property will be protected by well-manned, well-equipped, and well-trained fire and police forces.

The training is to be conducted mostly in Saipan. Training will be conducted at all levels. There will be training for recruits, for firemen, for supervisors, for command, and training in specialties such as identification, investigation, traffic, and narcotics.

A Trust Territory Public Safety Academy has been established. Thus far, it has graduated 94 police recruits and firemen. Since the Academy does not have its full staff, qualified instructors are to be brought from wherever it is necessary. At all times, concentration will be on developing Micronesian instructors.

The Division of Public Safety is staffed with four U.S. and 258 Micronesians. Thirty new Micronesians will be added in FY 1974 to strengthen the law enforcement staff. Twenty-eight of these are now being funded under the Emergency Employment Act and will be converted to regular employees in FY 1974 in accordance with the provisions set forth in the Act.

Staffing:	FY 1973	FY 1974
	2 U.S. Civil Service	2 U.S. Civil Service
	2 U.S. Contract	2 U.S. Contract
	4 U.S. Total	4 U.S. Total
	258 Micronesians	288 Micronesians

The increase of $105,800 consists of $61,000 for thirty new Micronesian positions, $45,000 for normal salary increments for ongoing positions, and $30,300 for full funding for positions partially lapsed in FY 1973. Increases in travel, $2,600, and other services, $1,400, are more than offset by reductions in equipment purchases, $31,500, and supplies, $3,000.

d. Public Defender:

FY 1973 $263,000, FY 1974 $279,000: Increase $16,000

A total of $279,000 is required for the Public Defender's Office in FY 1974, an increase of $16,000 over FY 1973.

The Public Defender administers and supervises the operations of the Public Defender System; provides legal counsel to any person who requires defense in civil or criminal court proceedings; represents persons involved in civil actions where the Government is an adverse party; conducts training programs for Public Defender's representatives; develops and submits to the Office of the High Commissioner basic operating programs and procedures; and advises and assists trial assistants. In each of the six districts, there are one or more Public Defender's representatives who are responsible for operating the district office of the Public Defender; investigating and recording facts surrounding each case under their cognizance occurring in their district; advising clients regarding their rights in law; preparing briefs of evidence presented in lower courts; and acting as interpreter or translator. This office is also responsible for preparing petitions for pardon or paroles as required by law.

Staffing consists of 7 U.S. and 22 Micronesians. There is no increase anticipated in FY 1974.

Staffing:	FY 1973	FY 1974
	1 U.S. Civil Service	1 U.S. Civil Service
	6 U.S. Contract	6 U.S. Contract
	7 U.S. Total	7 U.S. Total
	22 Micronesians	22 Micronesians

The increase of $16,000 includes $13,600 for normal salary increments for ongoing positions, $7,400 for full funding of positions partially lapsed in FY 1973. Minor increases in travel, other contractual services and supplies, $1,700, are more than offset by a reduction in equipment purchases of $6,700.

e. Local Judiciary:

FY 1973 $246,000, FY 1974 $260,000: Increase $14,000

A total of $260,000 is required for Local Judiciary in FY 1974, an increase of $14,000 over FY 1973.

The Local Judiciary, composed of six District Courts and one hundred twenty-five Community Courts, is administered overall by the High Court Justices and directly by the Micronesian Presiding Judge in each district. All of these courts are staffed entirely by Micronesians, exclusive of the Judges of the Kwajalein Community Court, who serve without extra compensation for their judicial duties at the U.S. Army's Kwajalein Test Site.

Each District Court has original jurisdiction in all civil cases where the amount or value of the property involved does not exceed $1,000, except admiralty and maritime matters and the adjudication of title to land or any interest therein (other than the right to immediate possession), and in all criminal cases where the maximum punishment which may be imposed does not exceed a fine of $2,000 or imprisonment for five years, or both.

Each Community Court has original jurisdiction in all civil cases where the amount claimed or value of the property involved does not exceed $100, except admiralty and maritime matters and the adjudication of title to land or any interest therein (other than the right to immediate possession), and in all criminal cases where the maximum punishment which may be imposed does not exceed a fine of $100 or imprisonment for six months,or both.

The FY 1974 Local Judiciary program, as it has been in the past, proposes mainly to continue the established District Court and Community Court operations.Through training provided by the High Court, increased efficiency is anticipated.

The overall goal of these courts will continue to be the just and prompt hearings of cases within their jurisdictions. In addition, these courts will continue to serve as valuable training grounds for Micronesians to move toward increasingly responsible positions in the judicial and legal fields.

Local Judiciary will continue to be staffed entirely by Micronesians, with the only U.S. involvement being assistance and supervision from the High Court staff. One Micronesian Assistant Court Reporter position in Palau will be abolished in FY 1974. The present plan is to eliminate all Court Reporter Trainee positions and instead to provide funds for full court reporting scholarships.

Staffing:	FY 1973	FY 1974
	- 0 - U.S.	- 0 - U.S.
	45 Micronesians	44 Micronesians

The increase of $14,000 consists of $11,100 for normal salary increments for ongoing positions, a decrease of $4,400 for the elimination of one Micronesian position, and increases of $2,700 for other contractual services and $4,600 for equipment.

6. Administration: FY 1973 $4,744,000, FY 1974 $5,038,100: Increase $294,100. The increase consists of:

	Increase (+) or Decrease (-) Amount	Positions	Total Program	Total Positions	Explanation
(1)	$+144,000	...	...	...	Normal salary increments for 101 U.S. and 566 Micronesian ongoing positions.
(2)	+102,200	...	...	...	Full funding for positions partially lapsed in FY 1973.
(3)	+43,000	+2 U.S.	...	...	LNO Okinawa not funded in FY 1973.
(4)	+17,000	...	...	...	Increased Personnel Benefits.
(5)	-12,100	+5 U.S. +11 Micro	...	...	Additional staff in other program areas to cope with increased workload, more than offset by reductions in non-recurring costs.
	$+294,100	+7 U.S. +11 Micro	$5,038,100	108 U.S. 577 Micro	

Cost Factors Involved in Increases

(1) Normal salary increments for ongoing staff of 101 U.S., $33,900; and 566 Micronesians, $110,100.

(2) Full funding for positions partially lapsed in FY 1973: U.S., $47,000; Micronesian, $55,200.

(3) Two U.S. positions, $36,600; travel, $4,000; supplies and materials, $1,300; and other object classes, $1,100.

(4) Personnel benefits, $17,000.

(5) Five U.S. positions, $45,500, partially offset by the elimination of one U.S. position early in FY 1973, $8,200. Eleven new Micronesian positions, $42,300. Other increases of $5,100 in printing and $2,600 for supplies and materials. Decreases in equipment, $53,400; other contractual services, $25,300; travel, $2,700; and an increase in anticipated reimbursements of $18,000.

Need for Increase:

(1) Normal salary increments for 101 U.S. and 566 Micronesian ongoing positions, $144,000: Normal within grade increments must be awarded except in cases of unsatisfactory performance. The Micronesian staff is a young staff and the pattern of an older staff higher in grade and in increments retiring and being replaced by youth in lower grade and beginning increments will not be evident for some years to come. An increase of $144,000 is requested to meet these increased pay costs.

(2) Full funding for positions partially lapsed in FY 1973, $102,200: Positions for which recruitment was delayed in FY 1973 will require full funding in FY 1974. The amount of $102,200 is requested to fully fund these positions.

(3) LNO Okinawa not funded in FY 1973, $43,000: The liaison office in Okinawa was not budgeted in FY 1973 in the belief that it had served its purpose and could be phased out. It now appears that more military surplus material is available and the Okinawa office is required to obtain it.

(4) Increased Personnel Benefits, $17,000: Higher salaries and the retirement of an increased number of Micronesians will raise Social Security payments and Micronesian death benefits. Workmen's compensation insurance increases in direct proportion to total payroll.

(5) Additional staff in other program areas to cope with increased workload, more than offset by reductions in nonrecurring costs, $-12,100: Activities included in this item are Offices of District Administrators, Administrative Services, Department of Finance, Personnel, Internal Audit, Program and Budget Office, and the Disaster Control Office. Five U.S. and 11 Micronesian positions will be added. The U.S. positions include a Computer Programmer, a Computer Systems Analyst, and a Secretary in the Financial Management System. The Personnel Department will add a Personnel Management Specialist and a Personnel Classification Specialist while eliminating a Personnel Management Specialist in the Training Division. Micronesian positions include the following: 2 Systems Accountants and one Computer Programmer in the Financial Management System; one Programmer Trainee in Automatic Data Processing; 3 Personnel Management Specialists in the Personnel Training Division; a Budget Analyst and a Clerk-typist in the Office of the Marianas District Administrator; an Accounting Technician in headquarters Finance and Accounting; and an Account Clerk in the Marianas District Finance Office. The net effect of the above along with reductions in nonrecurring costs and an increase in anticipated refunds and reimbursements is a reduction of $12,100 below the FY 1973 level.

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Activity	FY 1973 Estimate	FY 1974 Estimate	Increase + Decrease -
6. Administration:			
a. Offices of the District Administrator	$1,113,000	$1,137,000	$ +24,000
b. Administrative Services	267,000	315,000	+48,000
c. Office of the Director of Finance	53,000	54,000	+1,000
d. Financial Management System	120,000	180,000	+60,000
e. Finance and Accounting	724,000	757,000	+33,000
f. Automatic Data Processing	303,000	312,000	+9,000
g. Procurement and Supply	907,000	935,600	+28,600
h. Personnel Department	506,000	549,500	+43,500
i. Leased Housing Fund	100,000	100,000	- 0 -
j. Internal Audit	118,000	121,000	+3,000
k. Program and Budget Office	238,000	244,000	+6,000
l. Personnel Benefits	263,000	280,000	+17,000
m. Disaster Control Office	32,000	53,000	+21,000
Total	$4,744,000	$5,038,100	$+294,100

Administration, a grouping of general services and management activities, includes the Offices of the District Administrators, Administrative Services, Office of the Director of Finance, Finance and Accounting, Automatic Data Processing, Financial Management System, Procurement and Supply, Personnel Department, Leased Housing Fund, Internal Audit, Program and Budget, Disaster Control, and Personnel Benefits.

a. Offices of the District Administrators:

FY 1973 $1,113,000, FY 1974 $1,137,000: Increase $24,000

A total of $1,137,000 is required for the Offices of the District Administrators in FY 1974, an increase of $24,000 over FY 1973.

For administrative purposes, the Trust Territory is divided into six administrative districts: the Marianas, Palau, Yap, Truk, Ponape, and the Marshalls, and seven sub-districts: Rota (Marianas), Ulithi (Yap), Satawan and Namonwito (Truk), Kusaie (Ponape), and Ebeye and Jaluit (Marshalls). Each district is headed by a District Administrator who is appointed by the High Commissioner and who exercises general administrative supervision over all operations, programs, and functions of the Trust Territory Government in his assigned district. He exercises administrative authority in accordance with all applicable laws, regulations, policies and procedures, and is responsible for full and proper compliance with all such directives.

The locale of decision making within the Trust Territory is being increasingly decentralized to the District level to place administrative responsibility at the local level, closer to the actual situation and problem and to secure maximum involvement of the Micronesian people in program planning and management. For example, District Administrators and key members of their staffs now submit and defend their budgets at hearings held by the Congress of Micronesia.

In FY 1974, two Micronesian positions will be added to the Office of the District Administrator, Marianas: a Budget Analyst and a Clerk-typist.

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Staffing:	FY 1973			FY 1974		
District	U.S. Civil Service	U.S. Contract	Micro	U.S. Civil Service	U.S. Contract	Micro
Marianas	2	1	23	2	1	25
Palau	-	1	18	-	1	18
Yap	3	2	12	3	2	12
Truk	2	1	16	2	1	16
Ponape	2	1	17	2	1	17
Marshalls	3	2	25	3	2	25
Total	12	8	111	12	8	113

The increase of $24,000 includes $39,400 for normal salary increments for ongoing positions, $15,400 for full funding of positions partially lapsed in FY 1973, $5,900 for two additional Micronesian positions, and a reduction of $8,200 for one U.S. position which was dropped early in FY 1973. Increases of $2,500 for supplies and other contractual services are more than offset by decreases in travel, $1,400, and equipment, $29,600.

b. Administrative Services:

FY 1973 $267,000, FY 1974 $315,000: Increase $48,000

A total of $315,000 is required for Administrative Services in FY 1974, an increase of $48,000 over FY 1973.

Included under Administrative Services are the customary administrative and executive support functions of the Office of the High Commissioner. This includes Management Services, which has the staff responsibility for matters relating to organizational and procedural improvement projects for more effective and efficient administration of Government, and provides mail and messenger services for operating departments. Liaison offices in Guam and Honolulu provide liaison services for the Trust Territory Government. Medical referrals to Guam and Honolulu are coordinated through the respective liaison offices. A third liaison office, in Okinawa, was not budgeted in FY 1973 since the need for it beyond FY 1972 was not apparent at the time the budget request was made. It has since developed that more military surplus material is becoming available and LNO Okinawa is the contact point with the Defense Department in obtaining military surplus supplies and equipment. A reprogramming of FY 1972 carryover balances has been requested to keep this office in operation through FY 1973.

The two U.S. positions added in FY 1974 reflects the continued operation of LNO Okinawa.

Staffing:	FY 1973	FY 1974
	8 U.S. Civil Service	9 U.S. Civil Service
	1 U.S. Contract	2 U.S. Contract
	9 U.S. Total	11 U.S. Total
	10 Micronesians	10 Micronesians

The increase of $48,000 includes $3,700 for normal salary increments for ongoing positions, $800 for full funding for positions partially lapsed in FY 1973, and $36,600 for two U.S. positions in the Okinawa LNO Office. Other increases are $3,800 for travel, $800 for other contractual services, $1,100 for supplies and materials, and $1,200 for other object classes.

c. Office of the Director of Finance:

FY 1973 $53,000, FY 1974 $54,000: Increase $1,000

A total of $54,000 is required for the Office of the Director of Finance in FY 1974, an increase of $1,000 over FY 1973.

The Office of the Director of Finance gives general supervision to and is responsible for the operations of the Financial Management System Implementation Team, the Finance and Accounting, the Automatic Data Processing, and the Procurement and Supply Divisions. The U.S. staff consists of the Director (who reports directly to the High Commissioner) and his secretary.

Staffing:	FY 1973	FY 1974
	2 U.S. Civil Service	2 U.S. Civil Service
	- 0 - Micronesian	- 0 - Micronesian

The increase of $1,000 covers normal salary increments of ongoing positions.

d. Financial Management System Implementation:

FY 1973 $120,000, FY 1974 $180,000: Increase $60,000

A total of $180,000 is required for the Financial Management System Implementation in FY 1974, an increase of $60,000 over FY 1973.

The present Trust Territory Financial Management System was designed many years ago to accommodate a total program of less than $5 million. As the Trust Territory program grew both in dollar amounts and in complexity, it was readily apparent that a new System was needed. In FY 1970, a nationally known CPA firm was awarded a contract to design a new system. The design of the new System (and the new Financial Management System Manual) was completed late in FY 1971.

The implementation plan focuses on training, clean-up of existing accounting records, data processing systems analysis, programming, testing, and conversion and up-dating of the completed System to accommodate the recommendations of the Office of Survey and Review, Department of the Interior.

The team will conduct training sessions throughout the Trust Territory, correct and prepare existing accounting records for conversion to automated processing and assist the districts with initial preparation of input documents.

In FY 1974, three (3) new Micronesian positions will be required: two (2) systems accountants and one (1) computer programmer. Three new U.S. positions will be added: one (1) computer systems analyst, one (1) computer programmer and one (1) secretary.

Staffing:	FY 1973	FY 1974
	4 U.S. Contract	7 U.S. Contract
	- 0 - Micronesian	3 Micronesians

The increase of $60,000 includes $12,200 for full funding for positions partially lapsed in FY 1973, $40,000 for three new U.S. positions, and $15,300 for three new Micronesian positions. Other increases of $3,200 for travel, $1,100 for printing, and $1,200 for supplies and equipment are more than offset by a reduction in other contractual services of $13,000.

e. Finance and Accounting Division:

FY 1973 $724,000, FY 1974 $757,000: Increase $33,000

A total of $757,000 is required for the Finance and Accounting Division in FY 1974, an increase of $33,000 over FY 1973.

Under the general supervision of the Director of Finance, the Finance and Accounting Division includes the office of the Division Chief at Headquarters and the offices of the District Finance Officers in each district who are under the direct supervision of the District Administrators but receive technical guidance and assistance from the Chief of Finance and Accounting Division. This Division is responsible for the proper accounting of all public monies and the vouchering and costing functions. It develops accounting systems, establishes accounting policies at all levels; it prepares reports and statements; supervises payrolling and disbursing functions; and enforces policies governing the collections of debts owed to the Government.

The workload of the Division is generally related to the dollar amounts of approved programs and these have been increasing rapidly during the past several years. In addition to its primary function of disbursing and accounting for the regular budgeted program funds, including payrolling of over 7,000 employees scattered throughout the Territory, this Division has many collateral responsibilities. These include disbursement of appropriated funds for Peace Corps Micronesia; collection, disbursement and accounting for more than $5 million of local taxes and other revenues; disbursement and accounting for substantial amounts of Federal HEW and other grants; and handling several million dollars of Trust and related funds.

In FY 1974, two (2) new Micronesian positions will be added: one (1) accounting technician for Headquarters and one (1) accounts clerk for the Marianas.

Staffing:	FY 1973	FY 1974
	10 U.S. Civil Service	10 U.S. Civil Service
	4 U.S. Contract	4 U.S. Contract
	14 U.S. Total	14 U.S. Total
	153 Micronesians	155 Micronesians

The increase of $33,000 includes $30,900 for normal salary increments for ongoing positions, $18,600 for full funding for positions partially lapsed in FY 1973, and $4,400 for two added Micronesian positions. Other increases of $2,100 in travel and printing are more than offset by decreases in equipment, $7,600; other contractual services, $5,200; supplies and materials, $1,200; and an increase in anticipated reimbursements of $9,000.

f. Automatic Data Processing:

FY 1973 $303,000, FY 1974 $312,000: Increase $9,000

A total of $312,000 is required for Automatic Data Processing in FY 1974, an increase of $9,000 over FY 1973.

The Automatic Data Processing Division under the general supervision of the Director of the Finance Department, is responsible for the systems analysis and design, programming, and operations related and applied to Data Processing throughout the Trust Territory Government. The Division is divided into three sections: Systems Analysis, Programming, and Operations all reporting to the chief.

Present equipment installed is the IBM 360/Model 25 Computer with three Model 2314 disk drives attached. Present applications include: Supply Inventory System, Payroll, Utility Billings and Accounting, Public Health Birth and Death Records, Social Security Accounting, Congress of Micronesia Status Table, Accounts Payable Vouchers, Journal Voucher, Capital Item Inventory Accounting and Micronesian Income Tax Accounting. In addition, the Financial Management System under development and implementation during FY 1973 will continue during FY 1974.

The Automatic Data Processing Division places strong emphasis on training Micronesians to fill positions rather than hiring capable U.S. employees. This training is intense and planned promotions are necessary to retain these skills. One new position, Micronesian Programmer trainee, is required in FY 1974 to support additional applications. No increase in U.S. positions is anticipated in FY 1974.

Staffing:	FY 1973	FY 1974
	5 U.S. Civil Service	5 U.S. Civil Service
	2 U.S. Contract	2 U.S. Contract
	7 U.S. Total	7 U.S. Total
	20 Micronesians	21 Micronesians

The increase of $9,000 includes $9,000 for normal salary increments for ongoing positions, $4,500 for full funding of positions partially lapsed in FY 1973, and $4,200 for one additional Micronesian position. Decreases are in travel, $4,300; other contractual services, $3,000; and supplies and equipment, $1,400.

g. Procurement and Supply:

FY 1973 $907,000, FY 1974 $935,600: Increase $28,600

A total of $935,600 is required to support the Procurement and Supply Division in FY 1974, an increase of $28,600 over FY 1973.

Under the general supervision of the Director of Finance, the Procurement and Supply Division includes the office of the Division Chief at Headquarters and offices of the District Supply Officers in each of the Districts. Although the District Supply Officers are under the direct supervision of the District Administrators, they receive technical guidance and assistance from the Chief of Procurement and Supply Division.

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This Division has responsibility for planning, developing and directing the procurement and supply program of the Trust Territory Government, plus the promulgation and interpretation of policies and procedures as established by the High Commissioner's Office; development and analysis of supply systems, procedures, methods, performance, production standards and reports; management of the Trust Territory Supply Stock Fund; the procurement, requisitioning, receiving, issuing, warehousing, inventory control, supply management, packing and crating, stock surveillance, and management control of government quarters furniture; accurate accountability controls and records for all consumable supplies and minor and major capital equipment; administration of the property disposal and sale program; and administering the USDA donated food program. This Division is also responsible for the maintenance and operation of the Central Office Machine Repair Shop and for the coordination of office machine repairs outside the Territory as required.

At Headquarters the Division is organized into four operational branches: Procurement, Stock Control, Depot Operations, and Repair Parts. The Procurement Branch is responsible for the procurement of supplies, materials, and equipment. The Stock Control Branch is responsible for the establishment and maintenance of the property accountability, stock control, inventory control and supply management programs. The Depot Operations Branch is responsible for warehousing and storage activities within the Saipan depot. The Repair Parts is responsible for the daily operations involved with the acquisition, receipt, issue, identification and storage of all repair parts, including components and assemblies required in support of all vehicular, automotive, marine, and other types of heavy construction, power plants, road building, materials handling, and all equipment requiring repair part support.

One of the objectives of this Division is to furnish Management Intern training to qualified Micronesians for the purpose of replacing U.S. employees at the earliest possible date. This Division has developed its own program and training schedule that will prepare qualified Micronesians for management positions. Accomplishments to date have been the replacement of eight U.S. personnel within this Division with Micronesians who have completed this training. Through the combined efforts of the branch chiefs who are the instructors in this training, presently there are two additional Micronesians in various steps of their training who will qualify for key positions at the completion of their training period.

As the largest service organization within the Trust Territory, the objective is to furnish all possible assistance to activities and organizations in obtaining materials and supplies in the most expeditious manner and at the most economical prices.

Staffing consists of 20 U.S. and 202 Micronesians. There is no increase anticipated for FY 1974.

Staffing:	FY 1973	FY 1974
	16 U.S. Civil Service	16 U.S. Civil Service
	4 U.S. Contract	4 U.S. Contract
	20 U.S. Total	20 U.S. Total
	202 Micronesians	202 Micronesians

The increase of $28,600 includes $25,400 for normal salary increments for ongoing positions, and $14,500 for full funding of positions partially lapsed in FY 1973. Other increases of $2,700 for supplies and materials, $500 for travel, and $100

for printing are more than offset by decreases in other contractual services, $3,700, and equipment, $1,900, along with an anticipated increase in reimbursements of $9,000.

h. Personnel Department:

FY 1973 $506,000, FY 1974 $549,500: Increase $43,500

A total of $549,500 is provided to support the Personnel Department in FY 1974, an increase of $43,500 over FY 1973.

The Personnel Department under the general supervision of the Director of Personnel includes the Director's Office, the Division of Personnel Training, and the Leased Housing Fund located in Headquarters in Saipan and the offices of the District Personnel Administrators in each of the districts. The District Personnel Administrators are under the direct supervision of the District Administrators but they receive technical guidance and assistance from the Director of Personnel. This Department is responsible for the administration of a complete personnel program for all Trust Territory Government employees; it administers the Trust Territory Public Service Act for Micronesians and non-Micronesian contract employees; and develops and administers a system of employees' benefits, including leave, group life insurance, and a retirement plan. It administers the recruitment program for contract, and other expatriate employees to provide specialized skills not locally available; administers all applicable provisions of the Civil Service and contract employment system.

In FY 1974, each District Personnel Office will have on its staff a Classification Specialist who has completed an initial training period of one year. These specialists will continue to receive training on a part-time basis. In FY 1974, also, it is expected that three Personnel Training Specialists will be ready to report to their districts after a one-year training program at Headquarters. During FY 1974, three additional trainees will be recruited for Personnel Training Specialist positions for the remaining three district positions. By FY 1975, all six districts will be fully staffed by a District Personnel Officer, a District Classification Specialist, a District Training Specialist, one or two Personnel Assistants, one or two Personnel Clerks, and one or two Clerk Typists.

The Chief of the Training Division under the supervision of the Director of Personnel, is responsible for planning, developing, and administering continuous training programs geared toward developing a bonafide public service work-force.

During FY 1974, the emphasis will be on expanding the areas of trades skills, clerical skills, and first line supervisory skills. These programs will be coordinated with the refinements of the Micronesian Classification Plan and the institution of an examination and testing program required by the Trust Territory Public Service Systems Act. The long range view is development of certification standards required by Title 49 Trust Territory Code, Protection of Resident Workers Act. Without the development of trade skills through training of the Micronesians, labor importation cannot be stopped.

Training will be provided in beginning reading and oral English courses which have been developed particularly for the trades areas. Communication skills will be increased by instruction in higher level reading comprehension and written English. These courses are tailored to meet the needs of specific areas, individuals, job requirements, and employee advancement. Management training begun under the Public Service Careers training project will continue.

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Staffing:	FY 1973	FY 1974
	7 U.S. Civil Service	6 U.S. Civil Service
	5 U.S. Contract	8 U.S. Contract
	12 U.S. Total	14 U.S. Total
	55 Micronesians	58 Micronesians

The increase of $43,500 includes $19,700 for normal salary increments for ongoing positions and $17,300 for full funding of positions partially lapsed in FY 1973. Two U.S. and three Micronesian positions are added at a cost of $18,000. Increases in printing and supplies, $1,500, are more than offset by decreases in travel, $3,700, and equipment, $9,300.

i. Leased Housing Fund:

FY 1973 $100,000, FY 1974 $100,000: Increase $ - 0 -

A total of $100,000 is required for the Leased Housing Fund in FY 1974, the same level of funding as in FY 1973.

At the request of the Congress of Micronesia, the Trust Territory has discontinued construction of staff housing except in conjunction with major new facilities. However, availability of staff housing is still a severe constraint on program activity and must be provided by other means.

The Trust Territory Government currently owns 587 units of staff housing and leases an additional 62 units. Housing is furnished to expatriate employees and to Micronesians who are reassigned outside their home districts. Normal growth of Trust Territory programs together with sharply increased inter-district transfer of Micronesians who are assuming increased responsibilities are generating a heavy demand for additional houses.

For several years, the Government has had a policy of leasing private houses whenever they can be found. However, the number of locally owned houses available for leasing has been minimal. Private companies have indicated an interest in constructing houses for lease if the Government will guarantee to lease them for an extended period. The mechanism is that the government will enter into long-term commitments to lease privately owned houses, existing or to be built, with the proviso that annual payment will be subject to the availability of appropriations in future years. Execution of leases will be accomplished following construction, and payment of the annual leases will be made from this fund.

Construction has already begun on 12 additional housing units in Saipan to be leased using the original appropriation of $100,000 for this fund in FY 1973. Six contractors are now participating and interest in the program is strong. Efforts are underway to stimulate contractor interest in the five other districts.

The $100,000 requested in FY 1974 will finance continued lease of about 50 additional houses.

j. Internal Audit Office:

FY 1973 $118,000, FY 1974 $121,000: Increase $3,000

A total of $121,000 is required to support the Internal Audit Office in FY 1974, an increase of $3,000 over FY 1973.

Under the general supervision of the Office of the High Commissioner, the Internal Audit staff is responsible for the performance of comprehensive audits on all the accounts of the Trust Territory Government -- trust funds, Congress of Micronesia, Judiciary (courts), and special funds. This office is also responsible for conducting audits of the District Legislatures and municipalities throughout the Trust Territory. It performs audit of government contracts and commercial firms as provided for in agreements or by-laws. The Audit Office intends to utilize the U.S. personnel to provide full audit training for the Micronesian auditors in order to prepare them for future take-over of the operation. It is expected that the number of full audits conducted will increase by five to thirty in FY 1974.

The Audit staff for FY 1974 will remain at the same level as in FY 1973.

Staffing:	FY 1973	FY 1974
	2 U.S. Civil Service	2 U.S. Civil Service
	1 U.S. Contract	1 U.S. Contract
	3 U.S. Total	3 U.S. Total
	5 Micronesians	5 Micronesians

The increase of $3,000 includes $2,800 for normal salary increments for ongoing positions, $3,700 for full funding of positions partially lapsed in FY 1973, partially offset by reductions in supplies and equipment of $3,500.

k. Program and Budget:

FY 1973 $238,000, FY 1974 $244,000: Increase $6,000

A total of $244,000 is required for the Program and Budget Office in FY 1974, an increase of $6,000 over FY 1973.

Under the general supervision of the High Commissioner, the Program and Budget Office is responsible for long-range program planning, programming resources required in meeting goals established in the planning process, and formulating and executing the annual budget request for funds to implement approved programs. These activities form an integral part of the Planning-Programming-Budgeting System. The Office prepares annually and updates as required the Trust Territory multi-year Program and Financial Plan including all necessary supporting analyses and documentation. Also prepared are budget submissions at the various review levels including the Congress of Micronesia, Department of the Interior, Office of Management and Budget, and the U.S. Congress. Responsibility for proper and effective execution of the budget involves the apportionment, and allotment of funds systems together with financial analysis and reporting.

The Program and Budget activity as herein budgeted is for Headquarters only. The funds and staff for the Program and Budget activity in the six districts are budgeted under the activity, Office of the District Administrator.

The District offices are under the direct supervision of the District Administrators with technical guidance and assistance from Headquarters.

Staffing:	FY 1973	FY 1974
	5 U.S. Civil Service	5 U.S. Civil Service
	2 U.S. Contract	2 U.S. Contract
	7 U.S. Total	7 U.S. Total
	8 Micronesians	8 Micronesians

The increase of $6,000 includes $11,300 for normal salary increments for ongoing positions, and $6,700 for full funding of positions partially lapsed in FY 1973, partially offset by decreases in travel, $3,900; other contractual services, $4,300; and equipment, $3,800.

l. Personnel Benefits:

FY 1973 $263,000, FY 1974 $280,000: Increase $17,000

A total of $280,000 is required for Personnel Benefits in FY 1974, an increase of $17,000 over FY 1973.

Personnel Benefits includes funds for retirement payments for Micronesians who retired under Social Security with more than five years service, death benefits for Micronesian employees, workmen's compensation insurance, and education allowances for eligible dependents of U.S. employees.

Social Security payments will continue to increase for at least thirty years. A consultant on social security has projected the increase in claims from $22,000 in 1972 to $289,000 in the year 2000. Death benefits will increase as higher salaries are paid and older Micronesians die. Workmen's compensation insurance is computed as a percentage of payroll and will fluctuate with total payroll.

m. Disaster Control Office:

FY 1973 $32,000, FY 1974 $53,000: Increase $21,000

A total of $53,000 is required in FY 1974 for the Disaster Control Office, an increase of $21,000 over FY 1973.

Under the general supervision of the High Commissioner, the Disaster Control Office has the responsibility for establishing and implementing a Trust Territory plan for disaster control. Implementation of the plan involves a continuous program of upgrading the program for preparedness against disasters and for orienting and educating both Headquarters and District Administrators' staffs.

Several times each year the Trust Territory experiences typhoon threats or typhoon damage. While district centers can suffer extensive property damage, outer islands usually lose all native houses and local food. High winds destroy breadfruit trees and coconut palms while the accompanying wave action inundates taro and tapioca gardens with salt water. Such damage takes six to nine months to overcome.

The Disaster Control Office keeps in constant contact with the Navy's Fleet Weather Central to disseminate early typhoon warnings, coordinates military and Red Cross efforts in locating damaged areas and moving in emergency food and shelter, and works with the Office of Emergency Preparedness in rehabilitation after major disasters.

No new positions are added in FY 1974.

Staffing:	FY 1973	FY 1974
	1 U.S. Civil Service	1 U.S. Civil Service
	2 U.S. Contract	2 U.S. Contract
	3 U.S. Total	3 U.S. Total
	2 Micronesians	2 Micronesians

The increase of $21,000 consists of $800 for normal salary increments for ongoing positions, $8,500 for full funding of positions partially lapsed in FY 1973, $5,100 for travel, $3,000 for printing, $2,200 for supplies and materials, and $1,400 for other contractual services.

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7. Transportation and Communications: FY 1973 $3,158,000, FY 1974 $3,246,700: Increase $88,700. The increase consists of:

	Increase (+) or Decrease (-) Amount	Positions	Total Program	Total Positions	Explanation
(1)	$+35,400	...	...	...	Normal salary increments for 34 U.S. and 175 Micronesian ongoing positions.
(2)	+8,100	...	...	...	Full funding of positions partially lapsed in FY 1973.
(3)	+50,000	...	$1,530,000	...	Minor increase in Operation and Maintenance of ships.
(4)	+8,900	...	1,276,700	23 U.S. 144 Micro	Increased cost of land leases and and electronic supplies partially offset by decreases in other object classes.
(5)	-13,700	+3 Micro	...	11 U.S. 34 Micro	Strengthened staff in Transportation Office more than offset by decreases in support services in Transportation Office and Office of Director.
	$+88,700	+3 Micro	$3,246,700	34 U.S. 178 Micro	

Cost Factors Involved in Increases

(1) Normal salary increments for ongoing staff of 34 U.S., $9,100; and 175 Micronesians, $26,300.

(2) Full funding for positions partially lapsed in FY 1973: U.S., $6,600; Micronesian, $1,500.

(3) Increased support of Sea Transportation system, $50,000.

(4) Land lease payments due and payable in FY 1974, $20,000; normal price increases for electronic components plus additional supplies, $6,700. These increases are partially offset by the reduction of equipment, $6,000; travel, $1,800; and an increase in revenue of $10,000.

(5) The cost of three new Micronesian positions, $10,800, is more than offset by reductions in other contractual services, $9,000; equipment, $7,100; and other object classes, $1,400; while revenues increase by $7,000 (with consequent decrease in appropriation required).

Need for Increase:

(1) Normal salary increases for 34 U.S. and 175 Micronesian ongoing positions, $35,400: Normal within grade increases must be awarded except in the case of unsatisfactory performance. The Micronesian staff is a young staff and the pattern of an older staff higher in grade and in increments retiring and

being replaced by youth in lower grade and beginning increments will not be evident for some years to come. An increase of $35,400 is requested to meet these increased pay costs.

(2) Full funding for positions partially lapsed in FY 1973, $8,100: Positions for which recruitment was delayed in FY 1973 will require full funding in FY 1974. The amount of $8,100 is requested to fully fund these positions.

(3) Minor increase in Operation and Maintenance of ships, $50,000: To insure the continued and successful operation of the Sea Transportation program, an increase of $50,000 is requested. In FY 1974, one ship, the Kaselehlia, will be dropped from the fleet and the first of the new ships will be in operation.

(4) Increased costs in Communications partially offset by increased revenues, $8,900: Land lease payments in the amount of $20,000 for various communications sites will be payable in FY 1974. Normal price increases for electronic components plus the need for additional supplies due to facility expansion will require an increase of $6,700. These increases are partially offset by a reduction in equipment purchases of $6,000, and travel, $1,800, and an increase in revenues of $10,000 (with consequent decrease in appropriation requirement).

(5) Strengthened staff in the Transportation Office more than offset by decreases in support services, $-13,700: Three Micronesian positions are added to the staff of the Transportation Office at a cost of $10,800. They are a Transportation Division Representative for Ponape, and a Ship Accounts Coordinator, and a Daily Operations Controller for Headquarters. Offsetting reductions are in other contractual services, $9,000; equipment, $7,100; and other object classes, $1,400; while revenues increase $7,000 (with consequent decrease in appropriation required).

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Activity	FY 1973 Estimate	FY 1974 Estimate	Increase + Decrease -
7. Transportation and Communications:			
a. Office of the Director	$ 69,000	$ 59,000	$-10,000
b. Transportation Office	366,000	381,000	+15,000
c. Sea Transportation	1,480,000	1,530,000	+50,000
d. Communications	1,243,000	1,276,700	+33,700
Total	$3,158,000	$3,246,700	$+88,700

The geographical distribution and the isolation of these islands make transportation and communications a vital support service to accomplishing any of the political, social, educational and economic objectives of the Trust Territory.

The Congress of Micronesia has stated the importance of this program. Also the people of Micronesia, through their District Legislatures and Municipal Councils, have expressed their desire to have this program accelerated.

a. Office of the Director:

FY 1973 $69,000, FY 1974 $59,000: Decrease $-10,000

A total of $59,000 is required to support the functions of the Office of the Director of Transportation and Communications in FY 1974, a decrease of $10,000 from FY 1973.

The Office of the Director of Transportation and Communications is responsible for the overall administration and coordination of the total transportation and communications system in the Trust Territory.

The Director of Transportation and Communications is directly responsible to the High Commissioner for the planning, development, administration of the systems, and for furnishing expert advice concerning transportation and communications activities Trust Territory-wide.

The staff of the Director's office consists of two U.S. and one Micronesian. There is no staff increase anticipated in FY 1974.

Staffing:	FY 1973	FY 1974
	1 U.S. Civil Service	1 U.S. Civil Service
	1 U.S. Contract	1 U.S. Contract
	2 U.S. Total	2 U.S. Total
	1 Micronesian	1 Micronesian

The Office of the Director of Transportation and Communications decreases $10,000 in FY 1974. The increase of $800 for normal within grade increments, and $200 for supplies and materials are more than offset by decreases in travel, $800; other contractual services, $6,000; and equipment, $4,200.

b. Transportation Office:

FY 1973 $366,000, FY 1974 $381,000: Increase $15,000

A total of $381,000 is required for the Transportation Office in FY 1974, an increase of $15,000 over FY 1973.

Under the general supervision of the Director of Transportation and Communications, the Chief of the Transportation Division is responsible for: the formulation of programs relating to air, land and sea transportation activities; the planning, programming and budgeting of all road systems, warehouses, harbors, airports and ship capital improvements; the inspection and provision of navigational aids and markers; the provision of marine inspection and licensing procedures; and the development of tariff schedules, routes and rates.

The Transportation Division compiles and maintains statistical data on transportation activities. In addition, this Office is administratively responsible for the operation of the interisland ships as well as for providing general supervision of the operations of other Government-owned interisland ships that are currently operated by private shipping firms.

The published Transportation Division objectives of: lowest cost transport service, regular transport-mode schedules, maximum Micronesian employment and maximum contribution to Trust Territory economic development will be most effectively attained through a program which analyzes all transport alternatives, selects equipment and facilities to operate the most cost effective service, negotiates appropriate contracts with suppliers, common carriers and construction contractors, supervises the performance of contracts, trains Micronesians for shore-side, sea-going and aviation-related positions, documents the periodic progress toward specific goals and utilizes the advice and consulting expertise that are available through United States Government agencies such as the Federal Maritime Commission, the U.S. Maritime Administration, the Bureau of Public Roads, the Army Corps of Engineers, Naval Facilities Engineering Command and the Federal Aviation Administration.

The educational and training programs (planned to supply skilled officers and men for the ships and to provide and train capable management personnel for related ship activities) will be continued in FY 1974 in close cooperation with the Education Department, several U.S. Government agencies and numerous maritime training agencies. It is anticipated that 33 employees within the transportation system will participate in training programs in FY 1974. The completion of training of some Micronesians will result in their gradual assumption of administrative duties which is planned to eventually phase out the U.S. personnel.

The management and installation of interchangeable parts for the ships, to be stockpiled at a selected in-territory ship repair center for use in the quick repair of disabled machinery on the present and new vessels, will be continued during FY 1974. This program is expected to decrease the down-time of our aged vessels and provide for maximum utilization, resulting in more regular and efficient service to the District Centers and outer islands.

The program to develop effective rules and regulations for all Trust Territory airports should be completed by FY 1974. Careful coordination with appropriate federal agencies is expected to ensure that the airport improvement program is moving well into the construction phase at Truk, Saipan, Yap and Palau.

The first of the new class of multi-purpose interisland ships is expected to be introduced into regular service during early FY 1974.

The three new Micronesian positions to be added in FY 1974 include one District Transportation Representative in Ponape, one Ship Accounts Coordinator (to provide needed assistance in interisland ship operations cost accounting) and one Daily Operations Controller (to provide day-to-day surveillance over the movement of all aircraft and vessels throughout the Trust Territory).

Staffing:	FY 1973	FY 1974
	5 U.S. Civil Service	5 U.S. Civil Service
	4 U.S. Contract	4 U.S. Contract
	9 U.S. Total	9 U.S. Total
	30 Micronesians	33 Micronesians

The increase of $15,000 includes $11,300 for normal within grade increments for both U.S. and Micronesian ongoing staff; $6,600 for full funding of positions partially lapsed in FY 1973; $10,800 for three new Micronesian positions. These increases are partially offset by reduced requirements in other contractual services, $3,100; and supplies and equipment, $10,600.

c. Sea Transportation:

FY 1973 $1,480,000, FY 1974 $1,530,000: Increase $50,000

A total of $1,530,000 is required for Sea Transportation in FY 1974, an increase of $50,000 over FY 1973.

Sea Transportation provides an extremely vital component for the development of an evenly balanced economy in the Trust Territory. Only by the use of regularly scheduled ships can each district grow, prosper and maintain properly balanced population centers. The development of a viable economy in the outer islands is necessary to prevent an increase in the present trend of migration to the district centers. The Trust Territory interisland fleet delivers needed supplies,medical and educational personnel and government equipment, and picks up exports (fish, agricultural products, copra, etc.) when the outer islands are able to develop these products as a result of the certainty of a regular ship's service. It is expected that 16,000 passengers and 60,000 revenue tons will be carried between district centers and the outer islands in FY 1974, an increase of 2,000 people and 5,000 tons over the previous year. In the present plans for Trust Territory growth, this increase can only be met by a Trust Territory interisland fleet of sufficient size and in such good mechanical repair that it can maintain a regular schedule between the district centers and the outer islands.

Sea Transportation service within the Trust Territory is complemented by transpacific shipping which is operated by a contractor, TransPacific Lines, Inc., (ex-MILI) that is working under a 10-year contract initiated on September 1, 1968. The contract calls for scheduled direct linkage with the United States west coast ports as well as direct calls at Japanese and other far eastern ports. The contract also requires the progressive development of a Micronesian-owned, operated and staffed company by the end of the 10-year period. The company has developed significant business in the transpacific movement of third country cargo and is programmed to be a major contributor to the acceleration of Trust Territory economic self-sufficiency.

Interisland shipping is planned to be accomplished in FY 1974 through a government-owned fleet of eleven (11) ships, a station vessel, an ocean tug, a harbor tug and several non-powered barges. Three (3) of these ships will be operated regularly

within specific districts through charter agents who are guaranteed enough revenue to compensate for differences in operating cost and commercial revenue. Eight (8) ships will be operated at various locations throughout the Territory for purposes of coordinated district services and specific support missions. These ships will be operated either by regional agents or directly by the Transportation Division. Some ships may be operated rather consistently in a single district.

In FY 1974, the first of our planned fleet of new ships will be in operation. This ship will be about 1,600 tons, 225 feet long, and will travel at 17 knots with a crew of 14 or 15, as opposed to our present ships which travel at closer to 10 knots with a crew of 25 or 26. It will have both dry cargo and container capability. It will be equipped with a deck crane capable of loading and unloading loaded lighters. It is designed specifically for use in the Trust Territory where many islands and atolls have no docking facilities.

The increase of $50,000 will provide for normal wage increments for the ships' crews and cover increased costs of operation and maintenance of ships.

d. Communications:

FY 1973 $1,243,000, FY 1974 $1,276,700: Increase $33,700

A total of $1,276,700 is required for Communications in FY 1974, an increase of $33,700 over FY 1973.

The lifeline of administration is communications. The geographical isolation of the Trust Territory and its widely scattered islands requires a communications system that serves the needs of all: private, commercial and government.

Under the general supervision of the Director of Transportation and Communications, the Chief of the Communications Division is responsible for the planning, engineering, operations and maintenance of the complete communications service in the Trust Territory. In order to adequately meet these needs, major communications facilities are located in each of the district centers: Majuro, Marshall Islands; Ponape, Eastern Caroline Islands; Truk, Eastern Caroline Islands; Yap, Western Caroline Islands; Koror, Palau, Western Caroline Islands; and a major international communications complex on Saipan which links the Trust Territory to all parts of the world.

These facilities form a closely integrated network that provides quality voice and data service into and through the Major Relay Control Center on Saipan that interfaces with commercial and other governmental systems worldwide. In addition, each facility is capable of communicating with aircraft, shipping and outer islands of the Trust Territory. All maintain a continuous radio guard on a number of frequencies, including international distress. Non Directional Radio Beacons are provided for navigational guidance to all ships and aircraft transiting the area. The Trust Territory is a part of the National Communications System (NCS).

An important responsibility of the Communications Division is the secondary system for providing communications between outer islands and district centers. Complete radio stations with full backup systems are installed on all major islands and remote municipalities. These small radio stations (SSB and VHF) serve as the only immediate link to the outside world for the remote areas where lengthy communication outages can endanger the lives of the people as medical

emergencies, epidemics, natural disasters, food and water shortages can and do occur. The outer islands communications network involves over 250 stations serving approximately forty thousand people.

The primary goal of the Communications Division is to provide a quality, dependable, modern communications service that is readily available to all people in Micronesia and to provide radio navigational aids that meet all FAA standards.

With the completion of the Palau facility scheduled for July 1973, all facilities will be fully operational with a reliable system that interfaces with commercial and other governmental systems. Telephone and telegraphic services will assure all users instant communications within the Trust Territory and to points beyond.

Increased aviation requirements will see introduction of more sophisticated navigational and landing aids for airports. Increased demands for additional services by both governmental and commercial interests will result in expansion and upgrading of present systems. Accelerated local training programs will be augmented by increased travel to manufacturers' schools and to other governmental agencies for specialized training. Approximately fifteen employees will participate in this program each fiscal year.

Present and projected staffing levels for the Communications Division are as follows:

Staffing:	FY 1973	FY 1974
	17 U.S. Civil Service	17 U.S. Civil Service
	6 U.S. Contract	6 U.S. Contract
	23 U.S. Total	23 U.S. Total
	144 Micronesians	144 Micronesians

The $33,700 increase includes $23,300 for normal within grade increments for ongoing U.S. and Micronesian staff; $1,500 for full funding of positions partially lapsed in FY 1973; $20,000 for additional land lease payments due in FY 1974; and $6,700 for materials and supplies. These increases are partially offset by decreases in travel, $1,600; equipment, $6,200; and an increase in revenues of $10,000 (with consequent decrease in appropriation requirement).

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8. Public Works: FY 1973 $7,838,000, FY 1974 $8,025,000: Increase $187,000. The increase consists of:

Increase (+) or Decrease (-) Amount	Positions	Total Program	Total Positions	Explanation
(1) $+205,800	...	...	...	Normal salary increments for 82 U.S. and 1,358 Micronesian ongoing positions.
(2) +56,500	...	...	...	Full funding of positions partially lapsed in FY 1973.
(3) +218,800	-2 U.S. +31 Micro	...	...	Increase in staffing and increased funding for supporting POL, spare parts and other materials for Operations and Maintenance of new or expanded facilities.
(4) -294,100	...	...	...	Utility collections anticipated to increase with consequent decrease in appropriation requirement.
$+187,000	-2 U.S. +31 Micro	$8,025,000	82 U.S. 1,389 Micro	

Cost Factors Involved in Increases

(1) Normal salary increments for ongoing staff of 82 U.S., $18,600; and 1,358 Micronesians, $187,200.

(2) Full funding for positions partially lapsed in FY 1973: U.S., $34,700; Micronesian, $21,800.

(3) Thirty-one new Micronesian positions, $67,000. Eliminate two U.S. positions, $32,700, reduce WAE labor, $30,000. Increases in freight, $5,500; rent, communications, and utilities, $3,100; and supplies and materials, $278,800, partially offset by reductions in travel, $21,500; other contractual services, $3,900; equipment, $51,900, and decrease in anticipated revenues, $4,400 (latter results in increased appropriation requirement).

(4) Increased utility collections with consequent decrease in appropriation requirement.

Need for Increase:

(1) Normal salary increments for 82 U.S. and 1,358 Micronesian ongoing staff, $205,800: Normal within grade promotions must be awarded except in cases of unsatisfactory performance. The Micronesian staff is a young staff and the pattern of an older staff higher in grade and in increments retiring and being replaced by youth in lower grade and beginning increments will not be evident for some years to come. An increase of $205,800 ($18,600 for U.S.; $187,200 for Micronesians) is requested to meet these increased pay costs.

(2) Full funding of positions partially lapsed in FY 1973, $56,500: Positions in FY 1973 were partially lapsed due to planned recruitment delays. An increase of $56,500 is requested to meet the full funding of these positions in FY 1974.

(3) Increase in staffing and increased funding for supporting POL, spare parts, and other materials for Operations and Maintenance of new or expanded facilities, $218,800: The drop of two U.S. positions is more than offset by the need for 31 new Micronesian positions. Twenty-one new positions are needed in the Public Works Utilities program to operate and maintain new facilities in Palau, Truk, and Ponape districts. Ten new positions are needed in the Public Works Operations and Maintenance program to operate and maintain new and expanded government facilities on Saipan and Ebeye. A net increase of $34,300 is requested for new positions costs. Additionally, an increase of $184,500 is requested for supporting POL, spare parts, equipment, and other materials of work needed to operate and maintain new and existing government facilities.

(4) Utility collections anticipated to increase with consequent decrease in appropriation requirement, $-294,100: It is estimated that in FY 1974, utility collections from business and private users will increase by $294,100 as more water, power and telephones are extended to consumers. $237,000 of the increase is forecast for Saipan. The balance is forecast to come from the other five districts.

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Activity	FY 1973 Estimate	FY 1974 Estimate	Increase + Decrease -
8. Public Works:			
a. Engineering and Administration	$ 614,000	$ 621,000	$ +7,000
b. Operations and Maintenance	4,322,000	4,560,300	+238,300
c. Utilities	2,902,000	2,843,700	-58,300
Total	$7,838,000	$8,025,000	$+187,000

The Department of Public Works, headed by the Director of Public Works, is responsible for the planning, implementation and administration of the Capital Improvement Program of the Trust Territory Government and the operation and maintenance of all government-owned facilities in the six districts.

The administration of the above programs is carried out by personnel specialized in all engineering disciplines, i.e., architectural, structural, mechanical, civil, electrical and sanitary, with required draftsmen, surveyors, technicians, estimators and specification writers, etc.

a. Engineering and Administration:

FY 1973 $614,000, FY 1974 $621,000: Increase $7,000

A total of $621,000 is required to support the Public Works Engineering and Administration in FY 1974, an increase of $7,000 over FY 1973.

Headquarters Public Works Engineering and Administration is made up of two sections which are under the general supervision of the Director of Public Works: the Office of the Director of Public Works (Administration) and the Office of the Chief of Operations and Maintenance.

The Director's Office is responsible for the general overall administration of the Department of Public Works, Trust Territory-wide, including direct administration of the Headquarters department, budget and fiscal management, planning, programming, and personnel administration. It also assists in the negotiation and awarding of local contracts as well as outside contracts, provides support with respect to general advice, etc.

The Chief of Operations and Maintenance is responsible in each of the areas of operations and maintenance, such as facilities maintenance, utilities, refrigeration and air-conditioning, ports, roads, airports, and transportation. His office furnishes technical advice and support to the districts.

Staffing:	FY 1973	FY 1974
	4 U.S. Civil Service	4 U.S. Civil Service
	19 U.S. Contract	19 U.S. Contract
	23 U.S. Total	23 U.S. Total
	21 Micronesians	21 Micronesians

The increase of $7,000 includes an increase of $11,400 for normal salary increments for ongoing positions, and $10,000 for full funding of positions partially lapsed in FY 1973, partially offset by decreases in travel of $5,000; other contractual services, $9,200; and equipment, $200.

b. Operations and Maintenance:

FY 1973 $4,322,000, FY 1974 $4,560,300: Increase $238,300

A total of $4,560,300 is required for Public Works Operations and Maintenance in FY 1974, an increase of $238,300 over FY 1973.

Under this activity is included the maintenance and operation of government-owned buildings and facilities within the six districts of the Trust Territory. These buildings and facilities consist of schools, quarters, hospitals, office buildings, warehouses and garages; maintenance of roads, streets, airfields, docks and port facilities; maintenance and operation of refrigeration plants and air-conditioning systems; repair and maintenance of automotive and heavy equipment and the operation and maintenance of boat transportation services. Services to private contractors and the general public are provided on a reimbursable basis when such services are not available through private sources.

Increase in facilities and equipment will require a few personnel and an increase in the supplies and materials of work to insure proper care and continuing uninterrupted service.

Emphasis continues on upgrading the skills of the Micronesians to assume the responsibilities of operating and maintaining facilities and equipment. This is being accomplished through a concentrated effort in training in the various skills and crafts both in the Trust Territory and at trade schools in the United States, particularly in Hawaii. The Public Works air conditioning and refrigeration training school started in FY 1971 and is being continued with excellent results on Saipan. Trainees from all districts are taking advantage of the opportunity to increase their skills in this important trade. This effort must be expanded to include other crafts and skills in order to realize the goal of having Micronesians assume responsibility for these facilities.

In FY 1974, ten Micronesians will be added in this activity. The new Micronesians will be trained in the various skills and crafts to operate and maintain the new facilities which are now under construction in various districts. The district distribution of the new Micronesian position is as follows: Marianas, one and Marshalls, nine.

Staffing:	FY 1973	FY 1974
	13 U.S. Civil Service	13 U.S. Civil Service
	31 U.S. Contract	30 U.S. Contract
	44 U.S. Total	43 U.S. Total
	918 Micronesians	928 Micronesians

The increase of $238,300 includes increases of $137,700 for normal salary increments for ongoing positions, $24,300 for full funding for positions partially lapsed in FY 1973, and $23,300 for ten new Micronesian positions. Reductions in personal services are $13,700 for dropping one U.S. position, and a $30,000 reduction in WAE labor. Increases of $147,500 in supplies and materials, $5,100 in other contractual services, $3,500 for freight, and $2,400 for rent,

communications, and utilities are partially offset by decreases in equipment, $50,000; travel, $16,200; and in anticipated revenues, $4,400 (the latter results in an increased appropriation requirement).

c. Utilities:

FY 1973 $2,902,000, FY 1974 $2,843,700: Decrease $58,300

A total of $2,843,700 is required for Public Works Utilities in FY 1974, a decrease of $58,300 from FY 1973.

Under this activity, the Trust Territory Government provides utility services not only for government buildings and facilities but also for commercial establishments, churches, parochial schools and private residences within the reach of the utility installation. The extent of these services varies in the different districts, depending upon the size of the utility installed. With the exception of Saipan, the utility service generally is limited to an area within two or three miles of the district or sub-district center. With FY 1970 thru 1973 funding, power and water are being provided to some of the outer islands. Telephone and sewer, however, are provided only in the district centers.

Modern utility systems currently under construction with FY 1970 and 1971 funding will be completed and operational in FY 1974. These include power expansion in all districts, with power plant installations at outer island locations of Laura and Jaluit in the Marshall Islands; Tol and Dublon in the Truk Lagoon; Peleliu, Angaur, and Ngiwal in Palau; and Ulithi in Yap District. Also, adequate water and sewer systems are being constructed in all the district centers, several of which will be in operation prior to FY 1974. The Saipan Water project, phases I and II, is completed and operational. The third phase, which includes replacement of deteriorated and undersized pipelines throughout all the villages of Saipan, will be constructed in FY 1973. New telephone systems are in operation in Koror, Yap, and Saipan. New systems for Truk, Ponape, and Majuro are still under construction and are scheduled to be completed in FY 1974. All of these additional utility systems require additional supplies,parts and materials, and personnel to keep in continued operation.

In FY 1974, it is expected that 6,890 additional people in the district centers will be able to receive water from a central water system; 1,050 will be able to tie in into sewerage systems; 7,300 will be able to have electricity in their homes for the first time; and 855 will be able to subscribe to the automatic dial telephone service.

The following table lists the utility systems that will be in operation in the six districts during FY 1974:

System Description	Size or No.
Power Generation - Capacity	33,700 KW
- Produced	99,000,000 KWH
Power Distribution	244 Miles
Wells	28 Each
Pumping Stations	28 Each
Storm Sewers	25 Miles
Water Lines	175 Miles
Sanitary Sewers	50 Miles
Water Treatment Plants	6 Locations
Sewage Treatment Plants	5 Locations
Telephone Systems	6 Locations
Telephone Lines	65 Miles

Trust Territory of the Pacific Islands

Staffing:	FY 1973	FY 1974
	2 U.S. Civil Service	1 U.S. Civil Service
	15 U.S. Contract	15 U.S. Contract
	17 U.S. Total	16 U.S. Total
	419 Micronesians	440 Micronesians

The decrease of $58,300 consists of increases of $56,700 for normal salary increments for ongoing positions, $22,200 for full funding for positions partially lapsed in FY 1973, $43,700 for twenty-one new Micronesian positions, $131,300 for supplies and materials, and $2,300 for other services, more than offset by decreases of $19,000 for eliminating one U.S. position, $1,400 for other object classes and an increase of $294,100 in anticipated revenues (the latter results in a consequent decrease in the appropriation requirement).

Trust Territory of the Pacific Islands

B. CAPITAL IMPROVEMENT PROGRAM

	Type of Improvement	FY 1973 Current Program	FY 1974 Estimate	Increase + Decrease -
1.	Public Affairs Facilities	$ 89,837	$ - 0 -	$ -89,837
2.	Legal Affairs Facilities	71,132	- 0 -	-71,132
3.	Judiciary Facilities	33,722	- 0 -	-33,722
4.	Education Facilities	7,542,419	1,497,000	-6,045,419
5.	Public Health Facilities	2,981,212	4,650,000	+1,668,788
6.	Transportation and Communications Facilities	8,824,430	50,000	-8,774,430
7.	Resources and Development Facilities	314,887	40,000	-274,887
8.	Community Development Facilities	1,355,217	1,050,000	-305,217
9.	Water, Sewerage and Power Facilities	7,131,677 1/	790,000	-6,341,677
10.	Maintenance and Rehabilitation Facilities	392,372	100,000	-292,372
11.	General Support Facilities	528,323	47,000	-481,323
	TOTAL	$29,265,228	$ 8,224,000	$-21,041,228

	Type of Improvement	FY 1973 Appropriation	Unobligated Balance	FY 1973 Current Program
1.	Public Affairs Facilities	$ - 0 -	$ 89,837	$ 89,837
2.	Legal Affairs Facilities	- 0 -	71,132	71,132
3.	Judiciary Facilities	- 0 -	33,722	33,722
4.	Education Facilities	3,360,000	4,182,419	7,542,419
5.	Public Health Facilities	2,390,000	591,212	2,981,212
6.	Transportation and Communications Facilities	4,019,000	4,805,430	8,824,430
7.	Resources and Development Facilities	- 0 -	314,887	314,887
8.	Community Development Facilities	1,276,000	79,217	1,355,217
9.	Water, Sewerage and Power Facilities	4,798,000	2,333,677	7,131,677
10.	Maintenance and Rehabilitation Facilities	392,000	372	302,372
11.	General Support Facilities	100,000	428,323	528,323
	TOTAL	$16,335,000	$12,930,228	$29,265,228

1/ Includes approved emergency reprogramming of $810 thousand by the Secretary of the Interior from various water, sewer and power projects to cover the additional cost in restoring power in Saipan, Mariana after the power plant was destroyed by fire in August 1972.

Trust Territory of the Pacific Islands

1. Public Affairs Facilities - $ - 0 -

No funds are requested in FY 1974 for Public Affairs Facilities.

2. Legal Affairs Facilities - $ - 0 -

No funds are requested in FY 1974 for Legal Affairs Facilities.

3. Judiciary Facilities - $ - 0 -

No funds are requested in FY 1974 for Judiciary Facilities.

4. Education Facilities - $1,497,000

Funds requested in FY 1974 will be used for:

a.	Elementary, Truk	$ 80,000
b.	Secondary, Marshalls	850,000
c.	Secondary, Truk	457,000
d.	Secondary, Yap	10,000
e.	Community College of Micronesia	100,000
	Total	$1,497,000

a. Elementary, Truk - $80,000

Funds requested in FY 1974 will be used to build three concrete block classrooms to replace one wooden and two thatch roof structures now being used as classrooms for the 72 children of Pulusuk Island.

A 10,000 gallon water tank and latrines are also includes in the $71,000 project.

The remaining funds, $9,000, will be used to improve four classrooms on Puluwat. Partitions will be installed between the rooms, and a water tank and latrines will be built. Puluwat has an elementary enrollment of 133 students.

b. Secondary, Marshalls - $850,000

A construction contract for Phase I of a new high school on Jaluit Atoll has been let and, when completed, it will provide dormitory and classroom space for about 200 students. Additional funding of $850,000 is being sought in FY 1974 to continue construction at the site.

The FY 1974 request will provide seven additional classrooms, a second 128-bed dormitory, vocational education facilities, and additional site work and utilities installation at the campus. Also included is a minimal sum for collateral equipment for all facilities funded through FY 1974. When this second phase of construction is completed, the campus will be able to accommodate about 350 students.

Additional funding will be sought in future years for two more dormitories, a library, an administration building, and additional vocational education facilities. The completed 600 student complex will relieve the pressure on the District's other high school on Majuro by allowing students to get an education without crowding into the district center.

c. Secondary, Truk - $457,000

Funds requested in FY 1974 will allow the continued development of a district-wide secondary education system. The plan calls for a senior high school, the Truk High School, to operate on Moen for grades 11 and 12 and five junior high schools through the District to handle grades 9 and 10. This greatly reduces the total need for dormitory space by allowing junior high school students to attend school at or near their home islands.

Additional funding for the senior high school was made available through the Office of Emergency Preparedness as a result of Typhoon Amy which damaged Truk on May 1, 1971. A combination of OEP funds and the FY 1972 regular appropriation will be sufficient for construction of 24 classrooms and a gymnasium plus the renovation of the cafetorium. It is proposed to use $194,000 of FY 1974 funds to build six additional classrooms of the same two-story design as those now under construction. A sum of $75,000 is being sought to convert ten one-story classrooms which survived the typhoon into dormitory space for 260 students. This will increase total dormitory beds to about 900, an amount consistent with a total enrollment of 1,200 to 1,400 in FY 1976.

The Mortlocks High School is situated on Satawan, about 170 miles from the district center. The existing facilities include six metal classrooms plus classrooms and dormitories with thatch roofs. Most of these facilities will be replaced with Trust Territory and Congress of Micronesia funding through FY 1973. The FY 1974 request for $94,000 will provide four additional classrooms of concrete block design and will allow enrollment to increase from a current 225 to 325 by 1976.

The Weipat High School is another of the satellite junior high schools. It is situated on the island of Ulul about 170 miles northwest of Moen. Funds of $94,000 are being requested in FY 1974 for four additional concrete block classrooms for a total of 10 teaching stations at the site and an enrollment of about 250 students.

d. Secondary, Yap - $10,000

The Outer Islands High School is located on Ulithi Atoll, about 100 miles northeast of the district center. Funds of $10,000 are being sought in FY 1974 for purchase of collateral equipment for the school cafetorium.

e. Community College of Micronesia - $100,000

The 1974 request will be used to build a 36-bed dormitory at the existing campus of the Community College. This expansion of boarding facilities will permit enrollment to grow to 160 full-time students.

A student body of this size will allow the curriculum to be broadened to include liberal arts courses and some community identified programs such as basic business management. These steps are necessary for Community College of Micronesia to maintain its correspondence status granted by the accreditation agency. Accreditation gives students the option to transfer credits and continue their education at a four-year institution.

5. Public Health Facilities - $4,650,000

Funds requested in FY 1974 will be used for:

a. Ponape Referral Hospital	$4,500,000
b. Yap Hospital	150,000
Total	$4,650,000

a. Ponape Teaching and Referral Hospital - $4,500,000

Construction of the Ponape Teaching and Referral Hospital will begin in FY 1974. The total cost of the hospital is an estimated $4,850,000, $350,000 of which will be used in FY 1973 to complete architectural and engineering designs. (A sum of $2,350,000 was appropriated in FY 1973 for design and Phase I of the construction. The funds for design are being retained but a reprogramming of $2,000,000 of FY 1973 construction money to other facilities is currently being requested.)

The 116-bed facility, basically a district hospital to serve the needs of the people of Ponape, will also be a center for teaching and upgrading the skills of physicians, nurses, technicians, and health aides. Currently, the Trust Territory suffers a temporary loss of scarce medical skills when medical personnel are sent abroad for training. The Ponape Hospital coupled with the Truk Hospital will be sufficient to carry on an extensive training program so that medical personnel from all districts can be sent on a rotational basis without having to leave the Trust Territory. The Ponape Hospital will provide additional facilities, e.g., orthopedic, urology and physical therapy services, so that the two hospitals will complement one another in an integrated referral/teaching complex for Micronesia.

Preliminary design concepts suggest that a two-story structure of about 57,000 square feet is needed.

The funds requested in FY 1974 will be sufficient to finance the construction of the hospital and purchase and install collateral equipment. The facility is expected to be in operation late in FY 1976.

b. Yap District Hospital Design - $150,000

The dilapidated 42-bed facility now in use as the Yap Hospital does not lend itself to renovation or expansion. Encroachment on all sides has caused severe space limitations. The Public Health Clinic, for example, has to carry out its responsibilities for communicable disease control, maternal and child care, school health, and give physical examinations and immunizations, all within a space of 12 by 10 feet. The delivery room measures only 8 by 10 feet.

The FY 1974 funds will be used for architectural and engineering designs for the new hospital. (Actually the design work can be started during FY 1973 if final site selection can be made. In that case, the FY 1974 funds will be used to reimburse the A & E Revolving Fund.) The new hospital will have 45 to 50 beds and is expected to cost in the range $1.5 to $2 million, depending on the outcome of the design work. Construction funds will be requested in future years.

6. Transportation and Communications Facilities - $50,000

Funds requested in FY 1974 will be used for:

a. Roads, Truk	$50,000
Total	$50,000

a. Roads, Truk - $50,000

The paving of roads is especially critical in district centers where heavy traffic flows churn unpaved roads into coral dust or mud, both very damaging to vehicles. However, paving must await the completion of the extensive excavation required to install the major water and sewer lines.

Moen, the district center of Truk, should be in a position to start preparing roads for final paving in FY 1974 when utilities excavation will be complete along some road segments. The request for $50,000 should upgrade two miles of the most heavily travelled roads. Extensive road paving funds will be requested in future years to complete most of the road system on Moen.

7. Resources and Development Facilities - $40,000

Funds requested in FY 1974 will be used for:

a. Marine Resources, Truk	$40,000
Total	$40,000

a. Marine Resources, Truk - $40,000

These funds will be used to purchase a boat of 36 to 40 feet for fishing operations within the Truk lagoon. The boat will be equipped with modern electronic gear and a variety of nets and gear for inshore and offshore fishing. The boat will have a full-time captain and engine room operator but the fishing will be done by men from the outer islands of the lagoon. Proceeds from the catch will provide the villages with income as well as defray operating expenses.

8. Community Development Facilities - $1,050,000

Funds requested in FY 1974 will be used for:

a. Bikini Rehabilitation Program	$ 330,000
b. Civic Action Teams	720,000
Total	$1,050,000

a. Bikini Rehabilitation Program - $330,000

Funds approved through FY 1973 for the restoration of Bikini Atoll will be sufficient to complete 52 housing units and their outbuildings. This is a somewhat less ambitious schedule than originally planned. The task of staging men and equipment, of establishing and supporting a base camp, and of constructing houses so far away from the district center has proven to be time consuming and costly. The first increment of core houses and outbuildings will not be ready for occupancy in FY 1973. The church and meeting hall which were planned for FY 1973 will not actually be built until somewhat in the future because of rising construction costs. Construction delays and inflation have thus added about one year to the construction phase of the program.

The FY 1974 request will provide funds for 10 more houses and 10 more sets of outbuildings for a total of 62 housing units. The resettlement of the island has now been rescheduled for FY 1974 and will continue through FY 1976. Funds for additional housing units, a church and meeting hall, warehouses, and improvements to transportation facilities will be requested in the future.

b. Civic Action Teams - $720,000

$720,000 is requested in FY 1974 to continue the Civic Action Teams program. Six (6) teams will still be active in the six districts at an annual cost of $120,000 per team. The increased cost per team reflects rising per diem rates.

The teams are self-contained, and provide their own necessary equipment to accomplish their various projects, eliminating a drain upon the very limited Trust Territory facilities and equipment for project accomplishment.

Since their inception in FY 1970, the Civic Action Teams have been providing an invaluable service to the people of Micronesia, especially those outside the district centers. During the past year, the teams have rehabilitated an airstrip on Wotje, and have built a bridge on Kusaie, a water catchment dam at Ngaraard village plus a host of small community development projects. The total cost of the teams is about four times the Trust Territory's share; the value of the teams' output in terms of facilities built, training rendered, and goodwill generated far exceeds the cost.

9. Water, Sewerage and Power Facilities - $790,000

Funds requested in FY 1974 will be used for:

a. Power, Marianas	$350,000
b. Power, Ponape	30,000
c. Power, Truk	110,000
d. Power, Yap	300,000
Total	$790,000

a. Power, Marianas - $350,000

In August 1972, a fire at the existing power plant destroyed almost 80% of Saipan's generating capacity. Emergency generators borrowed from military and civilian sources on Guam provided limited power while a new power plant was being rushed to completion.

The new power plant and its generators, funded with prior years' appropriations, will bring total generating capacity to about 10,000 KW.

This represents an increase of 2,300 KW over the pre-fire level. Saipan will then have an emergency reserve which will allow one of the large generators to be taken out of service for maintenance and repair without curtailing power use. However, the increased capacity will not be great enough to expand service or reduce the backlog of applicants waiting for power.

Additional capacity will be furnished by an additional 1,500 KW generator being requested at $350,000. The capacity of this generator is required to help provide power for new public facilities such as schools, water and sewer facilities, communications equipment, airport lighting, etc. It will also allow expansion of service to private users. A new hotel and a bowling alley are already under construction and another hotel is due to start soon. These tourist related facilities will increase private demand by over 850 KW. Home use of electricity will also increase since the rising level of affluence allows residents to buy and use electrical appliances. The supply of electricity must keep pace with demand if social and economic development is to continue.

b. Power, Ponape - $30,000

Funds requested will be used to extend approximately two miles of power distribution lines between the villages of Lelu and Tofol on Kusaie Island. This will bring the benefits of electricity to about 500 additional residents.

c. Power, Truk - $110,000

The FY 1974 request will be used to purchase and install three generators and provide for line work on Satawan, a newly created sub-district center of Truk. These small generators will be purchased to furnish power to the administrative offices, the Satawan Junior High School, an elementary school, and to some of the 100 private homes on the island.

d. Power, Yap - $300,000

Funds requested in FY 1974 will be used to purchase and install a 750 KW generator in the district center. This additional capacity will be required to serve the new water and sewerage treatment plants which will be in operation by that time. One mile and a half of additional distribution lines will also be installed to extend the benefits of electricity to more residents of Gilman. It is expected that 500 new users will be able to enjoy electricity for the first time.

10. Maintenance and Rehabilitation Facilities - $100,000

Funds requested in FY 1974 will be used for:

a. Emergency and Minor Construction	$100,000
Total	$100,000

a. Emergency and Minor Construction - $100,000

Funds are requested in this category to provide for unforeseen minor projects and projects which arise as a result of some emergency. Some recently funded projects include $31 thousand to repair facilities damaged by fire at Kusaie High School, $35 thousand to replace a boiler at Dr. Torres Hospital on Saipan and $14 thousand for dormitory rehabilitation at Majuro High School.

The physical plant of the Trust Territory faces an always-present threat of damage from accidents and destructive natural forces. Poor roads, lack of central water systems, and a scarcity of equipment make fire protection difficult. High humidity, tropical rainfall, and a salt spray environment corrode metal structures while termite infestation and dry rot damage wooden buildings. Public buildings in all districts are threatened by frequent tropical storms and typhoons. Since the size of the physical plant is growing each year, the likelihood that emergencies will arise is also growing.

The $100,000 requested in FY 1974 will accommodate at least some of the many requests from the districts for emergency and minor construction work.

11. General Support Facilities - $47,000

Funds requested in FY 1974 will be used for:

a. Headquarters Remodeling	$47,000
Total	$47,000

a. Headquarters Remodeling - $47,000

The expansion of services provided by the Executive Branch of the Trust Territory Government requires efficient use of limited office space. Funds requested in FY 1974 will be used to remodel and partition an existing building to provide additional office space for the Department of Public Affairs which will be moved from the main Headquarters building to the new facility when completed.

Trust Territory of the Pacific Islands

III. ECONOMIC DEVELOPMENT LOAN FUND:

FY 1973 $ - 0 -, FY 1974 $1,000,000: Increase $1,000,000

The amount of $1,000,000 is required in FY 1974 for the Economic Development Loan Fund under the authority of Public Law 92-257.

In recent years substantial investment has been made in infrastructure for Micronesia such as water, sewer, power and airfields. More is planned in the coming years. This infrastructure investment has a bearing on future productivity if Micronesia can achieve levels of capital investment which can build a solid base of development on the infrastructure. Local private capital from savings or from present private or governmental borrowing capacities cannot begin to meet the total need. Development of Micronesia today is dependent on the initiative and assistance of the United States in aiding Micronesian entrepreneurs to obtain adequate capital for investment.

The management of the Economic Development Loan Fund is vested in a Board of Directors appointed by the High Commissioner. Each district also has a District Board of Directors appointed by the District Administrator. The district Boards review all loan applications originating in their districts and are authorized to make direct loans up to $5,000. Loans of over $5,000, if approved, are forwarded to headquarters where priorities are determined and the loans are made.

Loans may be made to corporations and cooperative associations authorized to conduct business in the Trust Territory; local governments; or citizens or residents of the Trust Territory who are engaged in agriculture, manufacturing, commercial fishing, services, or improvements of real property for industrial purpose when specifically determined by the Board to be beneficial, desirable and necessary. The loan must create new employment, replace imports, reduce consumer prices, create needed facilities and services, or create exports.

Although the Economic Development Loan Fund was established in FY 1963, the Trust Territory Government has been lending to private enterprises since 1956 when a revolving fund was made available by the U.S. Congress for loans to locally owned trading companies. This revolving fund was transferred to the Economic Development Loan Fund which has since been augmented by appropriation until it has reached a current capitalization of approximately $1.9 million. Since 1964, 225 direct loans for a total of $2.3 million and 84 guaranteed loans totalling $2.4 million have been made.

The current lending activity of the Economic Development Loan Fund has been limited due to lack of loanable funds. There are presently accumulated pending loan applications aggregating $2.6 million.

With a $1.0 million appropriation for FY 1974, the Board of Directors of the Economic Development Loan Fund would make loans in accordance to its established project priorities approximately as follows:

Fishing	$ 300,000
Farming	200,000
Working Capital/Business Expansion	200,000
Construction (contractors only)	150,000
Auto Repairs and Service Station	50,000
Taxi/Car Rental	100,000
Total	$1,000,000

Trust Territory of the Pacific Islands

Public Law 92-257 authorizes funding for the Trust Territory Economic Development Loan Fund up to a total of $5,000,000. It is projected that with a total capitalization of $5.0 million, there would be a total of roughly $5.8 million in direct loans and $7.0 million in loans made by commercial banks with an EDLF guaranty. The loan emphasis will continue to be in the areas of marine resources, agriculture and tourism.

Identification of viable economic projects suitable for EDLF financing will continue with emphasis upon broadening the economic base of Micronesia.

Marine resources is projected to receive about 15% of the Fund for the development of the inshore and offshore fisheries development. Loans to this sector would finance purchase of fishing boats and accessories, freezers and working capital to maintain shoreside operations, supplies and the like.

Viable agricultural projects would be financed to expand food and meat production. Loans would finance poultry and livestock projects, vegetable production, etc. Roughly 16% of the Fund would be injected into this sector.

The most visible impact of the Fund would be in the development of the tourism industry. It is estimated that roughly 15% of the Fund would be realized in financing tourist-oriented activities such as the expansion of local markets for agricultural, marine and handicraft products; lodging, entertainment and recreational services.

With the constant demand for housing ever increasing, Construction and Housing starts will receive 15.5% of the Fund. The burgeoning Wholesale and Retail Trade will control another 15.5% of the Fund. The remaining three areas of Light Manufacturing and Processing, Transportation and Communications and General Services will each account for 7.7% of the Fund.

Two thousand six hundred or more new jobs would be created by the influx of EDLF capital. The largest number of the new jobs created will be in semi-skilled, unskilled, seasonal, and miscellaneous categories. This means that many underemployed Micronesians will be immediately drawn out of the Territory's idle labor pool into productive employment and there should be less dependence upon government employment.

Trust Territory of the Pacific Islands

Comparison FY 1973 as Justified with Current Submission

	FY 1973 in printed U.S. Cong. Justif.	Reimbursements and Operating Income 1/	Minor Program Adjustments	TT FY 1973 Program in FY 1974 Budget Est.
I. DIRECT APPROPRIATION:				
A. High Commissioner's Office	$ 313,000	$ - 0 -	$ - 0 -	$ 313,000
B. Judiciary	325,000	- 0 -	- 0 -	325,000
Total - Direct Appropriation	638,000	- 0 -	- 0 -	638,000
II. GRANTS - OPERATIONS:				
A. Programs, Administration and Operations:				
1. Health Services	7,006,000	-82,000	- 0 -	6,924,000
2. Education	11,490,000	- 0 -	- 0 -	11,490,000
3. Public Affairs	2,102,000	- 0 -	+37,000	2,139,000
4. Resources and Development	4,581,000	-25,000	-8,000	4,548,000
5. Protection to Persons and Property	2,187,000	- 0 -	-1,000	2,186,000
6. Administration	4,804,000	-31,000	-29,000	4,744,000
7. Transportation and Communications	3,273,000	-115,000	- 0 -	3,158,000
8. Public Works and Utilities	7,943,000	-106,000	+1,000	7,838,000
Total - Programs, Administration and Operations	43,386,000	-359,000	- 0 -	43,027,000
B. Capital Improvements	16,335,000	- 0 -	- 0 -	16,335,000
Sub-Total	60,359,000	-359,000	- 0 -	60,000,000
Less: Estimated Reimbursements and Operating Income	-359,000	+359,000	- 0 -	- 0 -
TOTAL - NEW OBLIGATIONAL AUTHORITY	$60,000,000	$ - 0 -	$ - 0 -	$60,000,000

1/ In order to stimulate revenue collections starting with this budget, revenues (reimbursements and operating income) are budgeted as credits to the operating activity performing the service. They will be accounted for as refunds. Medical fees will be credited to the Hospital and Out-Islands activity; Dental fees to Dental Services; Agriculture product sales to Agriculture; Utilities income to Public Works Utilities (in the past only the Saipan Utility and the Ebeye Utility were credited with Utilities collections); Commercial Cablegrams and other Communications Income to Communications; various Transportation fees to the Transportation Office activity; and Miscellaneous Sales and Services to Procurement and Supply. This change is expected to produce improvements in the data required to support accurate and timely billings and will encourage program managers to give increased attention to their revenue areas.

Trust Territory of the Pacific Islands

Analysis of Funds Available Within Trust Territory from

Other Federal Agencies

	FY 1973 Estimate	FY 1974 Estimate
Health Program (H.E.W.):		
Comprehensive Health Planning	$ 100,000	$ 100,000
Prevention and Control of Communicable Disease	32,000	32,000
Public Health Services	380,000	380,000
Mental Health	67,000	67,000
Dispensary Construction: HILL-BURTON ACT	750,000	- 0 -
Other Health Services	172,000	172,000
Total, Health Program	$1,501,000	$ 751,000
Education: 1/		
Elementary and Secondary Education Act, 89-10	1,599,000	1,599,000
Library Services and Construction Act, 89-511	90,000	90,000
Adult Basic Education Act, 89-750	82,000	82,000
Manpower Development and Training Act, 87-415	160,000	160,000
Education Professional Development Act, 89-329	25,000	25,000
Vocational Education Act, 90-576	318,000	318,000
National Defense Education Act, 89-10	59,000	59,000
National School Lunch Act	22,000	22,000
Higher Education Act, College Work - Study	33,000	33,000
Education Handicapped Act	130,000	130,000
Environmental Education	25,000	25,000
Total, Education	$2,543,000	$2,543,000
Resources and Development (DOD-USAF):		
Agriculture:		
Animal Health Service (DOD)	30,000	30,000
Public Works:		
Water Resources Study (USGS)	25,000	87,000
Disaster Control Office - Public Law 91-606 (O.E.P.)	25,000	25,000
Public Affairs: 2/		
Community Development:		
Territorial Economic Opportunity Office	15,000	15,000
Micronesian Legal Services Program	600,000	600,000
Trust Territory Office on Aging	85,000	85,000
Foundation for the Peoples of the South Pacific	175,000	175,000

Trust Territory of the Pacific Islands

	FY 1973 Estimate	FY 1974 Estimate
Community Action Agencies	$ 886,000	$ 886,000
Head Start Program	362,000	362,000
Neighborhood Youth Corps	98,000	98,000
Total, Public Affairs	$2,221,000	$2,221,000
Administration:		
U.S.D.A. Food (includes freight)	1,305,000	1,305,000
Emergency Employment Act (Labor)	296,000	- 0 -
Public Service Career Program (MDTA)	256,000	- 0 -
National Science Foundation	15,000	15,000
Environmental Protection Agency	80,000	80,000
Total, Administration	$1,952,000	$1,400,000
Peace Corps	1,014,000	1,014,000
TOTAL, OTHER FEDERAL FUNDS	$9,311,000	$8,071,000

1/ All funds are from H.E.W. except Manpower Development and Training which is Labor Department, and National School Lunch Act which is Department of Agriculture.

2/ All funds are from O.E.O. except Office on Aging and Head Start Program which are H.E.W., Neighborhood Youth Corps which is Labor Department, and the Foundation for the Peoples of the South Pacific.

Trust Territory of the Pacific Islands

Economic Development Loan Fund
Balance Sheet
June 30, 1972

ASSETS

Cash:

Checking Account, Bank of America		$ 26,963.21
Time Certificate of Deposit - B/A @4-1/8%, due 7/21/72		100,000.00
Time Certificate of Deposit - B/A @4-3/4%, due 9/21/72		100,000.00
Time Certificate of Deposit - B/A @5-3/4%, due 10/26/72		100,000.00
Time Certificate of Deposit - B/A @5-3/4%, due 10/26/72		100,000.00
		$ 426,963.21
Loans Receivable	$1,676,964.03	
Less: Reserve for uncollectible loans	97,534.95	1,579,429.08
Account Receivable (Guaranteed Loans in Default)		1,710.70
Total Assets		$2,008,102.99

CAPITAL

Appropriation	$1,893,909.22	
Retained Earnings	114,193.77	
Total Capital		$2,008,102.99

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Economic Development Loan Fund
Cash Available for Direct Loans
June 30, 1972

Total Cash	$ 426,963.21
Less: Cash reserve required for Guaranteed Loans (25% of $693,637.24)	173,409.31
CASH AVAILABLE FOR DIRECT LOANS	$ 253,553.90
Less: Loans approved by Economic Development Loan Fund Board, but not yet consummated:	
Direct Loans	$ 38,597.00
Guaranteed Loans (25% of $142,142.00)	35,535.00
Cash Available for further Loans	$ 179,421.90
Less: Reserve for districts' use	161,269.00
NET CASH AVAILABLE FOR LOANS	$ 18,152.90

Trust Territory of the Pacific Islands

Print Shop
Estimated Revenues and Obligations
Fiscal Year 1974

	FY 1974 Estimate
REVENUES	$273,000
Obligations by Object Classifications:	
Personnel Services - U.S.	$ 26,000
Personnel Services - Micronesian	64,000
Personnel Benefits	4,000
Travel	13,000
Printing and Reproduction (contracted)	15,000
Rental, Communications and Utilities	23,000
Other Services	7,000
Supplies and Materials	85,000
Acquisition of Capital Equipment	36,000
Sub-Total - Estimated Obligations	$273,000
Net Revenues	$ - 0 -

Trust Territory of the Pacific Islands

CONGRESS OF MICRONESIA

Pursuant to the Secretary of Interior's Order 2882, the Congress of Micronesia was created on September 28, 1964, consisting of two Houses, the Senate and the House of Representatives. The Senate is composed of 12 Senators, two from each of the six administrative districts, elected for a term of four years. The House of Representatives is composed of 21 Representatives, elected on a population basis from each of the twenty-one representative districts for a two-year term. Up to July 26, 1968, four amendments were issued which made several significant changes to the Order.

On December 27, 1968, Secretary Order 2918 was issued and consolidated previous Trust Territory Orders, and their amendments, into a single document. The Legislature provisions, formerly contained in Order 2882 and its four amendments, are Part III of Order 2918.

On August 13, 1970, Amendment No. 1 to Secretarial Order 2918 was issued which made several significant changes to the Order, among which are the lengthening of the present 45-day session to 50 days, and moving the Regular Session from July to January beginning with the 4th Congress, 1st Regular Session of the Congress of Micronesia.

Section 4 of the Order, as amended, sets forth the legislative authority of the Congress of Micronesia to enact tax laws and other revenue laws, and provides in part federal subsidy to the Congress of Micronesia. The pertinent Section 4 of the Order, as amended, reads as follows:

> "Section 4. Budget. Money bills enacted by the Congress of Micronesia shall not provide for the appropriation of funds in excess of such amounts as are available or estimated to be available from revenues raised pursuant to the tax laws and other revenue laws of the Trust Territory: Provided, that the Secretary of the Interior shall, from time to time, define the term 'revenue' as used herein, so as generally to exclude therefrom all sums attributable to user charge or service related reimbursements to the Government of the Trust Territory.
>
> Prior to his final submission to the Secretary of the Interior of requests for Federal funds necessary for the support of governmental functions in the Trust Territory, the High Commissioner shall prepare a preliminary budget plan. He shall submit such plan to the Congress of Micronesia or the appropriate authorized committee or committees thereof for its review and recommendations with respect to such portions as relate to expenditures of funds proposed to be appropriated by the Congress of the United States. With respect to such portions of the preliminary budget plan, the High Commissioner shall adopt such recommendations of the Congress or the appropriate authorized committee or committees thereof as he shall deem appropriate, but he shall transmit to the Secretary of the Interior all recommendations he has not adopted.
>
> For Fiscal Years 1971 and 1972, the Congress of Micronesia is authorized $125,000 from Federal grants appropriated to the Trust Territory of the Pacific Islands by the Congress of the United States, for operations and expenses of the Congress of Micronesia. For succeeding fiscal years, the Congress of Micronesia may request continuing or additional funds for its operations and expenses. Such requests shall be incorporated in the High Commissioner's preliminary budget plan for processing as set forth in this section."

Trust Territory of the Pacific Islands

Congress of Micronesia

Summary of Appropriations

			Fiscal Year 1973
A.	Congress Operational Expenses		
1.	Senate and House Expenses		$ 631,965.00
2.	Legislative Counsel's Office Expenses		495,019.00
3.	Special Session Expenses		60,000.00
4.	Joint Committee on Future Status		155,000.00
5.	Joint Committee on Program and Budget Planning		25,000.00
6.	Joint Committee on Marine Resources Development		10,000.00
7.	Special Joint Committee concerning Rongelap and Utirik Atoll		10,000.00
8.	Outside travel for members and staff		20,000.00
9.	Joint Committee on Administrative Appointments		10,000.00
	Sub-Total		$1,416,984.00
B.	Other Programs		
1.	Administration of Tax Offices	P.L. No. 4C-80	$ 166,000.00
2.	Payment of services rendered by Harrop A. Freeman	P.L. No. 4C-81	5,000.00
3.	Scholarships and other purposes	P.L. No. 4C-63	350,000.00
4.	Administration of Social Security System	P.L. No. 4C-64	87,500.00
5.	Supplementing Administrative Costs of November 7, 1972, General Elections		10,000.00
6.	Emergency Funding for Saipan Power System	P.L. No. 4C-89	200,000.00
7.	For various projects in Palau District	P.L. No. 4C-54	300,000.00
8.	To purchase a boat for the Ponape Producers Cooperative Association	P.L. No. 4C-83	10,000.00
9.	For improvement of Community College of Micronesia		35,000.00
10.	For the maintenance of historic sites in Ponape District		5,000.00
11.	For various public works projects and social and economic development program in the Marshall District		250,000.00
	Sub-Total		$1,418,500.00
	Total Appropriations		$2,835,484.00

Trust Territory of the Pacific Islands

Congress of Micronesia

Estimated Revenues by Sources

Source	FY 1972 Actual	FY 1973 Estimate	FY 1974 Estimate	Increase + Decrease -
1. Public Law 4C-2				
Income Tax	$2,600,211	$3,300,000	$3,550,000	$+250,000
2. Public Law 4-22				
Business Licenses	32,502	27,000	30,000	+3,000
Gasoline and Diesel Fuel Tax	54,161	60,000	65,000	+5,000
Copra Export Tax	69	- 0 -	- 0 -	- 0 -
Scrap Metal Export Tax	1,372	500	500	- 0 -
Import Taxes	761,004	880,000	930,000	+50,000
3. Other Revenues				
Court Fines, Penalties, etc.	47,383	40,000	40,000	- 0 -
Unimproved Land Rental	28,426	45,000	50,000	+5,000
Other Property Rental	74,855	80,000	85,000	+5,000
Corporation Tax (Mobil)	- 0 -	50,000	45,000	-5,000
Miscellaneous	7,979	8,000	10,000	+2,000
TOTAL	$3,607,962*	$4,490,500*	$4,805,500*	$+315,000

* Excludes $125,000 of U.S. Grants Funds appropriated for support of the operations of the Congress of Micronesia.

ITEMIZATION OF ESTIMATE

Department of the Interior
Appropriation Title: Trust Territory of the Pacific Islands, Territorial Affairs

	1972 Actual	1973 Estimate	1974 Estimate	Increase (+) or Decrease (-)
Program and Financing:				
Total obligations	$55,581,079	$63,903,313	$66,000,000	$+2,096,687
Unobligated balance, start of year	-9,504,392	-13,903,313	-10,000,000	+3,903,313
Unobligated balance, end of year	13,903,313	10,000,000	---	-10,000,000
Budget authority	59,980,000	60,000,000	56,000,000	-4,000,000
Object Classification:				
11 Personnel compensation	3,597,000	3,366,000	3,356,000	-10,000
12 Personnel benefits	231,000	214,000	213,000	-1,000
21 Travel and transportation of persons	106,000	124,000	160,000	+36,000
22 Transportation of things	4,000	1,000	1,000	---
23 Rent, communications, and utilities	7,000	5,000	6,000	+1,000
24 Printing and reproduction	1,000	8,000	13,000	+5,000
25 Other services	106,000	109,000	115,000	+6,000
26 Supplies and materials	27,000	14,000	18,000	+4,000
31 Equipment	3,000	13,000	8,000	-5,000
41 Grants, subsidies, and contributions	51,499,079	60,049,313	62,110,000	+2,060,687
Total obligations	55,581,079	63,903,313	66,000,000	+2,096,687

PERSONNEL SUMMARY

	1972 Actual	1973 Estimate	1974 Estimate
Total number of permanent positions	254	221	208
Average paid employment	236	203	197
Average GS grade	10.4	10.5	10.6
Average GS salary	$14,684	$16,028	$16,326
Average salary of ungraded positions	$12,437	$13,924	$14,038

Mrs. HANSEN. Since it is after 5 o'clock we will adjourn until tomorrow morning at 10 a.m.

Mr. JOHNSTON. We shall be here.

TUESDAY, APRIL 17, 1973.

MICRONESIAN FUTURE POLITICAL STATUS NEGOTIATIONS

Mrs. HANSEN. The committee will come to order.

What is the current status of negotiations on the political future of the trust territory?

Mr. JOHNSTON. If I may, Madam Chairman, I would like to defer to Secretary Carpenter, who is a member of the U.S. delegation, to discuss that question.

Mr. CARPENTER. Madam Chairman, as you know, we have been negotiating with the joint committee on future status of the Congress of Micronesia for more than 3 years. During the 1972 year we had three rounds of intensive discussions with them.

Mrs. HANSEN. This is with the Micronesian Legislature?

Mr. CARPENTER. With the Micronesian delegation from the Congress. Just briefly, about this time last year, the first meeting in 1972 was held in Koror, Palua, and agreement was reached to proceed with further specific negotiations on a compact of free association, which, briefly, would give the Micronesians control over their internal affairs and the United States would have responsibility for foreign affairs and defense.

Based on that agreement in principle, we held another meeting in July in Washington, at which time we worked on drafting specific language for the compact between the two entities. We completed agreement in specific language on domestic affairs for the Micronesians, foreign affairs and defense, and then recessed because of the special session of the Congress of Micronesia to be held in August.

When we reconvened in Hawaii, in early October, a new development had occurred, namely, the resolution of the Congress of Micronesia that their delegation should negotiate not only for free association but also, as an alternative for independence. The meeting in Hawaii, after considerable discussion, recessed with no further progress on the drafting of the compact.

MARIANAS DISTRICT STATUS NEGOTIATIONS

Last April also, the Mariana Islands District of Micronesia formally asked for separate negotiations with the United States for a closer relationship to the United States than the rest of Micronesia.

Mrs. HANSEN. What is the status of these negotiations?

Mr. CARPENTER. We have yet to get into full substantive areas, but presumably this would be in the form of some sort of territorial relationship with the United States. We agreed to separate negotiations.

The opening meeting with the Mariana Islands district took place in December of last year. This was a ceremonial occasion rather than a substantive one and we are now preparing to resume discussion, negotiations, with the Marianas group in May.

There are no specific plans at this time for a date for further negotiations with the Micronesians, but we assume that will be forthcoming sometime later this year, after the talks with the Marianas.

UNITED NATIONS RESPONSIBILITY

Mrs. HANSEN. After the negotiations have been completed the trusteeship would have to be dissolved by the United Nations? Is this correct?

Mr. CARPENTER. Yes, finally the trusteeship would have to be dissolved by the United Nations.

FINANCIAL AGREEMENTS

Mrs. HANSEN. Will the islands have to develop a tax structure to finance all of their needs?

Mr. CARPENTER. The specific questions of funding or financing have not yet been discussed in depth with either the Micronesian negotiators or with the Mariana negotiators.

Mrs. HANSEN. It is an integral part of the problem, however.

Mr. CARPENTER. It certainly is.

Mrs. HANSEN. Because you have a population of about 110,000.

Mr. CARPENTER. Roughly 110,000.

Mrs. HANSEN. Three million square miles of land and water. You have 97 inhabited islands.

Mr. CARPENTER. Mostly water, too.

Mrs. HANSEN. Which is a little more costly in terms of government operations?

Mr. CARPENTER. Yes, ma'am.

AUTHORIZATION FOR FISCAL YEAR 1974 APPROPRIATION

Mrs. HANSEN. There is currently no authorizing legislation for appropriations for the trust territory for 1974. What is the status of your reauthorizations and what amount are you seeking?

Mr. CARPENTER. The administration proposed a new authorization bill on which hearings were held last week before the Senate Interior Subcommittee and the House Interior Subcommittee. The administration bill is open-ended, that is open-ended as to dollar amount and as to period of time.

Mrs. HANSEN. Please review your authorization history. What has been your authorized level for the last few years?

Mr. JOHNSTON. $60 million for 1971, 1972 and 1973.

For 3 years we were authorized a ceiling of $60 million.

Mrs. HANSEN. What was the authorization in 1960?

Mr. JOHNSTON. In 1960 it was $7.5 million.

Mrs. HANSEN. So the authorization has increased a great deal in the last 12 years?

Mr. JOHNSTON. Yes, ma'am. The breakthrough was really in 1967, it went up to $25 million; in 1968, $35 million; 1969, $35 million; in 1970, $50 million, and then 1971, 1972, and 1973 at $60 million.

STATUS OF AUTHORIZATION BILL

Mrs. HANSEN. I am sure the Senate and the House authorizing committees realize that they must act on the authorization bill before this committee can provide funding in our bill. Otherwise our appropriation would be subject to a point of order.

So the authorization must be enacted or your appropriation will be passed over without prejudice by this committee.

Mr. CARPENTER. They have indicated they will attempt to give it quick action.

Mrs. HANSEN. It is now the middle of April.

Mr. CARPENTER. I know.

Mr. WYATT. Has the administration sent a bill over to OMB for consideration at this point?

Mr. CARPENTER. Yes. The administration proposal is before Congress now.

Mr. WYATT. Has it cleared the OMB?

Mr. CARPENTER. Yes, it has cleared OMB.

Mrs. HANSEN. That is a minor miracle.

Mr. WYATT. Miracle of miracles.

Mr. CARPENTER. It is an open-ended dollar amount, as I mentioned.

Mr. WYATT. That will be closed.

Mrs. HANSEN. What is the rationale for an open-ended authorization?

Mr. CARPENTER. On the basis that in view of the uncertainty surrounding the status talks, we felt there was need for flexibility.

Mrs. HANSEN. In other words, you need funding flexibility rather than be constrained to a $60 million level of funding which may have been too little or possibly more than you could have utilized?

Mr. CARPENTER. That is right.

Mrs. HANSEN. Depending on the circumstances.

Mr. CARPENTER. I could add that Senator Johnston, the chairman of the Senate subcommittee, has indicated that he would only approve a $60 million 1-year authorization for 1974.

Mrs. HANSEN. I am going to say something I do not think the authorizing committees will probably agree with.

The yearly authorizations are theoretically very good, but not very practical. If the authorizing committees would act on their legislation before the appropriation bills are reported it would be a different matter. But I do not know how many authorizations are now waiting committee action.

What often happens is the other body has to provide the funding in their bill, or you wait for a supplemental. In some instances the supplemental is not enacted until October or late November.

It is very discouraging for an appropriations committee to review a budget and then have to wait for the authorizing committees to report a bill.

FISCAL YEAR 1973 REPROGRAMING REQUEST

Mrs. HANSEN. The committee recently received a reprograming request for $655,381 in operations and $3.6 million in capital improvement projects. Please explain this request.

Mr. JOHNSTON. This is the request for a funding increase for Isley Field, for the Palau Bridge.

Mrs. HANSEN. Isley Field is on what island?

Mr. JOHNSTON. On Saipan.

The Palau Bridge between Koror and Babelthaup; extending power to the new Majuro Airport; purchasing Mizpah High School on Truk, a private school which discontinued operation, and was made available for purchase by the trust territory.

MIZPAH HIGH SCHOOL

Mrs. HANSEN. Who owned that high school?

Mr. JOHNSTON. A religious order owned the high school. They had been given a long-term lease on the property with the understanding it would be used only for educational purposes. They ran out of funds to operate the school. We were able to purchase the facilities for much less than it would have cost us to construct comparable facilities. This has been a great help in making more high school education available to the young people of Truk.

There is $50,000 for a Micronesian Occupational Center dormitory at Palau and $300,000 for the Kusaie Hospital.

SOURCE OF REPROGRAMING FUNDS—PONAPE HOSPITAL

The sources of these funds to be reprogramed were taking $2 million out of the Ponape Hospital, still leaving $350,000 for the design and preparation stage of that project.

Mrs. HANSEN. Your design was not completed?

Mr. JOHNSTON. That is correct.

YAP AIRPORT

Mrs. HANSEN. You also plan to reprogram $400,000 from the Yap Airport. What does this involve?

Mr. JOHNSTON. That was delayed, Madam Chairman, by a change in thinking on the part of the people of Yap, instigated by the OEO attorneys in the area that delayed any final decisionmaking on the project.

Mrs. HANSEN. Did they decide they did not want the airport?

Mr. JOHNSTON. They did not want it where we were considering building it, which was a reef site in the Rull area. Because of the lack of decision, we have had to put money into renovating the present airstrip.

As I mentioned yesterday, a civil action team is currently working on that, so that the jets can continue landing there.

Mrs. HANSEN. So you will abandon your plan for building a new airport?

COMMUNITY COLLEGE OF MICRONESIA

Mr. JOHNSTON. Right—at least for now. And we took a half-million dollars from the Community College of Micronesia.

Mrs. HANSEN. What does this entail?

Mr. JOHNSTON. That is mainly because the entire project of developing the Community College of Micronesia may have to wait a few years.

Mrs. HANSEN. Why?

Mr. JOHNSTON. Under our reduced funding requirements, our reduced funding levels.

Mrs. HANSEN. How many students do they have?

Mr. JOHNSTON. They have about 12 at the present time; in very, very limited facilities. Then we took——

Mrs. HANSEN. You did not give me a very good reason aside from the funding restriction.

Mr. JOHNSON. We had hoped to have matching funds available because the trust territory is not yet included in that type of funding.

Mrs. HANSEN. You mean revenue sharing?

Mr. JOHNSTON. Yes, ma'am. Well, even prior to revenue sharing, the aid to community colleges program, we were not included in that.

Mrs. HANSEN. You appeared before the committee and justified this project. You did not go into the subject of other matching funds. The assumption was that it would be largely funded by direct appropriations?

Mr. JOHNSTON. Yes, ma'am, and we do have it master planned, a very excellent master plan for creating a community college. However, the magnitude of the project just is such that if our budget is cut the coming year, instead of going upward, it is just a project that will have to wait. That is why the money was taken out.

Mrs. HANSEN. It seems a strange thing that the education projects are always the ones that are delayed. You remember the discussion we had last year on your eastern district?

Mr. JOHNSTON. Yes ma'am.

Mrs. HANSEN. Many of your young people are unable to attend secondary schools, because you simply did not have the dormitory space available in the eastern district. We warned you at the time of your hearings to improve this situation. In fact I think we stressed the importance of your construction program in our committee report last year. Your community college has an important purpose in training of your own young people.

Mr. JOHNSTON. It has been very important in that respect, yes.

Mrs. HANSEN. I have a dismal view that every time you want to economize, you economize on an education program or an educational facility.

Mr. SETIK. This is a result of the plan; as I mentioned yesterday, we have a 5-year plan. We had information transmitted to the Office of High Commission that we may not get up to that $70 million ceiling we are seeking. As a result, we have to reprogram within that allocation to eliminate some of those capital improvement programs, which is in that plan.

Mrs. HANSEN. Could you not have used $500,000 for the community college from the $10 million which has been impounded?

Mr. JOHNSTON. We pointed out in the reprograming request that the maximum grant that we could have gotten from matching funds would be $50,000, which was very minimal compared to $2.3 million for the cost of phase 1 of the construction of the community college.

When you start reducing a capital improvements program that had been planned for $20 million, you can foresee in the future reducing that down to $8 million, then there is no need of putting that money into something that you cannot complete.

We have been guilty of that in the past, as you know, sometimes putting partial funding into something that we cannot complete. That is what we are trying to avoid now, is to put the money in projects that have not only a reasonable but an excellent chance of completion within a year or two. And as far as the requirements are concerned, Madam Chairman——

Mrs. HANSEN. You would say this is a lower priority?

Mr. JOHNSTON. Yes, ma'am.

Mrs. HANSEN. Do the Micronesians agree?

Mr. JOHNSTON. They definitely do. These were priorities—is that not correct, that you would agree that the priorities expressed in the reprograming are in accordance with the thinking of the Congress?

Mr. SETIK. It was based on the information that we cannot get up to the $22 million level as we were anticipating.

MAJURO SEWAGE SYSTEM

Mrs. HANSEN. What is the status of the Majuro sewage program?

Mr. JOHNSTON. That was due to start in fiscal year 1973. A good portion of the fiscal 1973 funds were needed for final design work and for construction of the treatment plant. Very few funds would have been available for sewerline installation, so that the fiscal year 1973 increment alone would not have benefited many citizens or significantly reduced contamination in any way.

Collection lines were to be funded in fiscal 1974 to extend the sewage system to all residents in the area. So there again it was a matter of having funds in there——

Mrs. HANSEN. You just delayed the project?

Mr. JOHNSTON. Yes—they were not really needed in that fiscal year.

Mrs. HANSEN. Will you proceed with this project in fiscal 1974?

Mr. JOHNSTON. Yes, ma'am we would have gotten at it, we would have gotten at it in 1974, but it is not now in the budget under our reduced program.

Mrs. HANSEN. As you well know your sewage and water problems is one area in which you are eternally criticized about. How many people would this sewage project serve?

Mr. JOHNSTON. There are about 5,000 people in the total area. This particular development would have served about 8,800 people by 1975, is our estimate.

SEWAGE DISPOSAL PLANS AND FUNDING

Mrs. HANSEN. When do you plan to proceed with this project and what are you doing about the sewage in the meantime?

Mr. JOHNSTON. On so many of these projects, Madam Chairman, when we can get them reinstated depends on, first, the authorization ceiling and, second, the actual appropriation for this in the coming fiscal years.

Remembering that our 5-year plan, going into fiscal 1974, was based on 3 years at $70 million and then going up to $80 million for 2 years, and now facing a budget request of $55 million, on many of these projects that we have contended are vitally needed, we are well aware we are under criticism for not completing them; you just cannot complete them without money. Therefore, we have to resort to what I called, I believe, in your hearings a few years ago selective priorities.

We cannot cut frills or fat out of our budget because there is not any. We do not have money in there for gymnasia, recreation areas, scenic areas, things liks that. It is all sewers, water, power, things that people vitally need.

Mrs. HANSEN. That is what concerns the committee. But I do know you have received a great deal of criticism about the lack of sewage facilities.

Mr. JOHNSTON. We realize that is our one big ecological problem.

Mrs. HANSEN. Where does the sewage go, into the lagoons?

Mr. JOHNSTON. In most cases, yes.

Mr. SETIK. In most cases, that is where it goes.

Mr. JOHNSTON. We have areas, as we have discussed before, that are hundreds of times the maximum allowable pollution count by U.S. standards, but it will take several years still to rectify that.

Mrs. HANSEN. Do you have tourists on Majuro?

Mr. JOHNSTON. Yes, we have less tourists there than we do in most other areas. We only have one major hotel there, with about a 14-room capacity. Majuro is not the tourist area that some of the other islands are.

DISTRICT CONTRACTING AUTHORITY

Mr. SETIK. A problem, Madam Chairman, that we are trying to resolve within our organization in the trust territory government is: We try to get more power decentralized to each district.

For example, if they give the district administrator the authorization of up to $75,000 projects, this can expedite it faster. Right now everything is still centralized in the central government. This is one of the reasons for carrying so much money over from one year to another.

Mrs. HANSEN. Do you agree with that, Mr. Johnston?

Mr. JOHNSTON. Yes, one of the things that sometimes slows down our obligation of funds is our desire to develop local contracting capabilities and to give more and more of our capital improvement funds to local contractors to construct things.

Few, if any, of the local contractors are at the stage of development now where they can take a complete set of blueprints and have an estimator pull off an estimate and purchase the materials and do the entire contract.

In many of our local construction contracts, the Government furnishes the materials and the Government gives enough guidance that the local contractor can do the work. We have been very successful in developing a local contracting force, but you do sacrifice some speed and efficiency while you are developing the local contractors.

We have, with Secretary Carpenter's approval, in the past 2 weeks awarded two rather sizable contracts to local contractors, one for the Ponape Islands High School, and another one for the continuation of Bikini rehabilitation project, each of these are over $200,000.

ADDITIONAL PERSONNEL FUNDS REQUESTED

Mrs. HANSEN. You show four activities in your grant operations program where additional funds are required for increased personnel compensation. Why were these activities unable to absorb pay increases while all others were?

Mr. JOHNSTON. This is the increase in the U.S. staff or in Micronesian staff?

The pay bill which was enacted in fiscal 1972 reached us so late in the year that we were unable to readjust to the changes in pay scales.

Mrs. HANSEN. But some other activities, obviously absorbed these pay costs.

Mr. JOHNSTON. These were the activities that we were not able to absorb. Some of them were running well enough within their budget that they could absorb them and other activities were not.

OKINAWA LIAISON OFFICE

Mrs. HANSEN. Please explain the $43,000 for LNO, Okinawa office.

Mr. JOHNSTON. That occurred, Madam Chairman, because we had received information prior to submitting the budget for fiscal 1973 that the program of surplus materials centered on Okinawa——

Mrs. HANSEN. What type of supplies do you receive from Okinawa?

Mr. JOHNSTON. A great deal of heavy equipment, and others such as bulk asphalt, fencing, just the whole spectrum of supplies and equipment. A great deal of it now is heavy equipment which needs to be reconditioned or rehabilitated and it is then turned over to the trust territory at only a fraction of the cost.

An example of one that I recently looked at in the process of being repaired on Okinawa will cost us roughly $26,000. The cost new is almost a quarter of a million dollars for a huge road-grading machine.

Mr. CARPENTER. This is a very valuable office for the very small amount of money involved in its funding.

Mr. JOHNSTON. The reason we left this out of the fiscal 1973 budget is, we thought this whole program might be phased out. However, it now appears——

Mrs. HANSEN. Did you ever see the United States phase out anything, especially when we are dealing with a foreign government?

Mr. JOHNSTON. I will have to admit that. They are still running billions of dollars worth of equipment there.

Mrs. HANSEN. It seems the only thing we phase out are domestic programs.

Mr. JOHNSTON. That may be; I would not comment on that.

ADDITIONAL POSITIONS FOR PERSONNEL DEPARTMENT

Mrs. HANSEN. Why are the two additional positions needed now for the Department of Personnel? Why can this not wait until the 1974 budget?

Mr. JOHNSTON. These people are very vitally needed in the field of personnel, a management specialist and a classification specialist, especially to train Micronesians. We are trying to put more and more of the personnel functions in the districts and have what I feel is an excellent training program, but it is necessary to have really skilled people to give the proper training to the Micronesians so that they can take over the vital functions in personnel management, classification, and training.

The new Public Service Act puts an additional workload on them.

TRUST TERRITORY CENSUS

Mrs. HANSEN. Please explain the $138,000 for the census of the trust territory.

Mr. JOHNSTON. In 1970, along with the regular U.S. Census, the Bureau of the Census made available to the trust territory out of its

fund some $76,000 to conduct a census which would not be a part of the official U.S. Census, but would be conducted along the same lines.

Mrs. HANSEN. But would be the official census of Micronesia? Is that correct?

Mr. JOHNSTON. Yes, ma'am.

However, a reemployed annuitant from the Bureau of the Census came out and set up the program. Much to our surprise, he disappeared from the trust territory without really setting up a followup.

Mrs. HANSEN. Didn't you supervise his work?

Mr. JOHNSTON. Well, too late we found that we had understood originally this would be a complete program, but suddenly we found that there were boxes of census forms—we are just baring our souls on this one—there were boxes of census forms still out in some of the districts and because this was set up the way it was we had not assigned it to any one of our departments. It was something outside of our departments, not within our budget or our funding.

So the net result was that some islands, where we know people are living, because the field trip ships visit them regularly, they showed no population at all. They showed the Marshalls district larger than the Truk district. They showed us losing population instead of gaining population.

So we rejected the results of this census and are now conducting a census under the direction of Dr. K. Groenewegen of the South Pacific Commission, who is one of the most experienced demographers in our part of the world, and we feel that when this census is completed——

Mrs. HANSEN. He will not leave the work unfinished?

Mr. JOHNSTON [continuing]. No, he will not; he is highly reliable. I am not meaning to cast any aspersions on the man who came out to set up the census, but somehow the project was not followed up. Where we thought there would be a complete followup and a completed project, they thought that the project would be just set up and take off.

[Discussion off the record.]

Mr. JOHNSTON. We have great hopes for this one. There will be a census day in September. We had hoped to have it ready by May. But the gentleman who was spearheading the program passed away of a heart attack. But we have replaced him and I feel by September we will have it finished.

NEW POSITIONS FOR OFFICE OF THE HIGH COMMISSIONER

Mrs. HANSEN. Justify the two new staff positions and $49,381 for the High Commissioner. Why is $49,381 needed for only two positions when the fiscal year is almost over?

Mr. JOHNSTON. These two positions, very vital ones, one is a special assistant to the High Commissioner for district affairs. As we more and more decentralize into the districts, we felt we needed someone, and the Interior Department and Congress of Micronesia concurred in this, someone to monitor the districts and to coordinate the activities of the districts.

The man we chose is a relatively senior civil service official who has served as district administrator of four of our six districts. The other position, which is filled by former U.S. Congressman Craley——

Mrs. HANSEN. What is Mr. Craley's present position?

Mr. JOHNSTON. He is now the Special Assistant for Legislative Affairs, and one of these two positions——

Mrs. HANSEN. Would you please give him my very best wishes when you see him?

Mr. JOHNSTON. Certainly will.

Mr. SETIK. Yes.

Mr. JOHNSTON. It was felt that these two positions were very vitally needed. Now, there was some savings in other departments by the fact that Mr. Craley was replaced by a Micronesian, and Mr. McKenzie was also replaced by a Micronesian in their former positions; Mr. Craley as Director of the Department of Public Affairs, Mr. McKenzie as the District Administrator of Ponape.

CORRESPONDENCE ON COMMUNITY ACTION AGENCIES

Mrs. HANSEN. I have received some correspondence from Congresswoman Mink, who has been very concerned about the community action agencies. Micronesia will not receive general revenue sharing funds.

I will read a letter I received from Congresswoman Mink:

With much grief and bewilderment, this letter of implore is being written to you concerning President Nixon's decision to dismantle OEO—community action agencies. We believe what little or more you can do, we hopefully place much trust for your assistance.

Briefly, Palau Community Action Agency has been in existence since 1967. Since then much has been accomplished in reference to economic, social, and educational developments. Termination of CAA mission in Micronesia will deprive our people of the privileges and opportunities for which we have utilized with pride and success.

We are bewildered because with so much to have been done successfully, and even more to be done for our people through CAA mission, our local community action agency is forced to close because the administration of Mr. President does not value the works and achievements of community action agencies. We feel that we cannot condone termination of highly acclaimed programs such as CAA's without evaluation and justified cause. Washington, D.C., is a place of decisions affecting us. It is a place where decisions are made overnight and tears are shed by that decision, thousands of miles to Hawaii and even further to Micronesia. Palau Community Action Agency is the farthest and westernmost community action agency among nationwide 907 unfortunate institutions, but distance has not hampered successful programs for the poor here.

We are not included in the recent-passed general revenue sharing nor are we in the currently-being-planned special revenue sharing. We are then left only with hope that U.S. Congress through your assistance would reverse that fatal decision which has befallen on us. We further trust and hope that the Congress would at least provide a favorable alternative to continue community action programs in Micronesia.

We thank you for your time and assistance in this urgent matter.

With high hope and sincere trust for your assistance, I remain.

What is the current status of this program?

Mrs. Mink is very concerned.

Mr. JOHNSTON. The District Administrator of Palau prepared a wire, requesting that I send the wire to Mr. Howard Phillips, the Acting Director of the OEO. Since I was leaving for Washington that day, I took the liberty of calling Mr. Phillips personally when I arrived in Washington and was assured that this specific grant, No. 232, for the Palau district, would be approved.

This is a very important ongoing OEO program.

Now, that is my comment on that one specific grant for the Palau district.

FUNDING BY CONGRESS OF MICRONESIA

Knowing that the community action agencies were probably being phased out, the Congress of Micronesia had before it a bill for consideration in the past session to appropriate funds, I believe it was $180,000, for the continuation of the community action agencies with local Congress of Micronesia funding.

Mrs. HANSEN. Why?

Mr. SETIK. Maybe I can explain the reason it was not passed.

It was introduced in Congress, in the House especially, I think it was 5 days before the adjournment. It did not give members a chance to conduct hearings and review the whole matter. But it is not really dead, it is still alive.

Mrs. HANSEN. When is your next session?

Mr. SETIK. Next January, 1974.

Mrs. HANSEN. You have a 6 months' lag?

Mr. JOHNSTON. Yes, ma'am. Some of the programs will continue until their funds run out and we have been assured that the Territorial Economic Opportunity Office, only in an amount of $15,000 approximately, but that Office will continue at OEO funded expense until June 30, 1974.

Mrs. HANSEN. This would give the Micronesian Congress opportunity to act?

Mr. JOHNSTON. Right. We have a problem there, as I am sure you realize, Madam Chairman, that where the average American community participating in general revenue sharing can pick up the cost of those community action agencies that are doing a good job, and the others that probably should have perished will perish anyway, we are not in that position, because our municipalities do not have that kind of funding and will not be participating.

Mrs. HANSEN. That is why Congresswoman Mink was particularly concerned because she felt the program should not lapse.

Mr. JOHNSTON. But it will not be funded beyond June 30, 1973.

INTERIM FUNDING REQUEST

Mr. EVANS. Are you making a request of the Education Subcommittee for interim funding?

Mr. JOHNSTON. Not that I know of. Our departments will be making requests for interim funding for various programs in health and education, but we do not know as yet what the results of those requests will be.

Mr. EVANS. Are you making requests for OEO funds?

Mr. JOHNSTON. We did make a request, as I said, for this one specific grant.

Mr. EVANS. I mean for the trust territories as a whole?

Mr. JOHNSTON. No; we have not made the request as yet.

Mr. CARPENTER. I think the problem is that the situation is still somewhat confused. We do not have a clear picture of which programs will be eliminated and which will not.

Now, as far as the special revenue sharing arrangement, the first such bill on education submitted by the administration does provide for a certain percentage figure of the total amount for the territories, and Indians.

Mr. EVANS. The reason I asked the question, the administration has made a policy decision that makes us feel that all OEO is going to be phased out and any of it to be continued thereafter will be continued by local governments, with or without Federal revenue sharing funds.

You have had programs in Micronesia. Unless they get other funds, obviously they would not get it from revenue sharing because they are not included in that, I understand, your programs will fail, will terminate.

Mrs. HANSEN. Mr. Johnston, unless the Micronesian Legislature provides funds to meet these costs, what will happen? You do not have a surplus of revenue.

Mr. EVANS. Did you make a request for these OEO funds?

Mr. JOHNSTON. To continue beyond June 30 of 1973; no.

Mr. EVANS. Why? Were you disallowed from asking for them? Were you told that you might as well not ask for them because you are not going to get them?

Mr. JOHNSTON. No, sir, that is not the case.

Mr. EVANS. Then why did you not ask for them?

Mr. JOHNSTON. Well, I pointed out, Congressman, that in the one request that I have had from a district—remember these are local open option programs basically—and the one request that I have had for extension of a very vital program in the Palau district has been requested and formally has been granted.

Mr. EVANS. And you have had no requests for 1974?

Mr. JOHNSTON. This is a matter we have to go into with the Congress of Micronesia to the extent they wish to fund these programs.

SOURCE OF LOCAL FUNDS

Mrs. HANSEN. But the question I asked you, Mr. Johnston, is that if the Congress of Micronesia is willing to fund this program, from what source will the funds be available?

Mr. JOHNSTON. From locally generated revenues.

Mrs. HANSEN. Do they have adequate revenues to fund this program?

Mr. JOHNSTON. Only at the expense of some other program.

Mrs. HANSEN. What programs would they have to reduce? Would they then ask the Department of the Interior for additional funding to make up for what they have taken for the community action agencies?

Mr. JOHNSTON. It may be that some of these programs would eventually be picked up under our Community Development Division under our Public Affairs Department; yes.

Mrs. HANSEN. Mr. Johnston, don't the majority of Micronesian people want this program to continue?

Mr. JOHNSTON. Yes.

Mrs. HANSEN. But what funding will be available?

Congresswoman Mink is very concerned about the continuance of this program. As you know, she is on the Interior Authorizing Committee. If the Congress of Micronesia decides to fund this program will they be asking you for additional funding in some category to replace those funds that will have to be transferred from another program?

Mr. JOHNSTON. This I think will cause us to take a very careful look at the entire community action agency program. In any case, where there is any duplication at all of existing programs that we have, then the existing programs will be continued or strengthened. In cases where there is no duplication, where the community action agencies are performing a vitally necessary function, we will certainly make every effort to continue them. But the funds will have to either come from the appropriations of this committee or from the Congress of Micronesia.

Mr. EVANS. What I cannot understand, Madam Chairman, is, in view of the administration's position of doing away with OEO, which we have known about for a long time, I am amazed that apparently there has not been any conversation between the Micronesian Congress and your office with regard to this problem, nor any efforts undertaken to find out whether the Micronesians want these programs continued.

Obviously, if we do not make a decision, there is going to be a year during which time no funds will be available and no decisions will have been made. Are we just closing our eyes to it?

Mrs. HANSEN. The Micronesian Congress considered a bill, but it did not pass, as they said, because of the time constraints.

If the CAA program is to be funded, obviously at least until the legislature meets, it will have to come from either your development programs or from some amount of money allocated out of Interior's authorized budget. Is this not correct?

HEADSTART PROGRAM

Mr. JOHNSTON. That is correct. One of the major programs that was under the CAA's will be continued, and that is the Headstart program, which has been very important in Micronesia. We have been assured that this program will continue to be funded, perhaps even at a slightly higher level than in the previous fiscal year.

So one of the major programs that the CAA's were supervising will be continued under supervision of the education department, or possibly, as long as the present CAA's are in existence, under their supervision. But this is one that we will not lose, very definitely.

FUNDING OF CAA'S

Mrs. HANSEN. Is the Palau district the only district that had a community action program? How about the other districts?

Mr. JOHNSTON. They appealed this specific grant which is of a specific ongoing development project, developing fisheries and building the economy of Palau. It was extremely important to them.

Now the Community Action Agency at Yap has been discontinued because of unfavorable results of an audit of their funds and lack of management of the program.

The Congress also had a bill to immediately fund that Community Action Agency and they did not pass that bill. But the level of effectiveness and the actual programs are determined by each district.

There are differences among the districts.

Mrs. HANSEN. This is what I am trying to determine.

Mr. JOHNSTON. The entire problem, I assure you, will be given every consideration we possibly can give it. We will be in regular touch with the Congress of Micronesia, because if the programs have to be locally funded, they have to provide the funds for them.

INTERIOR-HEW TASK FORCE

Mrs. HANSEN. I have a news release entitled: "Interior, HEW Task Force To Study Effectiveness of Aid to Micronesia."

What was learned from the task force report?

Mr. JOHNSTON. If I might, Madam Chairman, Secretary Carpenter was one of the two cochairmen of that task force. Perhaps he could comment on that.

Mr. CARPENTER. The task force was established by former Secretary Richardson of HEW, and Secretary Morton last fall. It basically consists of 10 members including 4 Micronesians, 2 of whom have come from the Congress. We divided into a series of subcommittees, namely on education, social welfare, health problems, and the group has been very actively at work. We are now in the final stages of completing the report, which will then be submitted back to the two Secretaries for their approval.

In each area there has been developed as we expected an analysis of urgent needs of various kinds, and the group has made recommendations for funding from HEW sources, either through continuation of categorical grant programs or special revenue sharing.

FEDERAL CATEGORICAL GRANT PROGRAMS

Mrs. HANSEN. How many categorical grant programs do you receive in Micronesia?

Mr. CARPENTER. We have a large number.

Mrs. HANSEN. Please insert a list of the categorical grants in the record, and indicate the amounts involved.

Mr. JOHNSTON. Yes, ma'am. We have this prepared for the record, the fiscal 1973 estimate and the fiscal 1974 estimate. However, these are subject to revision, because a great many of these categorical grants are being discontinued.

Mr. EVANS. Madam Chairman, could they include 1972 as well?

Mr. JOHNSTON. Yes; we would be very happy to do that for the record.

[The information follows:]

Trust Territory of the Pacific Islands

Analysis of Funds Available Within Trust Territory from

Other Federal Agencies

	FY-1972 Estimate	FY-1973 Estimate	FY-1974 Estimate
Health Program (H.E.W.):			
Comprehensive Health Planning	$ 77,000	$ 100,000	$ 100,000
Prevention and Control of Communicable Disease	56,000	32,000	32,000
Public Health Services	385,000	380,000	380,000
Mental Health	68,000	67,000	67,000
Dispensary Construction: HILL-BURTON ACT	750,000	750,000	- 0 -
Other Health Services	- 0 -	172,000	172,000
Total, Health Program	$1,636,000	$1,501,000	$ 751,000
Education: 1/			
Elementary and Secondary Education Act, 89-10	1,367,000	1,599,000	1,599,000
Library Services and Construction Act, 89-511	57,000	90,000	90,000
Adult Basic Education Act, 89-750	82,000	82,000	82,000
Manpower Development and Training Act, 87-415	45,000	160,000	160,000
Education Professional Development Act, 89-329	25,000	25,000	25,000
Vocational Education Act, 90-576	267,000	318,000	318,000
National Defense Education Act, 89-10	54,000	59,000	59,000
National School Lunch Act	8,000	22,000	22,000
Higher Education Act, College Work - Study	- 0 -	33,000	33,000
Education Handicapped Act	- 0 -	130,000	130,000
Environmental Education	- 0 -	25,000	25,000
Total, Education	1,905,000	2,543,000	2,543,000
Resources and Development (DOD-USAF):			
Agriculture: Animal Health Service (DOD)	24,000	30,000	30,000

Trust Territory of the Pacific Islands

	FY-1972 Estimate	FY-1973 Estimate	FY-1974 Estimate
Public Works:			
Water Resources Study (USGS)	$ - 0 -	$ 25,000	$ 87,000
Disaster Control Office - Public Law 91-606 (O.E.P.)	25,000	25,000	25,000
Public Affairs: 2/			
Community Development:			
Territorial Economic Opportunity Office	25,000	15,000	15,000
Micronesian Legal Services Program	600,000	600,000	600,000
Trust Territory Office on Aging	70,000	85,000	85,000
Foundation for the Peoples of the South Pacific	132,000	175,000	175,000
Community Action Agencies	1,011,000	886,000	886,000
Head Start Program	497,000	362,000	362,000
Neighborhood Youth Corps	200,000	98,000	98,000
Total, Public Affairs	$2,535,000	$2,221,000	$2,221,000
Administration:			
U.S.D.A. Food (includes freight)	1,400,000	1,305,000	1,305,000
Emergency Employment Act (Labor)	296,000	296,000	- 0 -
Public Service Career Program (MDTA)	156,000	256,000	- 0 -
National Science Foundation	- 0 -	15,000	15,000
Environmental Protection Agency	- 0 -	80,000	80,000
Total, Administration	$1,852,000	$1,952,000	$1,400,000
Peace Corps	868,000	1,014,000	1,014,000
TOTAL, OTHER FEDERAL FUNDS	7,995,000	9,311,000	8,071,000

1/ All funds are from H.E.W. except Manpower Development and Training which is Labor Department, and National School Lunch Act which is Department of Agriculture.

2/ All funds are from O.E.O. except Office on Aging and Head Start Program which are H.E.W., Neighborhood Youth Corps which is Labor Department, and the Foundation for the Peoples of the South Pacific.

Mrs. HANSEN. This study was supposed to be completed before the close of calendar year 1972. It is now April 1973. What has caused the delay in the completion of the study?

Mr. CARPENTER. We ran into two problems basically. One, the rather large turnover of senior individuals in HEW, including the Cochairman, former Surgeon General Jesse Steinfeld, and then the great fluidity or confusion that has arisen out of the changes in categoric grant programs.

Mr. JOHNSTON. I might say Secretary Carpenter and I just received a briefing from the region nine directors of the various Federal agencies on March 23. That was the first real briefing we had had on which programs would probably be continued and which ones wouldn't. Even on that date I believe I would be correct in saying that there was not positive information on some of the programs.

Mr. CARPENTER. I would say it was less than specific.

Mr. JOHNSTON. That is right.

IMPOUNDED FUNDS FOR FISCAL YEAR 1973

Mrs. HANSEN. Are any of the 1973 appropriated funds currently impounded?

Mr. JOHNSTON. We have $10 million reserve out of our capital improvements program, yes, ma'am.

Mrs. HANSEN. What does this involve?

Mr. JOHNSTON. These are moneys that cannot be expended during the balance of fiscal year 1973.

Mrs. HANSEN. Didn't you justify your entire appropriation to the committee last year based upon the full authorization?

Mr. JOHNSTON. Yes, ma'am.

Mrs. HANSEN. Based on your testimony last year the committee appropriated all the funds that were requested. Now we discover that you can't expend $10 million and the funds are in reserve. I can't understand if these were such critical projects last year why they are impounded.

Mr. SETIK. That was the problem also facing the legislative branch of the trust territory government, because of the instruction from Washington to reserve that money. It is not the High Commissioner, let me tell you the truth.

Mrs. HANSEN. I know it is not the High Commissioner. It is the high commissioner at OMB. This was not something that Congress added to the budget. The $10 million was requested to carry out the provisions of the authorizing legislation, and to make possible some additional programs.

Mr. JOHNSTON. I would say, Madam Chairman, that if these funds are released in early 1974 we can continue.

Mrs. HANSEN. They are all no-year funds?

Mr. JOHNSTON. Yes. We can continue with the projects without any serious disruption.

Mrs. HANSEN. The committee is tempted when OMB impounds funds to transfer them for other purposes. You know this committee has the right to reprogram funds. If the funds are just going to sit on a shelf somewhere the committee has a lot of things to do with them.

Mr. JOHNSTON. We can use it very early in the next fiscal year.

Mrs. HANSEN. The committee has kept within the confines of the budget, and we still find impoundments. We might decide not to appropriate additional funds until the impounded funds are released. The committee in good faith reviews your budgets and we try to do a responsible job. This committee did last year keep within budget restraints. I have a very dismal view of OMB impounding what they choose to impound.

The committee by ourselves could save $10 million. It would be a lot less effort and energy. I want that to come through loud and clear. The Office of Territorial Affairs is not responsible for this action, you are just the missionaries sent out to explain the policy.

USE OF RESERVE FOR WAR CLAIMS PAYMENTS

Mr. JOHNSTON. If I might, Madam Chairman, there is one item I would like to enter on the record. Yesterday the distinguished representative of the Congress of Micronesia proposed that $5 million of these funds be transferred into the war claims fund. I would like the record to indicate, as the Congress well knows, that the executive branch of our Government does not concur in that request, and feels that the money should immediately be used for the projects for which it was appropriated just as soon as it can be released. The war claims fund is separate legislation, a completely separate matter, and we do not concur in their request.

Mrs. HANSEN. That would require a new authorization bill?

Mr. JOHNSTON. Yes, right.

Mr. SETIK. I might add that we are trying to get that money released. If it is impounded for some reason we have to try to get it released.

Mrs. HANSEN. The rules of the Congress prevent the expenditure of funds beyond the authorized level. Unless new authorization is passed by both Houses and signed by the President that couldn't be done.

MICRONESIAN STAFFING RATIOS

You say in the justifications: "Funds requested in 1974 which will provide for 280 new Micronesian positions and 7 additional U.S. positions, bringing our staff level to a total of 6,743 Micronesian and 675 U.S. positions." According to my calculations, you have 1 employee for about every 14 people in the Trust Territory of the Pacific Islands. Is that correct?

Mr. JOHNSTON. That is correct. I wouldn't question your mathematics, but you will recall in yesterday's presentation that Congressman Setik very clearly pointed out that where an average community of 100,000 people would be extremely happy and fortunate to have 1 jet-capable airport, that in order to be effective we have to have 6.

Mrs. HANSEN. I want to warn you having had a few experiences with county governments that various district governments can eventually begin to cost a sizable amount.

I suspect Micronesia is similar to the United States in this regard. If one person's family is on the public payroll, the next one wants to be. I am sure my friends in the Legislature of Micronesia know what happens. This can become a very difficult situation.

FISCAL YEAR 1972 OPERATIONS CARRYOVER

Why the large $945,381 carryover balance in operations from 1972 to 1973? Will there be a similar unobligated balance from 1974 into 1975?

Mr. JOHNSTON. Mr. Oyler can testify to that better than I can. He is our program and budget officer.

Mr. OYLER. Yes; Madam Chairman. The carryover from 1972 to 1973 is the subject of the reprograming request which we discussed a moment ago as to use of the funds.

FISCAL YEAR 1973 OPERATIONS CARRYOVER

Mrs. HANSEN. Do you anticipate a carryover from 1973 to 1974?

Mr. OYLER. From 1973 to 1974, Madam Chairman, at this point we are anticipating no carryover. We can't promise that it will go down to zero.

Mrs. HANSEN. You plan to obligate these funds?

Mr. OYLER. We might not take it right down to zero.

Mrs. HANSEN. Why haven't the funds been obligated in the past? Was this so you could have a June 30 spending spree?

Mr. OYLER. No; Madam Chairman.

Mrs. HANSEN. The committee holds a dismal view of that practice.

Mr. OYLER. The High Commissioner very early in fiscal year 1972 recognized that we would not have quite enough money in our 1973 budget, as it had been prepared, to fund the new pay plan, and we were trying to help ourselves cover some projected shortages in the following fiscal year, so he imposed a little degree of slowdown during fiscal year 1972, to try to help make us whole in fiscal year 1973 without the need to come back to the committee with an even bigger reprograming.

Mr. JOHNSTON. We try to play it on the cautious side. When these new pay increases come through we put freezes on employment. We do try to keep the employment down, recognizing that it is a leading industry in Micronesia and will be for several more years.

Mrs. HANSEN. It reminds me of the British civil service in India.

Mr. JOHNSTON. One interesting statistic. As the funding for Micronesia has increased rather drastically, 10 years ago we had 190 employees for every $1 million of appropriation. Now we have 109. We have reduced the ratio by almost half of the number of employees per $1 million of appropriation. That is one way of looking at it, that we have kept the ceiling on it a little bit.

Mr. MCDADE. That is great credit to you, Governor, and I am sure very few agencies in the Government could make a comparable statement.

Mr. JOHNSTON. Thank you, sir.

DECLINE OF VOLUNTEER LABOR

Mrs. HANSEN. At the same time you have to remember much of the volunteer work has declined with the increased expenditures. Isn't this true?

Mr. JOHNSTON. That is correct. They used to call it "happy labor," the volunteer work. This was a decision in which we concurred, that you are never going to build an independent, self-sustaining, viable

economy if people are giving away their time and services. As we go more into a money economy, people have to earn their share of the income.

SAVINGS FROM DELAY IN FILLING POSITIONS

Mr. McDade. Governor, so I understand, the unobligated balance was a conscious decision on the part of the administration in the trust territories because there were going to be increased expenditures because of pay increases.

Mr. Johnston. That is correct.

Mr. McDade. In order to try to absorb some of that you just slowed down some of your new hires.

Mr. Johnston. We did very definitely.

FISCAL YEAR 1973 UNOBLIGATED BALANCE

Mrs. Hansen. Of the total $73,903,313 available for 1973, how much will be unobligated at the end of the fiscal year and carry over into 1974?

Mr. Johnston. Officially the $10 million which is in reserve will still be. We will make every effort to obligate the balance, but there may be a few million more carryover at the end of the year.

Mrs. Hansen. Such as?

Mr. Johnston. In capital improvements mainly.

Mrs. Hansen. Is that because of the timelag in construction projects?

Mr. Johnston. It is the same problem that we have had in previous years, Madam Chairman, of not being able sometimes to obligate our capital improvements programs just before June 30 instead of within a month or two after that.

DISTRICT PREVALIDATIONS

Mr. Oyler. If I might, Madam Chairman, there will also be, we estimate, about $3 million in district prevalidations for the current work in progress on a lot of projects, which will be returned from the districts on June 30 to show up as unobligated, and given back to the districts on July 1, and reobligated, but it will show technically as unobligated on June 30.

Mrs. Hansen. This is what I am trying to unravel, how much of this will be unobligated?

Mr. Oyler. The prevalidation is for so-called force account projects in the district, of which we have many going on, for continuing work in progress. There will be 1 day, the end of the fiscal year, when they will appear as unobligated.

Mrs. Hansen. When you pay your bills?

Mr. Johnston. When we have to draw them back in, put it into the bank, and the following day we can send it back out to continue work on the projects for which they were appropriated and set up.

FISCAL YEAR 1974 INCREASES REQUESTED

Mrs. Hansen. An increase of $77,101 is requested for the Office of the High Commissioner. Do you want to explain what this involves?

Mr. Johnston. Yes. That is primarily for the creation of these two new positions of the Special Assistant for Legislative Affairs and the Special Assistant for District Affairs. There is an increase of $9,200

for travel. A lot of this is reflected in the creation of the two new positions, because especially the man who is coordinating district activities must do a considerable amount of traveling, to do his work effectively.

Mrs. HANSEN. Justify the increase of $68,195 for the judiciary.

Mr. JOHNSTON. This is primarily, Madam Chairman, to fund one additional high court judge. The courts of the trust territory have gotten progressively farther behind in their disposal of cases, both civil and criminal.

Mrs. HANSEN. To what do you attribute this? Is it because of the increasing cases?

Mr. JOHNSTON. Increase in cases, the activities of more attorneys in the trust territory, and the fact that the high court has not been expanded at all since its creation. There are only three justices at the present time, and we feel that the Chief Justice has made an excellent case for adding one new high court judge.

There will also be a U.S. court reporter and one Micronesian law clerk to assist the new high court judge. That is the reason for the requested increase.

HIGH COURT CASE LOAD

Mrs. HANSEN. I notice your civil cases have decreased as have your community criminals.

Mr. JOHNSTON. In the past few months, Madam Chairman, the past 6 months in the reports that I receive from the chief justice and which he forwards to the solicitor and I forward to Mr. Carpenter, each month the court has gotten farther behind both in civil and criminal cases because of the fact that there are more cases coming before the courts and no expanded capacity to deal with them.

CIVIL CASES

Mrs. HANSEN. What types of cases are increasing?

Mr. JOHNSTON. What is normally called, in the legal trade, class actions. We have a very aggressive group of OEO attorneys who are seeking out cases, bringing them into our courts.

Mrs. HANSEN. What type of cases are they?

Mr. JOHNSTON. Land disputes blocking the capital improvements that your committee appropriates the money for, possibly water and sewer projects in Yap. They even have one case pending now to block construction of the community college of Micronesia, because it might be bad for the ecology. Some of them are stretched considerably.

Mrs. HANSEN. Do the Micronesians approve of the delays in the sewer projects?

Mr. SETIK. Micronesians do not support this, as the High Commissioner explained. In a few cases the lawyer is seeking something to keep him busy every day.

Mrs. HANSEN. I wondered, because when you see a slowdown and a backlog in the normal procedures, where you need so much——

CRIMINAL CASES

Mr. JOHNSTON. And there has been an increase in crime, too, particularly among juveniles. This has increased the work of the courts in the criminal calendar, particularly in the area of serious crimes.

Mrs. HANSEN. To what do you attribute the rise in crime among juveniles? Is it less respect for family authority?

Mr. JOHNSTON. We had one distinguished social worker from the South Pacific Commission who made a rather exhaustive study and came up with a conclusion with which we cannot disagree, that it is largely caused by drinking on the part of the underage individuals. We have tried, in the past few months, to clamp down on this. Took the drastic action in the Ponape district, the closing of all bars for several months, and gradually reopening them. We reopened only 5 where there had been 20- some in the previous period, and everyone on Ponape must have a drinking permit. It costs $5 a year, and $1 for tourists who are there just transiting, but in order to purchase a drink in a bar you must show your drinking permit. We have suggested that this might be a good idea in some of the other districts, and have taken increasingly stern measures.

Mrs. HANSEN. Do you have an age limit on the permit?

Mr. JOHNSTON. Yes. I believe the age limit for drinking is still 21.

CAPITAL PROJECTS DELAYED BY COURT ACTION

Mr. EVANS. Madam Chairman, could we have them supply for the record a list of the capital construction programs that are pending but held up by court action of one kind or another?

Mr. JOHNSTON. Yes.

Mrs. HANSEN. Please do.

Mr. JOHNSTON. This will show those that have been delayed, postponed, or held back in any way. None of them, not even the Yap Airport, has been canceled. We can definitely develop that. It will take a call to Saipan to get that information.

[The information follows:]

Projects slowed down by court action: Ponape Airfield; Marshalls Communications System; Truk Communications System; Truk Water and Sewer System; and Yap Water and Sewer System. The above listing excludes capital projects delayed by legal problems which were resolved by negotiations before culminating in court action.

INCREASED HEALTH SERVICES

Mrs. HANSEN. You are requesting an increase of $670,000 out of a total budget of $7,594,100 for your health services. Do you want to explain what this entails?

Mr. JOHNSTON. That is primarily for increasing the Micronesian staff. It is partially offset by eliminating two U.S. positions. Of the 52 new Micronesian positions, 35 will be located in the new Truk hospital, and 18 of these are a budget adjustment for health assistants who were formerly federally funded and will now be funded out of our own funds.

Mrs. HANSEN. What type of work are they performing?

Mr. JOHNSTON. My budget and program officer advises me that most of them are in the midwife area. Then the balance of the positions will be located in the other districts. There is also some increase to provide patient feeding and additional and updated hospital equipment, but basically it is in the 52 new Micronesian positions.

MEDICAL ADMINISTRATION

Mrs. HANSEN. You indicate a $6,000 decrease for medical administration. What does this involve?

Mr. JOHNSTON. It results from eliminating two U.S. positions budgeted at $43,100, and adding only seven Micronesian positions at $33,400.

Mrs. HANSEN. You say, "Greater emphasis will be given to territory-wide control programs on tuberculosis and venereal diseases." Are these diseases increasing in the territory?

Mr. JOHNSTON. Yes ma'am.

Mrs. HANSEN. To what do you attribute that?

Mr. JOHNSTON. The rise in the venereal disease problem goes back to the same problem we mentioned earlier of drinking by underage youths. The rise of tuberculosis, the Congress of Micronesia took some action in that, in requiring, even though our hospital staff is already overloaded, they passed a bill which we signed into law requiring that all new employees of the trust territory from anywhere in the world take physical examinations. We are going to be much more strict on that.

We have found particularly some of our temporary employees from other countries than the United States and Micronesia have brought in tuberculosis. It isn't an epidemic by any means but it has been on the rise.

Mrs. HANSEN. This is interesting because the Indian Health Service shows a continual decrease in the incidence of tuberculosis among the Indian population. So it is rather startling to see that it is rising in both Samoa and in the trust territory.

Mr. JOHNSTON. Between fiscal 1971 and 1972 the rise in tuberculosis was from 155 to 168, and the rise in venereal disease was from 610 to 723.

TRAINING OF HEALTH PERSONNEL

Mrs. HANSEN. You say, "Emphasis will be placed on periodic training and retraining of health personnel." Where is the training performed?

Mr. JOHNSTON. This is available from the Manpower Training Act. We have excellent cooperation from hospitals in Hawaii and Guam, from the University of Hawaii particularly, in training and upgrading our staff. In fact, Dr. Peck, who was formerly our director of health services, and was replaced by a Micronesian, Dr. Kumangai, is now working for the University of Hawaii, and one of his projects is a training program through the Truk hospital.

TRUST TERRITORY SCHOOL OF NURSING

Mrs. HANSEN. Where is your trust territory school of nursing located?

Mr. JOHNSTON. It is located on Saipan, and just a few months ago was accredited by the University of Guam so that it now offers an associate of science, an A.S. degree, at the completion of a 2-year course through the University of Guam. This is very helpful to the trust territory at an absolute minimal cost to us.

Mrs. HANSEN. And you continue to have an enrollment of about 100?

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Mr. JOHNSTON. One hundred, and we have been graduating roughly 25 new nurses each, predominantly male nurses. I think last year it ran about 14 males and 11 females which is somewhat unusual but these are young men who want to make medicine a career, and start out as male nurses with the hope that they will eventually end up as doctors.

UTILIZATION OR HOSPITAL FACILITIES

Mrs. HANSEN. In your justifications you have a chart on utilization of hospital facilities. Your percent of occupancy in Yap and the Marianas is relatively low. Was the hospital overbuilt, or has hospital use just gradually decreased?

Mr. JOHNSTON. We certainly aren't overbuilt in either area. It is just that we have been treating possibly more patients on an outpatient basis. There is certainly a variation. Sometimes hospitals are completely filled and other times there is virtually no one there.

YAP HOSPITAL

Mr. SETIK. May I add that I wish some time you would be able to visit Micronesia and see the condition of the Yap hospital.

Mrs. HANSEN. I wondered if it wasn't used because it was in poor condition?

Mr. SETIK. It is a very bad place. It is not a place to treat patients, because of the situation of the facility. It is very poor. We hoped to seek funds for it for next fiscal year.

Mr. JOHNSTON. You could certainly say no one would be encouraged to prolong his or her stay in the Yap hospital.

Mrs. HANSEN. That was my understanding, from some of the people who have visited the facility. What are you doing to correct this situation?

Mr. JOHNSTON. Eventually we will have new hospitals in every district. The one in Ponape, as we discussed, is scheduled for fiscal 1974, and then the others will gradually be constructed. The Yap hospital does serve a smaller population.

Mrs. HANSEN. What population do they serve?

Mr. JOHNSTON. About 6,000 in the entire Yap district.

EDUCATION PROGRAM

Mrs. HANSEN. You are requesting an increase of $1,344,100 for education. Please explain what this involves.

Mr. JOHNSTON. That is basically an increase in personnel. Our enrollment is up.

Mrs. HANSEN. What is your total enrollment in your elementary and secondary schools?

Mr. JOHNSTON. In the elementary schools it is about 32,000, 20,800 of that being in the public schools and the balance in nonpublic schools

AID TO NONPUBLIC SCHOOLS

Mrs. HANSEN. You participate financially with the nonpublic schools?

Mr. JOHNSTON. Yes; we have in the budget some $212,000 for support of nonpublic schools.

Mrs. HANSEN. Will you place in the record what your school attendance was in 1960, 1965, 1970, 1971, 1972, and 1973.

[The information follows:]

PUBLIC SCHOOL ENROLLMENT

	Elementary	Secondary	Total
[1]1960	11,565	135	11,700
[1]1965	17,497	2,984	20,481
[1]1970	24,881	3,721	28,602
[1]1971	25,793	4,162	29,955
[1]1972	26,555	5,039	31,594
[1]1973	27,371	5,525	32,896

Mrs. HANSEN. I noticed in your justifications that your teachers are now better trained.

Mr. JOHNSTON. Yes. We are now requiring a high school degree for all new teachers. When I went out there just 4 years ago the average education of the teacher was under 11 years. It is now almost up to 12 years. We are getting closer all the time to having the average teacher at least a high school graduate.

Mr. EVANS. Madam Chairman, may I ask how many different languages are spoken?

Mr. JOHNSTON. We have nine basically different languages, and they are not dialects. They are totally different languages. There are some dialects among the islands among those nine basic languages, but there are nine plus English and Japanese. You might say 11 are fairly widely used.

TEACHER RECRUITMENT

Mrs. HANSEN. How many teachers from Hawaii or the mainland do you recruit every year?

Mr. JOHNSTON. We do recruit quite a few. About 200 new teachers every 2 years. We hire them on 2-year contracts, and there is a turnover of roughly 200 each time, plus the fact that of our 228, I believe it is, Peace Corps volunteers, almost 200 of them are in the teaching system teaching English as a second language.

Mrs. HANSEN. Do they teach any other subjects besides English?

Mr. JOHNSTON. Oh, yes; some of them handle these schools in relatively remote places where they teach many subjects.

DORMITORY STATISTICS

Mrs. HANSEN. Dormitories are a part of the way of life in many islands, as well as the boarding homes. How many dormitories do you maintain trust territorywide, and how many students do they serve at the present time? What is your current deficiency?

Mr. JOHNSTON. May we furnish that for the record. We have the statistical information. I might say that we just opened a new dormitory, a very fine one, in Majuro, which will considerably help the situation there.

[The information follows:]

DORMITORY AVAILABILITY AND NEEDS

	Dormitories	Students housed
Available	33	2,175
Deficiency	7	800
Total	40	2,975

PERCENT OF CHILDREN ATTENDING SCHOOL

Mrs. HANSEN. What percent of your children attend secondary schools?

Mr. JOHNSTON. The latest figures we have available are 72 percent. That is in the eastern districts.

Mrs. HANSEN. What percentage is it territorywide? How many young people completing elementary school go on to the secondary school?

Mr. JOHNSTON. The western districts are virtually 100 percent.

Mrs. HANSEN. You have classroom and dormitory space for all of them?

Mr. JOHNSTON. Yes; in the western district we do.

TEACHING OF HANDICAPPED CHILDREN

Mrs. HANSEN. In the justifications you have listed specific programs which will be in effect in fiscal year 1973. What is your percentage of handicapped youngsters in the islands?

Mr. JOHNSTON. It is a very small percent. I don't know that we have that figure, Madam Chairman. It is a new program. It is only in its second or third year, and it is primarily involved now in training our own teachers to deal with handicapped children.

MICRONESIAN MARITIME CENTER

Mrs. HANSEN. How long has your Micronesian Maritime Center been in operation?

Mr. JOHNSTON. I believe 3 years, Madam Chairman. Less than 2 years ago it acquired a training vessel. This is located on the Island of Dublon in the Truk district. We have had a very successful training program in that one graduating class recently, the entire class, was hired by the German ships which are chartered by our monopolistic shipping line, Transpac. We have no trouble placing the graduates of the maritime academy.

Mrs. HANSEN. Who conducts the training program?

Mr. JOHNSTON. We have just lost our director, an American contract employee from Guam, Capt. Dewey Huffer, and are at the present time seeking a new director.

PUBLIC AFFAIRS

Mrs. HANSEN. You are requesting a decrease of $32,000 for public affairs. What is this related to?

Mr. JOHNSTON. The primary reason for the decrease is in eliminating

three U.S. positions and filling these with Micronesian positions. We eliminate three U.S. positions and increase by only five Micronesian positions. There are also some decreases in the community development office.

Mrs. HANSEN. Are the Micronesian salaries lower?

Mr. JOHNSTON. We save the tax allowance and the recruitment bonuses.

RESOURCES AND DEVELOPMENT

Mrs. HANSEN. You are requesting an increase of $212,000 for resources and development. Do you want to explain what you plan to accomplish in this regard?

Mr. JOHNSTON. Yes, ma'am. A great deal of that increase, $74,000, is for two United States and four Micronesian positions in fiscal 1974 to strengthen existing district programs in marine resources, and to start a marine resources program in the Yap district, which has not previously had one. There is also an increase of 13 additional Micronesian positions as extension agents or field agents in the field of agriculture.

HOUSING LOAN FUND

Mrs. HANSEN. Your district housing authority has its own regulations in consultation with headquarters. How many houses have you constructed?

Insert the information in the record.

[The information follows:]

HOUSING LOAN FUND

About 125 houses have been constructed with about 30 more currently in progress.

Mr. JOHNSTON. We had made over 150 loans by the end of fiscal year 1972, and an estimated additional 60 loans in fiscal 1973.

Mrs. HANSEN. Is this a popular program?

Mr. JOHNSTON. Yes; we do have a start on it in each district now. We were somewhat hampered by the lack of comprehensive low-cost-housing legislation, but I am pleased to report that the Congress passed a bill, and we signed it into law a few weeks ago, so that the program should really speed up, now that we have the enabling legislation that we have been seeking for a couple of years.

Mr. EVANS. Madam Chairman, may I inquire what kind of a backlog of applications for houses they have?

Mr. JOHNSTON. I doubt if we have any serious backlog, Congressman, because it is a new program that is just in its infancy. We do not, for example, have the backlog of applications that we have for loans say for the economic development loan fund. It is a program frankly that has to be sold in the districts. According to our latest figures we do have some 200 applications in the Marianas, 128 in Palau, 168 in Ponape, 25 in Yap, and none in the Truk district at the present time.

Mr. EVANS. 450 or 475, something like that.

Mr. JOHNSTON. Yes.

TOURIST PROGRAM

Mrs. HANSEN. The committee has been very interested in your tourist programs, so that the Micronesian people receive a share of the profits and are provided with jobs. Please discuss the current status of this program.

Mr. JOHNSTON. The big thrust of our tourist program has been to create a tourism authority in each district, so that each district can set its own projected rate of growth, and can control its own tourist industry. One of our districts, for example, does not want any other than Micronesian firms to build a hotel in its district. That is the Ponape district. They have developed a series of smaller hotels rather than any one large hotel, and will continue to develop it that way.

Some districts are seeking tourism more actively than others. Truk is promoting scuba diving in the Truk lagoon and recently showed a movie and color slides to thousands of people in Japan, to encourage them to come to Truk for diving. They have the hotel facilities to handle them. Very definitely the tourism industry is being developed by Micronesians for Micronesians. The one possible exception to that is on the island of Saipan where they look at it a little differently and want major hotel construction to create jobs and build an economy. Even that is somewhat controversial, but that is the way it is developing on Saipan.

LAND REGISTRATION PROGRAM

Mrs. HANSEN. If I recall correctly you have had a continuing problem with land fragmentation, land rights, land ownership, et cetera. How much progress have you made in this regard?

Mr. JOHNSTON. By now we have monumented and surveyed almost 3,000 parcels of land, preliminary inquiries on almost 5,000 parcels.

And as of July 31, 1972, we had issued provisional titles on 1,600 parcels, and held formal hearings on another 3,500 parcels. The program is actually well underway in five of our six districts. It has not yet started in the Marshalls, because of a resistance by the traditional leaders in the Marshalls district.

Mr. EVANS. What has been the historical pattern of ownership of land in the islands? Does it vary greatly?

Mr. JOHNSTON. It varies widely. In the Marianas district it is individual ownership, just as in the U.S. system. Particularly in Palau and the Marshalls it tends almost completely toward clan or lineage ownership of pieces of property, where the hereditary chiefs control the property on behalf of their constituents. We have not instituted any land reform programs. In each district the traditional landownership customs have been allowed to prevail.

PROTECTION TO PERSONS AND PROPERTY

Mrs. HANSEN. You are requesting an increase of $173,000 for protection to persons and property. What does this involve?

Mr. JOHNSTON. This increase is largely for 30 Micronesian positions to strengthen our fire and police departments throughout the various districts.

ADMINISTRATION

Mrs. HANSEN. Justify your requested increase of $294,100 for administration.

Mr. JOHNSTON. A great deal of that increase, Madam Chairman, will be for the financial management system, which we have been discussing for several years, and hope to implement in the very near future. Also that amount includes the refunding of the procurement office on Okinawa, which we had originally intended to phase out but now find can be a very productive office for probably several years to come.

SOCIAL SECURITY SYSTEM

Mrs. HANSEN. In your justification you mention a social security and retirement system. Do you have your own retirement system, and is your social security system the U.S. Social Security System?

Mr. JOHNSTON. We have our own Micronesian Social Security System, which serves as the retirement system you might say of the trust territory.

Mrs. HANSEN. Is every citizen covered?

Mr. JOHNSTON. The Micronesian citizens are covered. The U.S. contract and civil service are covered under other provisions.

TRANSPORTATION AND COMMUNICATIONS

Mrs. HANSEN. Justify your requested increase of $88,700 for transportation and communications.

Mr. JOHNSTON. That is largely an increase in operation and maintenance of ships. The biggest bulk of it is in the area of sea transportation, and is a very modest increase considering the tremendous and ever-increasing problems we have.

Mrs. HANSEN. Does the Navy charge you for the weather forecasting service they provide?

Mr. JOHNSTON. No, ma'am; they do not. I believe I am correct in that. They do not charge.

PUBLIC WORKS

Mrs. HANSEN. An increase of $187,000 is requested for public works. What does this involve?

Mr. JOHNSTON. This is primarily again for an increase in Micronesian positions; 21 of the new positions are in the public works utilities program to operate and maintain newly installed utilities, and 10 new positions are in operations and maintenance, particularly in expanded Government facilities on Saipan and Ebeye in the Marshalls district.

ADEQUACY OF UTILITY SYSTEMS

Mrs. HANSEN. How adequate are your power systems, water treatment plants, and your sewage plants?

Mr. JOHNSTON. It varies by district, but I would say that in general we are several years from reaching even acceptable minimums of those facilities.

Mrs. HANSEN. In which area are you the furtherest behind?

Mr. JOHNSTON. In sewage, probably.

Mrs. HANSEN. Are you going to have to have increasing numbers of powerplants as your hotels increase and as you provide more sophisticated sewage treatment facilities?

Mr. JOHNSTON. Yes, we will have to.

Mrs. HANSEN. Are you planning for that as these things develop?

Mr. JOHNSTON. We are planning for it, but in the interim new hotels which are being built are just told frankly that they must provide their own power and water facilities.

Mrs. HANSEN. That is quite a sizable cost.

Mr. JOHNSTON. It is. In fact one of the new hotels on Saipan is even planning to install its own desalination plant for water. Our district administrator, Mr. Ada, has tried to work with the hotels to get them to place funds. We did this in one case in the Truk district, where the hotel contributes funds to the district government to complete facilities, and then the monthly usage of the water or the power is marked off against that until the funds have been used up. This is to extend it to where the hotel is located.

ADEQUACY OF WATER SUPPLY

Mrs. HANSEN. How adequate is your water supply?

Mrs. JOHNSTON. We recently had a group of nine prominent U.S. businessmen from various fields of activity make a tour of Micronesia. They reported, in Secretary Carpenter's office, to a group of us, including the High Commission and five of the six district administrators, that the lack of proper water was our one greatest constraint to development of our islands.

Mrs. HANSEN. What will you have to have, desalination plants?

Mr. JOHNSTON. That seems to be expensive beyond even the realm of conception in our budget, but we are facing right now the most critical water shortage in the history of Micronesia. Even Ponape, which is normally one of the wettest spots on earth, has been affected. About 5 or 6 days ago, a barge loaded with water from Guam left for Yap because they were completely out of water. The people of Palau have improved the situation a little bit, so that they have water 2 hours a day instead of 1. That is an improvement. I think this dramatically illustrates what our water problems are.

Mrs. HANSEN. I have often wondered about it, because all of the territories are having problems.

Mr. JOHNSTON. Even on Saipan, we have no water between 10 o'clock in the evening and 5 o'clock in the morning.

UNOBLIGATED BALANCE OF CONSTRUCTION FUNDS

Mrs. HANSEN. Please insert in the record a tabulation showing the current unobligated balance by project, and indicating in each instance when the funds were appropriated. Also indicate how much will be unobligated at the end of 1973 for these projects.

[The information follows:]

TRUST TERRITORY OF THE PACIFIC ISLANDS, UNOBLIGATED BALANCES OF CIP PROJECTS

[In thousands of dollars]

	Year(s) appropriated	Unobligated Feb. 28, 1973	Estimated June 30, 1973 unobligated
A&E and planning [1]	1970–71 and 1973	448	365
Public affairs	1970–72	34	0
Legal affairs	1970–71	42	0
Judiciary	1970–71	0	0
Education:			
Multipurpose:			
MOC construction and rehabilitation [3]	1968–71 and 1973	260	0
Truk typhoon Amy restoration project	1972	29	0
CCM design	1972	64	0
Elementary:			
Marianas elementary schools	1972–73	2	0
Palau elementary schools	1971–72	46	0
Yap elementary schools	1971–72	28	0
Truk elementary schools	1973	152	152
Truk elementary schools	1972	271	215
Truk elementary schools	1970–71	15	0
Ponape elementary schools	1973	45	0
Ponape elementary schools	1972	129	0
Ponape elementary schools	1971	12	0
Marshalls elementary schools	1972	216	210
Marshalls elementary schools	1970–71	5	0
Secondary:			
Marianas secondary schools	1970–71 and 1973	25	0
Palau secondary schools	1970–71	16	0
Yap secondary schools	1970–72	183	0
Outer-Island High School	1971–73	417	307
Truk, Moen High School	1970–72 and 1973	273	0
Truk, Faichuk High School	1970–71 and 1973	178	0
Truk, Satawan High School	1970–71 and 1973	290	218
Truk, Ulul High School	1970–71 and 1973	30	0
Truk, Mizpati High School [3]	1973	200	0
Truk, Dublon High School	1972–73	198	0
Ponape secondary schools	1970–72	84	0
Ponape Island Central School	1973	238	0
Kusaie Secondary School	1970–72 and 1973	716	716
Marshalls secondary schools	1970–71 and 1973	645	0
Jaluit High School	1970–72	44	0
All others	1970–72	149	0
Total—Education	1968–73	4,960	1,818
Health:			
Hospitals:			
Palau pediatric ward	1971	19	0
Truk hospital improvements	1971	11	0
Ponape Hospital	1973	350	0
Kusaie Hospital [3]	1968, 1970 and 1973	429	429
Ebeye Hospital	1970–71	1	1
Dispensaries	1970–72 and 1973	173	0
All others—Health	1970–72	36	0
Total—Health	1968–73	1,019	430
Transportation and communications:			
Airfields:			
Isley Field rehabilitation [3]	1972–73	2,000	1,800
Palau Airfield [3]	1972–73	213	0
Yap Airfield [3]	1972–73	414	0
Majuro Airfield water and road project	1970–72	(25)	0
Majuro Airport power [3]	1973	125	125
Truk Airfield	1973	187	0
Port facilities:			
Yap Harbor	1973	71	0
Ponape Dock	1971–73	34	0
Kusaie Dock and Harbor	1972	552	350
Tol/Satawan warehouses	1972	37	0
Majuro warehouses	1972	51	0
All others	1970–72	13	0
Roads and streets:			
Palau primary roads	1971	42	0
Palau Bridge [3]	1972–73	3,038	2,500
Yap primary roads	1971–72	317	0
Truk road project	1970–72	219	0
Ponape primary roads	1970–73	534	0
All others	1968–72	31	0
Ships:			
TT-wide interisland ships	1971–73	98	0
Radio communications:			
TT-wide teletype systems	1973	6	0
TT-wide teletype systems	1971	(9)	0
Outer island radios	1971	3	0
Palau communications station	1972	21	0

See footnotes at end of table.

TRUST TERRITORY OF THE PACIFIC ISLANDS, UNOBLIGATED BALANCES OF CIP PROJECTS—Continued

	Year(s) appropriated	Unobligated Feb. 28, 1973	Estimated June 30, 1973 unobligated
Transportation and communications—Continued			
Telephone communications:			
Palau telephone system	1972	21	0
Yap telephone system	1972	11	0
Truk telephone system	1970–71	2	0
Ponape telephone system	1970	(3)	0
Majuro telephone system	1970–71	5	0
Total—transportation and communications	1968–73	8,008	4,775
Resources and development:			
Marianas truck garden	1971	41	0
Ponape rice project	1972	161	150
Majuro reefer plant	1971	158	158
All others	1970–72	8	0
Total—resources and development	1970–72	368	308
Community development:			
Bikini rehabilitation program	1970, and 1972–73	519	0
Civic action program	1970–73	(118)	0
Total—community development	1970–73	401	0
Water, Sewerage, and Power			
Water and sewerage:			
Saipan water and sewer system	1968–73	21	0
Rota water system	1970	1	0
Tinian water system	1970	16	0
Palau water and sewer system	1970–72	41	0
Yap water and sewer system	1971	61	0
Yap, Ulithi, water system	1971	2	0
Truk, Moen water and sewer system	1971–73	88	0
Truk, Dublon water system	1973	308	300
Ponape water and sewer system	1971–72	219	0
Kusaie water system	1972	184	184
Majuro sewer system	1973	67	0
All others	1970–72	25	0
Power:			
Marianas power distribution	1972	(50)	0
Saipan power plant	1970–73	509	0
Palau power distribution	1971	32	0
Koror power distribution	1973	196	0
Palau, Malakal power plant	1970–72	11	0
Yap power distribution	1973	330	300
Yap power plant	1972	182	120
Truk, Moen power distribution	1972–73	305	0
Truk, Tol power plant	1971	31	0
Truk, Dublon power plant	1972	16	0
Ponape power plant	1972–73	236	150
Ponape generator purchase	1973	144	135
Majuro power plant	1970–72	171	125
Jaluit power plant	1971	70	0
All others	1970–73	54	0
Total—water, sewerage, and power	1968–73	3,270	1,314
Maintenance and rehabilitation:			
TT-wide heavy equipment	1973	118	0
TT-wide heavy equipment (excess)	1972	15	0
TT-wide heavy equipment purhcase	1971	14	0
TT-wide road equipment	1972	6	0
Total—maintenance and rehabilitation	1971–73	153	0
General support:			
General government:			
Congress of Micronesia chambers	1973	14	0
Headquarters government house restoration	1972	39	0
Staff housing:			
Saipan staff housing	1971	19	0
Koror apartment	1971	10	0
Ponape staff housing	1971	(13)	0
TT-wide housing furnishings	1971	(19)	0
All others [2]	1970–71	(17)	0
Total—general support	1970–72	33	0

[1] Revolving fund—A&E costs are transferred to appropriate project when construction project is funded.
[2] Includes unobligated and expended sums for construction overhead plus unalloted emergency and minor construction funds. Overhead costs are distributed monthly to ongoing construction projects.
[3] Fund availability in these projects reflects pending reprograming.

Notes.—Also includes in unobligated balances is approximately $3 million in prevalidations to the districts which are reversed on June 30 and reobligated on July 1.
All of these funds will be obligated by June 30, 1974.

Mrs. HANSEN. The committee will adjourn until 1 p.m.

AFTERNOON SESSION

UNOBLIGATED BALANCE OF CONSTRUCTION FUNDS

Mrs. HANSEN. The committee will come to order. What is the general reason for the large unobligated balances shown in your justifications?

Mr. JOHNSTON. These are carried over from 1972 into 1973. As we have discussed some of these, a great many of them were caused by the inability to certify the land as being available for these developments.

Mrs. HANSEN. Please insert in the record a list of the projects and the reason for the delay.

Mr. JOHNSTON. Yes, we can do that.

[The information follows:]

PROJECT NO.	DESCRIPTION	BUDGETED OR ALLOTTED	UNOBLIGATED BALANCE	EXPLANATION
C2-01	A&E AND PLANNING	$ 158,826	$ 158,826	The unobligated balance will be used for Yap Hospital advanced design.
C2-0111-41	Airfield A&E/Master Plan/Feasibility - Truk and Marianas	286,600	126,583	Unobligated sum will be used to provide master plan, engineering and construction plan for airfield on Truk and Marianas Districts. This will be an additional funds to the previous contract with Ralph & Parson Associates.
Various	All Others	36,800	31,808	The balance is for Land Appraisal and Real Estate Services which are still underway throughout the Trust Territory.
	All Completed Projects	382,344	(498)	This is an overrun of the completed projects which are ready to be closed out.
C2-02	PUBLIC AFFAIRS FACILITIES - Various	278,667	89,837	The balance will be applied for Broadcasting Station in the Marshalls and Ponape Districts which are in the stage of completion, the half portion of the funds will be for Truk Transmitter Bldg.
C2-03	LEGAL AFFAIRS FACILITIES - Various	410,864	71,132	One-third of the funds is for contingency, and the remaining portion is for local contract for construction of the Public Safety Facility in Ponape.
C2-04	JUDICIARY FACILITIES			
C1-0417-121	Kusaie Courthouse	32,000	14,599	This portion is to be used for sewer connection - was separated from construction funds. The project was started in July 1972.
Various	Others	748,810	19,123	For contingency and construction funds for the following ongoing projects; Saipan, Majuro, and Truk Courthouses.
C2-05	EDUCATION FACILITIES - Elementary Schools			
C2-0528-58	Elementary School Classrooms - Yap	22,000)		The total unobligated balance for Yap, Marshalls, Ponape, and Truk Elementary Schools are for construction by local contracts. The work has not yet started due to lack of land certification.
	Elementary School - Marshalls	230,000)		
C2-0527-59	Elementary School - Ponape	229,374)		
C2-0526-63	Elementary School - Truk	286,000)	767,374)	

PROJECT NO.	DESCRIPTION	BUDGETED OR ALLOTTED	UNOBLIGATED	EXPLANATION
C2-0547-14	Community College of Micronesia Design and Construction Projects - Ponape	$ 100,000	$ 68,655	Funds to be utilized on design after master plan is completed and accepted.
C2-0524-60	Meyungs & Harris Elem. Schools - Palau	98,960	98,960	Funds for construction by local contract.
C1-0524-26	Elementary School Classrooms - Palau	180,000	47,685	For use for procurement of materials and for local contracts.
C1-0525-20	Elementary Classrooms - Yap	160,000)		Funds for construction of ongoing projects in Yap, Truk, and Ponape Districts under local contracts. Some sites not yet certified.
C1-0527-47	Elementary Classrooms - Ponape	300,000)		
C1-0526-66	Elementary Classrooms - Truk	850,000)	318,466)	
C1-0528-72	Elementary Classrooms - Marshalls	310,000)		For construction of classrooms located on seven different Atolls, constructed under local force account and Seabees (CAT). Ongoing projects. Some sites not yet certified.
C0-0528-26	Elementary Classrooms - Marshalls	536,900)	243,919)	
C0-0526-24	Elementary Classrooms - Truk	248,600	58,570	For construction by local contract.
C2-0536-35	Typhoon Amy Restoration Project - Truk	411,400	34,549	For construction contingency funds.
	High School			
C1-0536-93	Faichek High School Collateral Equipment - Truk	78,000	36,936	Total balance will be used for procurement of additional equipment. First initial procurement has been completed.
C1-0535-97	Ulithi High School - Yap	200,000	170,604	One-third of the fund is for construction and the remaining portion is for collateral equipment, which has been held until building is completed.
C0-0537-58	High School - Ponape	603,000	307,155	This balance is for the second phase of the school construction by a local contractor.

PROJECT NO.	DESCRIPTION	BUDGETED OR ALLOTTED	UNOBLIGATED BALANCE	EXPLANATION
	High Schools - Con't.			
CO-0536-79	Satawan High School - Truk	$ 113,700	$ 76,802	The unobligated balance is a part of incremental funding provided for vocational classrooms which will be used to let a local labor contract for their construction utilizing government furnished materials.
CO-0536-80	Faichek High School - Truk	554,600	169,619	The unobligated balance is a part of incremental funding provided for the final phase of construction which will be accomplished under local contract.
CO-0536-86	Yap High School - Yap	717,000	241,699	The unobligated balance is a part of incremental funding provided for construction of the Yap High School which is underway.
CO-0532-99	Marianas High School - Marianas	452,500	54,565	The unobligated balance will be used to complete vocational shop buildings and a home economics building.
CO-0538-91	Jaluit High School - Marshalls	1,613,700	247,407	The unobligated balance is a part of incremental funding which will be obligated to the Corps of Engineers for construction of Phase I of the Jaluit High School construction program.
C2-0536-53	Dublon High School - Truk	440,000	220,166	Funds will be used to provide additional materials to be purchased by the Government and to let a local labor contract for construction of the school.
CO-0537-59	Kusaie High School - Ponape	970,000	725,195	Unobligated balance is a part of incremental funding provided for construction. It is expected that a package bid will be let due to the inability of the local municipality to cope with a project of this magnitude. This and other projects will be packaged to attract a favorable bid by an outside firm.
Various	Others - Elementary Schools (7)	161,486)	59,214	For construction, contingency, and administrative costs; all projects are under construction, most of them are more than 50% completed.
Various	Others - Secondary Schools - (17)	1,791,392	234,877	For construction, contingency and administrative costs; all projects are under construction, most of them are more than 50% completed.

PROJECT NO.	DESCRIPTION	BUDGETED OR ALLOTTED	UNOBLIGATED BALANCE	EXPLANATION
C2-06	HEALTH FACILITIES	$ 143,522	$ 143,522	Funds will be applied to the Hill-Burton construction program for TT-Wide dispensaries as matching funds.
C1-0614-112	Pediatric Ward - Palau	167,000	139,850	For construction by local contract beginning August 1972.
C1-0616-117	Hospital Improvement - Truk	73,500	60,687	For force account work which is to be scheduled during the second quarter of this year, for Hospital Improvement.
C1-0618-89	Ebeye Hospital Equipment - Marshalls	50,000	30,285	For equipment procurement - deferred until hospital construction is completed.
68-1.1	Kusaie Hospital - Ponape	454,000	125,788	For construction under package bid to be let together with other projects. Additional funds will be required.
C2-0628-42 C2-0628-43	Rongrong Dispensary - Marshalls Ajeltake Dispensary - Marshalls	10,000) 10,000)	20,000)	The two dispensaries were scheduled to be started in May of this year by local force but a delay due to lack of land certification. Re-scheduled for construction will be made as soon as land documents have been certified and received.
Various	Others - Hospital & Dispensaries 7+28	1,356,339	71,080	This fund is for construction under local contracts and AIC - all ongoing projects, hospital construction and 28 dispensaries. Most of them are over 60% completion.
C2-07	TRANSPORTATION & COMMUNICATIONS			
C2-0712-21	Isley Airfield Rehabilitation - Marianas	400,000	350,294	The unobligated balance will be obligated during the first and second quarters. $10,000 has been retained for contingency and administrative costs. Project is under design by an outside A&E firm.
C2-0712-47	Airfield - Yap	600,000	557,607	Site selection not determined.

PROJECT NO.	DISCRIPTION	BUDGETED OR ALLOTTED	UNOBLIGATED BALANCE	EXPLANATION
C2-0714-13	Airfield - Palau	$ 90,000	$ 59,500	The funds will be obligated.
C0-0718-03	Majuro Airfield/Water/Roads Design - Marshalls	566,700	61,634	For Administrative Overhead Costs.
C0-0718-71	Majuro Airfield/Water/Roads & Air Terminal Building - Marshalls	6,621,142	215,354	Funds for construction, contingency, and overhead ongoing project.
C2-0727-25	Kolonia Dock Construction - Ponape	800,000	37,774	Funds for construction, contingency, and overhead ongoing project under local contract. The project is more than 50% completed.
C2-0727-37	Kusaie Dock & Harbor - Ponape	800,000	701,336	Funds for construction under force account. Still underway.
C1-0715-70	Terminal Warehouse - Yap	56,500	41,298	Funds for force account work which is now 21% completed.
C2-0734-65	Koror Airai Bridge - Palau	760,000	760,000	Incremental funding for a bridge now under design.
C1-0734-64	Primary Road - Palau (2)	337,000	124,480	Funds for force account construction. Still underway.
C2-0737-31	Primary Road - Ponape (2)	482,805	91,023	Balance for construction by local contract-ongoing project.
C0-0736-23	Primary Road - Truk (3)	360,995	257,875	Balance for construction by local contract. Some remaining work to be done before the project is closed.
C1-0738-119	Ebeye Circumferential Road - Marshalls	75,000	40,686	The funds were obligated.
C1-0751-05	Outer Island Radios - TT-Wide	200,000	40,313	This balance was prevalidated to the districts for procurement of equipment and materials.
C2-0754-17	Communication Station - Palau	397,213	169,595	The fund will be used for local contract.

PROJECT NO.	DESCRIPTION	BUDGETED OR ALLOTTED	UNOBLIGATED BALANCE	EXPLANATION
Various	TT-Wide Telephone System	$ 304,000	$ 80,594	Ongoing force account projects.
E-0728-27	Terminal & Copra Warehouse - Marshalls	100,000	100,000	The funds have not been spent due to lack of land certification.
E-0735-36	Primary Road - Yap	412,400	402,200	Funds for construction under force account. Still underway. The funds have not been spent due to lack of land certification.
E-0732-32	Saipan Roads - Marianas	50,000	50,000	The funds were obligated.
E-0741-38	Inter Island Ships - TT-Wide	553,000	553,000	This unobligated balance was incorporated with FY'73 appropriation for the purchase of a shallow draft, diesel powered cargo vessel which was designed by Thomas T. Lunde under contract No. TT-171-77. (Incremental funding)
Various	Others (11)	802,602	74,954	For construction, contingency, and administrative costs for the 11 ongoing projects.
Various	Others - Completed Projects (10)	1,285,880	35,913	For payment of the outstanding obligations which are currently shown on records.
C2-08	RESOURCES AND DEVELOPMENT			
Various	All - (18)	1,420,919	314,887	Unobligated balance is almost entirely for the completion of the Rice Project in Ponape, which includes development of approximately 227 acres. The remaining balance is for the construction of various projects which is under construction.
C2-09	COMMUNITY DEVELOPMENT			
Various	All - (9)	2,141,586	79,216	Unobligated balances apply primarily to the ongoing Bikini projects. Funds have been provided annually on an incremental basis for the restoration of Bikini.
C2-11	WATER, SEWERAGE AND POWER			
	Water & Sewerage - Holding Account	13,842	13,842	This sum is primarily for power distribution which will be prevalidated to the Districts.

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PROJECT NO.	DESCRIPTION	BUDGETED OR ALLOTTED	UNOBLIGATED BALANCE	EXPLANATION
C2-1117-61	Kusaie Water, Phase 1 - Ponape	$ 200,000	$ 200,000	Obligation of funds has been delayed pending action for bid.
Various	All Others - Water & Sewage (13)	15,283,206	616,140	Unobligated balances apply for construction and contingency, of the 13 ongoing water & sewage projects in various districts. Of this total balance, $369,000 was retained for contingency and overhead monies.
	POWER			
	Palau	38,798)		
	Marianas	69,862)		
	Truk	42,500)		Obligation of the funds is pending due to lack of land certification.
	Marshalls	56,000)		
	Outer Island Power	26,037)	233,197	
C2-1128-45	Majuro Power Plant - Marshalls	181,500	181,500	Obligation of funds has been delayed pending the award of contract.
C2-1127-20	Power Plant - Ponape	164,000	157,315	The award of the contract is anticipated.
C2-1125-23	Power Plant Building - Yap	189,300	182,000	The sum will be utilized as soon as the contract is awarded.
C2-1126-57	Dublon Power Project - Truk	45,000	45,000)	
C2-1126-38	Moen Power Distribution - Truk	121,000	107,109)	
C1-1126-50	Tol Power Plant - Truk	125,000	55,626)	Funds for construction by force account - all are underway
C1-1127-32	Power Distribution System - Ponape	113,688	63,857)	
C1-1128-51	Jaluit Power Plant - Marshalls	150,000	89,770)	
Various	All Others - Power	4,700,320	297,552	Unobligated balance is for construction, contingency, and administrative overhead costs for the 22 ongoing projects.
Various	All others essentially completed Projects (13)	7,477,370	90,770	Unobligated balance for administrative overhead costs and contingency for 13 projects.

PROJECT NO.	DESCRIPTION	BUDGETED OR ALLOTTED	UNOBLIGATED BALANCE	EXPLANATION
C2-12	MAINTENANCE AND REHABILITATION	$ 957,042	$ 374	The unobligated balance is for administrative overhead cost.
C2-13	GENERAL SUPPORT FACILITIES	1,181,665	271,200	Unobligated balance is for construction, contingency, and administrative overhead costs for 10 ongoing projects.
C2-14	UNDISTRIBUTED DESIGN, CONSTRUCTION & PLANNING			
C2-1411-01	Undistributed Design & Engineering Overhead			This negative figure will be offset when the distribution of overhead cost is prepared against various ongoing projects. This is done on a monthly basis.
-02	Undistributed Construction & Inspection Overhead			
-03	Undistributed Planning Overhead		(159,597)	
	GRAND TOTALS	$67,011,756	$12,930,227	

Mrs. HANSEN. I was telling one of the members of the authorizing committee at noon about your problems and he was astonished.

Mr. JOHNSTON. Well, there are some of them here, certainly, in the area of water, sewage, and power facilities, a couple of them that were definitely delayed by that type of action.

EDUCATION FACILITIES

Mrs. HANSEN. You are requesting $1.497 million for education facitities. Funds requested in fiscal year 1974 will be used for: Elementary, Truk, $80,000; Marshalls, secondary, $850,000; secondary at Truk, $457,000; secondary at Yap, $10,000; and community college, $100,000.

Mr. JOHNSTON. That is correct.

SCHOOL ENROLLMENT DATA

Mrs. HANSEN. In each instance insert in the record the number of students in those schools.

Mr. JOHNSTON. All right.

[The information follows:]

SELECTED SCHOOL ENROLLMENT DATA

School	*Enrollment*
Truk:	
Pulusuk Elementary	72
Puluwat Elementary	133
Marshalls:	
Jaluit High School	[1] 0
Truk:	
Moen High School	[2] 650
Mortlocks High School	[3] 225
Weipat High School	[4] 150
Yap:	
Yap High School	
Ponape:	
Community College of Micronesia	[5] 123

[1] New school. Funds appropriated through fiscal year 1973 provide space for 200 students. Funds requested in fiscal year 1974 will provide space for an additional 150 students.

[2] Current enrollment. Funds available through fiscal year 1973 will provide space for an additional 250 students. Funds requested in fiscal year 1974 will provide space for an additional 300 students.

[3] Current enrollment. Funds requested in fiscal year 1974 will provide space for an additional 100 students.

[4] Current enrollment. Funds requested in fiscal year 1974 will provide space for an additional 100 students.

[5] Current enrollment. Funds requested in fiscal year 1974 will provide space for an additional 37 students.

COMMUNITY COLLEGE OF MICRONESIA

Mrs. HANSEN. $100,000 is requested for the Community College of Micronesia. What does this involve?

Mr. JOHNSTON. Well, this is to build a 36-bed dormitory on the existing campus. This is not in any way related to the new campus, but the dormitory facilities there just have to be replaced.

Mrs. HANSEN. Will they be near the college?

Mr. JOHNSTON. They will be used for a regular public school when we move the community college to its new location.

Mrs. HANSEN. So the dormitory space is not going to be wasted?

Mr. JOHNSTON. Oh, no, no.

Mrs. HANSEN. Has the planning for these facilities been completed? I want to know if you will obligate these funds?

Mr. JOHNSTON. I think the planning is complete for these.

Mrs. HANSEN. You "think"?

Mr. OYLER. Yes, it is, or will be by the end of this fiscal year.

Mrs. HANSEN. Will it be complete by July 1?

Mr. JOHNSTON. Yes, ma'am, very definitely.

STATUS OF CONSTRUCTION PROGRAM

Mrs. HANSEN. What is the current status of your school construction program?

Mr. JOHNSTON. As my program and budget officer was pointing out, the education facilities is where we have had some slippage because we have to build small elementary schools in areas with relatively few students because there is no way they can be bused or transported to other areas.

Mrs. HANSEN. I understand.

Mr. JOHNSTON. In this area the acquisition of land and the letting of local contracts and so on has taken a great deal of time.

Mrs. HANSEN. How many schools had you programed 2 or 3 years ago as your goal? How many have you completed? How many remain on the drawing board or in your minds?

Mr. OYLER. Perhaps one indication of that is if fiscal contraints allow, our plan through 1979 would devote considerable sums to the school construction program, about $4 million in elementary.

Mrs. HANSEN. I am not talking about 1979. Some of your schools, as you are well aware, were in a very dilapidated condition.

How many schools do you have that are substandard that must be rebuilt? Getting information out of you fellows is just like digging for gold.

Mr. JOHNSTON. We do have those figures somewhere.

Mr. OYLER. In the elementary program, treating that separately for the moment?

We keep up pretty well. Our requirements in the elementary program for the most part at this point in time are for construction of a small number of replacement schools, but primarily an additional capacity to get our students off double sessions in some of the districts. In the Marianas particularly it is a severe problem of needing additional elementary school space to alleviate the double session problem.

NUMBER OF ELEMENTARY SCHOOLS

Mrs. HANSEN. How many schools do you have?

Mr. JOHNSTON. 209.

Mrs. HANSEN. Some of them I imagine are one-room schools?

Mr. JOHNSTON. Yes. I think the figure is 208.

Mr. OYLER. Public elementary is 208 and another 19 nonpublic elementary schools.

ELEMENTARY SCHOOL CONSTRUCTION REQUIREMENTS

Mrs. HANSEN. Of the 208, how many of them have to be replaced within the next 5 years? I want your elementary school estimate first.

Mr. OYLER. Through fiscal year 1973 we had a need of 1,070 elementary school classrooms. We had available, standard classrooms, 825 and we had a shortage at that point then of 245 standard classrooms, in some of which the need was being met with substandard existing facilities.

Mrs. HANSEN. How long will it take you to improve those 245 substandard rooms?

Mr. OYLER. Again, Madam Chairman, if fiscal constraints allowed us to, our plan had been that by 1978 we would have met all our needs.

SECONDARY SCHOOL CONSTRUCTION REQUIREMENTS

Mrs. HANSEN. What is your backlog in secondary school construction?

Mr. OYLER. The great problem in the secondary education area is just to provide more space so all of our eighth-grade graduates can be accommodated.

Mrs. HANSEN. How many more classrooms do you need for your secondary schools? How many do you need as of this point, if you were to accommodate all the young people that desire to attend secondary school?

Mr. OYLER. At this point, Madam Chairman, we would have to indicate that this would have to be phased over a number of years, that we could not handle it all right now, so that within our planning for the next 5 years, say, we had planned——

Mrs. HANSEN. I hope your next 5-year plan is more successful than this 5-year plan.

Mr. OYLER. As I say, it all depends on fiscal constraints and we certainly share your hope that the budget would allow us to proceed.

We have at this point a need of about $12 million more in secondary.

Mrs. HANSEN. Which will build how many schools?

Mr. OYLER. The exact number of rooms I would be glad to supply for the record. It is not only classrooms, it is dormitory facilities.

Mrs. HANSEN. I understand.

Insert in the record as of July 1, how much classroom spaces you are deficient, the number of pupils those classrooms will serve, how many dormitories you are deficient, and how many pupils those dormitories will serve.

Also insert in the record how many will be accommodated in the in the boarding home program.

Mr. OYLER. Yes, ma'am, we will supply those figures.

[The information follows:]

SECONDARY SCHOOL CLASSROOM AND DORMITORY CONSTRUCTION REQUIREMENTS

About $12 million would be required to provide secondary school facilities sufficient to accommodate all elementary school graduates over the next 5 years. This amount would provide about 150 additional classrooms required for about 3,700 students. It would also provide 7 additional dormitories to house about 800 students. It would also include special purpose laboratories, administration buildings, libraries, washrooms, and sanitary facilities, and cafetoriums.

An estimated 400 students would be accommodated by boarding in homes.

PONAPE HOSPITAL

Mrs. HANSEN. $4.650 million is requested for public health facilities. How much of the $4.5 million for Ponape Hospital will be obligated in 1974?

Mr. JOHNSTON. It is planed that the entire amount will be obligated in 1974.

YAP HOSPITAL

Mrs. HANSEN. $150,000 is requested for the Yap Hospital. What does this involve?

Mr. JOHNSTON. That is for the design phase of a new Yap Hospital.

Mrs. HANSEN. Once the design is completed, when will you be requesting funds for construction?

Mr. JOHNSTON. Again, that depends on the budget, Madam Chairman.

Mrs. HANSEN. Will the $150,000 complete the full design?

Mr. JOHNSTON. Yes, it will.

Mrs. HANSEN. So that will be completed in fiscal year 1974?

Mr. JOHNSTON. Yes, ma'am.

Mrs. HANSEN. So that at July 1, 1975, you could, if you had the money, obligate funds for the Yap Hospital?

Mr. JOHNSTON. That is correct.

Mrs. HANSEN. What is going to be the total cost of the Yap Hospital, exclusive of design?

Mr. OYLER. The latest cost estimate, Madam Chairman, is just over $2 million for construction.

Mr. SETIK. I may add to that that it may run a little bit over $2.5 million because of the access roads and utilities to be provided.

Mrs. HANSEN. Utilities, access road?

Mr. JOHNSTON. It will be a total of about $2.5 million for the construction package.

Mr. OYLER. A site has been chosen that is relatively inaccessible in Yap. It will require some land development of the area.

Mrs. HANSEN. I hope you have your land title problems resolved.

Mr. JOHNSTON. It is on public land, is that not correct?

Mr. SETIK. I believe it is on private land.

ROAD CONSTRUCTION

Mrs. HANSEN. $50,000 is requested for Truk roads. How many miles of roads do you have on the islands?

Mr. JOHNSTON. About 400, probably.

Mrs. HANSEN. Are these distributed relatively equally between the districts?

Mr. JOHNSTON. With the exception of the fact that Saipan, because it was more developed under the Navy administration, has better roads than any of the other districts. With that exception, they are fairly—

Mrs. HANSEN. But the number of miles is approximately the same with the exception of Saipan?

Mr. JOHNSTON. That is correct.

Mrs. HANSEN. How many miles of roads does Saipan have?

Mr. ADA. I would say roughly 40 miles of paved road.

Mrs. HANSEN. How many of your roads are dirt and gravel roads?

Mr. ADA. Most of the dirt roads are in the villages, in which we have started a paving program utilizing the Saipan trust fund. Four of the villages have already been paved. The remaining parts of the villages are being hampered by the fact that we are still working on our extension of sewerline. We will begin the paving just as soon as we have completed the sewage line.

Mr. JOHNSTON. We have in the past few years, Madam Chairman, followed the policy of waiting until sewer and water lines are in and then paving the roads, rather than having to pave them and tear them up.

Mrs. HANSEN. I think that is sensible. I wish the District of Columbia would follow the same system.

How many miles of roads will the $50,000 you are requesting for Truk provide?

Mr. JOHNSTON. That will pave about two miles of the most heavily traveled roads right in the center of the main part of Moen Island.

ROAD CONSTRUCTION REQUIREMENTS

Mrs. HANSEN. How many miles of roads are you deficient in the territories?

Mr. JOHNSTON. May we provide that for the record?

Mrs. HANSEN. Yes.

Mr. JOHNSTON. It is broken down into primary and secondary roads.

Mrs. HANSEN. I understand.

[The information follows:]

ROAD CONSTRUCTION PROGRAM

The latest trust territory road inventory shows 367 miles of road. Of these total miles, about 150 miles are all-weather auto roads. Our current 5-year plan would require outlays of about $4.5 million through fiscal year 1979 to upgrade approximately 65 miles of road at about $68,000 per mile.

MARINE RESOURCES—TRUK

Mrs. HANSEN. $40,000 is requested for the Truk marine resources. These funds will be used to buy a boat 36-to-40 feet for fishing operations.

Mr. JOHNSTON. Right.

Mrs. HANSEN. Who will operate the boat?

Mr. JOHNSTON. It will be operated by a full-time crew, a captain, an engine room operator; but the actual fishing will be done by people from the outer islands in the Truk lagoon.

We provide out of these funds the boat and and then we will have to staff it with a two-man crew.

Mrs. HANSEN. You say: "Proceeds from the catch will provide the villages with income as well as defray operating expenses."

Mr. JOHNSTON. This will be a self-supporting project.

Mrs. HANSEN. Do you plan to have other such programs in the other islands?

Mr. JOHNSTON. Yes, ma'am.

Mrs. HANSEN. Is this the first of this type of program?

Mr. JOHNSTON. Particularly in Truk and Ponape. We already have one in Ponape that so far seems to be working very well.

COMMUNITY DEVELOPMENT FACILITIES

Mrs. HANSEN. $1,050,000 is requested for Community Development Facilities. We discussed yesterday your civic action team program.

Funds requested in fiscal year 1974 will be used for: Bikini rehabilitation program, $330,000, and the civic action team program, $720,000.

CIVIC ACTION TEAMS

Mr. JOHNSTON. Yes. That will fund six civic action teams, one in each district.

Mrs. HANSEN. Are they going to concentrate on road construction?

Mr. JOHNSTON. They concentrate on the things most needed in the districts.

Mrs. HANSEN. The district people will decide what is of higher priority?

Mr. JOHNSTON. Yes, ma'am, this is all decided through the district civic action councils, not really at the district level, but at the municipal level. The team in the Marianas, for example, has been utilized on Pagan, on Rota, to do airport repairs. The team in Truk has recently been very helpful in building a new farmers' market which was badly needed by the Truk people on the island lagoon. They have assisted in the building of our new dispensaries.

Always, whatever projects are undertaken, whether bridges, roads, what they call vertical construction of buildings, they have always been equally interested in the training phase and have trained close to 200 trainees, who will be valuable to them in future years.

Mrs. HANSEN. The islands were deficient in these skills?

Mr. JOHNSTON. Yes, ma'am. Heavy equipment operators particularly have been very well trained.

Mrs. HANSEN. You have had no difficulties with civic action teams?

Mr. JOHNSTON. No, ma'm. This has been one of the amazing parts of the program, that there have been no major problems with this. We have had minor problems of supply lines at times and there have been a couple of cases where the supervisory personnel in the Armed Forces have advised us that perhaps they felt the municipalities were not using the team to maximum advantage, and in each case a three-way effort of the district, the headquarters, and the military personnel has solved the problem.

These minor problems which have arisen have been quickly solved and there have been no major ones. It is an extremely popular program. There are requests for additional teams pending, but within our budget we have to limit it to one for each district.

POWER FACILITIES

Mrs. HANSEN. $790,000 is requested for power facilities.

Funds requested in fiscal year 1974 will be used for: Marianas, $350,000; Ponape, $30,000; Truk, $110,000; Yap, $300,000. What will these funds provide?

Mr. JOHNSTON. In the Marianas we now have funded an increase of 2,300 kilowatts over what we call the prefire level. That was before the existing powerplant burned and we had to accelerate the construction of the new powerplant.

Most of the fiscal year 1974 cost is for an additional 1,500-kilowatt generator which is one of the top priority items of the Marianas district. On Ponape it is in power distribution lines for Kusaie Island. The power distribution lines are from the village of Lelu, which is in the harbor of the Tofol Road to Tofol, which is the area where we are building the new hospital, the new high school, and so on. It is to extend the power to the area where the new construction will take place.

In Truk it will be used both for generators and installing lines on Satawan, which is a new subdistrict center in the Truk district.

Mrs. HANSEN. There is a 750-kilowatt generator in the Yap district center?

Mr. JOHNSTON. Yes.

EMERGENCY AND MINOR CONSTRUCTION

Mrs. HANSEN. You are requesting $100,000 for maintenance and rehabilitation facilities. You say that is for emergency and minor construction. Such as?

Mr. JOHNSTON. This is a fund that is needed to replace buildings which have been destroyed, possibly by fire, or where repairs are needed. We occasionally have termite damage and other things. We have to have a fund for maintaining and rehabilitating facilities vital to our programs and there is no other funding for it.

FIRE DAMAGE IN PUBLIC FACILITIES

Mrs. HANSEN. If I recall correctly, last year or the year before the Congress of Micronesia burned down.

Mr. JOHNSTON. Then the High Commissioners' residence burned down.

I might say that one of the casualties of the budget request is that I am still occupying very small temporary quarters, even smaller than my cabinet members, and there is no money in the budget for rebuilding my home, which burned—not my home, the government's home in which I lived—which burned in November of 1971.

The Congress building has been restored on a temporary basis and they held their session there this year. But the Government House, the High Commissioner's residence, has not been restored.

Mrs. HANSEN. Did they figure you would buy a tent and take it to the beach?

Mr. JOHNSTON. No, we still live in an area that is blessed with beautiful weather and abundant sunshine, regardless of what your quarters may be. We are very comfortable.

Mrs. HANSEN. Except you may have a typhoon one of these days.

ECONOMIC DEVELOPMENT LOAN FUND

The sum of $1 million is requested for the economic development loan fund.

Mr. JOHNSTON. Yes, ma'am.

Mrs. HANSEN. Is that all you were allowed to request? Were you thinking in higher terms?

I met a member of the authorizing committee and he seemed to think you should have had more funds.

Mr. JOHNSTON. Perhaps I might put it this way: We have now pending, and most of them we feel are bona fide applications for viable projects, we have now pending $2.6 million against this request of $1 million. We had hoped to get a $1 million supplemental for fiscal 1973 and another $1 million in fiscal 1974, but we will be very happy to get the $1 million in fiscal 1974.

With our economic development loan fund we do have a big backlog of applications and can certainly use the $1 million roughly divided the way it is shown on page 98, fishing, farming, construction, working capital, and so on.

Basically, if we had $2 million, we would just roughly double each of these categories, probably, because that is the way the pending applications are coming in.

ADMINISTRATION OF LOAN FUND

Mrs. HANSEN. How does your loan fund work? Do you want to describe its operation?

Mr. JOHNSTON. The loan fund is administered by the Economic Development Loan Fund Board, which is headed by a Micronesian citizen who is our Deputy Director of Resources and Development. Many of the loans are made in the districts and any loan up to $5,000 may be made by the District Economic Development Loan Board, but all those loans above $5,000 still come to headquarters for consideration.

We have certain rules that not more than a certain percentage of the remaining balance can be used for any one loan to avoid exhausting the fund with one huge loan, when we have a number of small applications pending.

The recent trend has been to grant a large number of small loans rather than any extremely sizable loans.

ECONOMIC BENEFITS OF FUND

Mrs. HANSEN. In your justifications, you say that 2,600 or more new jobs would be created by the influx of EDLF capital. The largest number of new jobs created will be semiskilled, unskilled, seasonal, and miscellaneous categories.

How many unemployed and underemployed people do you have in Micronesia?

Mr. JOHNSTON. That is a very difficult question to answer. It is hard to say that we have an employment problem when it is necessary for us to allow contractors to import labor from the Philippines, Taiwan, and so on, and Korea, possibly, to work on major construction projects.

Mrs. HANSEN. Has not the problem been that you did not have the people who were skilled in these jobs?

Mr. JOHNSTON. That is correct.

We do not have unemployment compensation or welfare rolls as some countries in the world have.

We do not keep unemployment statistics as such because there are jobs available for anyone in the trust territory who wants to be employed.

Now it may be a person graduates from college in a certain specialty and there may not, immediately, be a position open for him in either government or private industry, but we have not too many instances even of that at the present time.

Mrs. HANSEN. There is no use creating jobs if you do not have the people to fill these jobs.

Mr. JOHNSTON. We are fairly rapidly, each year, turning out more and more graduates of the Micronesian Occupational Center. One thing we have to do is to provide jobs for them, if we are going to maintain a student body of 400 to 500 at the occupational center. So far almost 100 percent of the graduates have been picked up in private industry or in government. The bulk of them, which is very good news to us, are in private industry.

The air-conditioning mechanics we turn out can instantly gain employment, as can those who are trained in automobile repair, service station operation, and so forth. But as we keep turning them out on a regular basis, we have to keep creating jobs; there is not that much of an economy yet. That is the whole purpose of the Economic Development Loan Fund, to create both economic income for entrepreneurs and also jobs for the newly trained high school graduates and MOC graduates.

PRIORITIES FOR LENDING

Mrs. HANSEN. In the justifications the proposed lending categories are listed: Fishing, $300,000; farming, $200,000; working capital business expansion, $200,000; construction, $150,000; auto repair and service station, $50,000; and taxi and car rental, $100,000.

On what basis did you determine these priorities?

Mr. JOHNSTON. On the basis of the apparent demand for the use of the funds based on our applications which have been filed in the past few years. These are guidelines, they are not absolute figures.

In other words, if nobody applied for working capital business expansion and we had, say, $1 million worth of applications for fishing, it would not mean that we would have to hold back money indefinitely for the other category. These are just guidelines based on the normal way the applications fall into these categories.

INTEREST RATE AND REPAYMENT TERMS

Mr. HANSEN. What will be the interest rates and payback provisions of these loans?

Mr. JOHNSTON. The interest rates run between 3 and 4 percent and the rate of delinquency varies.

At least one district now has no delinquent loans. At the time I went to Micronesia, you may recall, Madam Chairman, we discussed it before, they had about a 60-percent delinquency rate. We have lowered that down to below 20 percent.

Then I understand it edged up a little bit. We are currently in the process of cutting it back down again. It does vary widely by districts and all of our district administrators, and I am sure Mr. Ada could tell you, are vigorously working to cut the rate of delinquencies and have all of the money on a revolving fund basis so that the loans are repaid promptly, so that money is available to loan to other people.

Mrs. HANSEN. In the justification you have an analysis of funds available within trust territories from other Federal agencies.

HEALTH PROGRAMS

In 1973 $100,000 was available for comprehensive health planning. What will be the amount for fiscal year 1974?

Mr. JOHNSTON. You will note that we have already indicated that the Hill-Burton Act will be phased out, there will be no funds from that.

Perhaps Mr. Carpenter, who attended the same briefing I did, can assist me with this. But as I understand it, none of the other items in the health programs are firm for 1974 at this point.

Mr. CARPENTER. That is correct.

Mrs. HANSEN. The $751,000 indicated in fiscal year 1974 for the health programs are rather illusory then?

Mr. CARPENTER. That is right.

EDUCATION PROGRAMS

Mr. JOHNSTON. Yes; the same would apply to all of those programs listed under education.

Mrs. HANSEN. That is $2.543 million that you might not receive.

Mr. JOHNSTON. Yes.

ALTERNATING BUDGETARY PROVISION

Mrs. HANSEN. Have you provided any compensatory funds to meet the costs of these programs?

What is going to happen if funds for the National School Lunch Act, the handicapped, the manpower development and training programs are not available?

Mr. JOHNSTON. We have not provided substitute funds in the budget figures that have been presented to this commitee.

NATIONAL SCHOOL LUNCH PROGRAM

Mrs. HANSEN. Will you provide for the committee some priority items in these categories if you had to choose between them. Will your national school lunch program be continued?

Mr. JOHNSTON. We were told in this briefing that school lunch programs and USDA feeding programs would, for the most part, be continued. We have another item for USDA food of $1,305,000, which I understand will be continued.

Mrs. HANSEN. That includes your school lunch program?

Mr. JOHNSTON. That is my understanding, except for the administrative portions of it. That provides the food.

Mrs. HANSEN. What is the administrative cost?

Mr. JOHNSTON. It was estimated at $22,000. The Congress of Micronesia did pass a bill which would have mandated the trust territory administration to pick up the entire cost of administration of any school lunch program. Because the bill was not funded, and made it mandatory rather than discretionary, we disapproved the bill.

Mrs. HANSEN. That means there is still a difference of opinion.

Mr. JOHNSTON. Yes, ma'am, but we already have the administrative authority to support those programs which need support, and have been assured we will not lose the food itself.

PRIORITY OF SPECIAL EDUCATION PROGRAMS

Mrs. HANSEN. Stipulate for the record what are the priority education programs.

Mr. JOHNSTON. I would say there are certainly none of them to which we would not assign a priority. Certainly the Elementary and Secondary Education Act, under which we get over $1.5 million, would have a very high priority. We approached the regional director of HEW, who had made a statement that teacher training programs would all be discontinued as categorical grants, because there was a surplus of 75,000 teachers in the United States. We pointed out, both Governor Haydon of American Samoa and I, that this bears no resemblance to reality in the trust territory and in American Samoa, where we still have the problem of upgrading our teachers beyond a high school education, and we have to give a tremendous priority to inservice training for our teachers, so those are funds that will have to be provided from somewhere, if they are not available from Federal assistance.

Mrs. HANSEN. Supply a list for the record of what will have to be provided, and what the potentials are.

[The information follows:]

We are very hopeful of being included in the various special revenue sharing programs of the administration. At this point in time we are included in the administration-proposed Better Schools Act of 1973, which is the education special revenue sharing program. We do assign a high priority to the various education programs financed by Federal grants, but we have no supplementary funding sources to fill the breach in the event that these funds are lost to the trust territory.

EDUCATION SPECIAL REVENUE SHARING

Mr. CARPENTER. Some of these programs, Madam Chairman, are proposed to be covered in the new special revenue sharing bill in education.

Mrs. HANSEN. You cannot be sure whether that is going to be enacted.

Mr. CARPENTER. That is one of our problems.

Mr. JOHNSTON. And we would be included in that, is that correct?

Mr. CARPENTER. Presently as written the territories are included.

ANIMAL HEALTH SERVICE

Mrs. HANSEN. Will your animal health service be continued?

Mr. JOHNSTON. It was to have been discontinued, but I understand we have received a 1-year extension on it. This provides for an Air Force veterinarian, who is the only veterinarian in the trust territory. He was in my office the day before I left for Washington, and said his understanding was he would be continued for 1 year.

Mr. CARPENTER. We have just received confirmation of that.

WATER RESOURCES STUDY

Mrs. HANSEN. Will your water resources study be continued?

Mr. JOHNSTON. This should continue. It is a longtime continuing program.

Mrs. HANSEN. Your Geological Survey program?

Mr. JOHNSTON. Right.

DISASTER CONTROL OFFICE

Mrs. HANSEN. Your disaster control office?

Mr. JOHNSTON. That has been discontinued. The OEP, as I understand it, is being distributed among other agencies, and the funding for the disaster control office will probably be discontinued. The gentleman who served as disaster control officer was the same one who served as census officer who passed away quite unexpectedly. We at the present time are planning to reassign the functions of that office to another individual without hiring any new person for the disaster control office.

PUBLIC AFFAIRS PROGRAMS

Mrs. HANSEN. Under your public affairs programs you have listed: Territorial Economic Opportunity Office, $15,000; Micronesian legal services program, $600,000; Office on Aging, $85,000; Foundation for the Peoples of the South Pacific, $175,000. How many of those will not be continued?

Mr. JOHNSTON. The Territorial Economic Opportunity Office will be funded through June 30, 1974. We have one more year of funding, in other words, fiscal 1974.

MICRONESIAN LEGAL SERVICES PROGRAM

Mrs. HANSEN. Will the legal service program be continued?

Mr. JOHNSTON. There is pending a strong recommendation from the High Commissioner that the Micronesian legal services program be phased out. I think many Members of the Congress concurred in that. All six district administrators concurred in it. The program has not served the purpose for which it was created. The attorneys, who seem to increase in number constantly, do not take cases where one Micronesian has any problem with another Micronesian, and that was supposed to be the whole purpose for bringing them out there.

Mrs. HANSEN. I thought that was the major purpose.

Mr. JOHNSTON. They specialize in class actions, and are even involved in one suit on behalf of people who are among the highest paid people in Micronesia, and certainly could hire their own attorneys without resorting to any so-called poverty lawyers. My objections to the program are a matter of record. We don't know whether this program would be continued but we will certainly not give it a priority.

OFFICE ON AGING

Mrs. HANSEN. Will your Trust Territory Office on the Aging be continued?

Mr. JOHNSTON. That is one that may possibly be discontinued, isn't that correct?

Mr. CARPENTER. I think it is about 50–50.

COMMUNITY ACTION AGENCIES

Mrs. HANSEN. Your community action agency will be funded until June?

Mr. JOHNSTON. June 30 of this year only.

Mrs. HANSEN. We discussed that this morning. There are some very valuable programs we would like to continue but the funds are not available.

HEADSTART PROGRAM AND YOUTH CORPS

Will the Headstart program be continued?

Mr. JOHNSTON. That will be continued, and may even be at a slightly higher level.

Mrs. HANSEN. Your Neighborhood Youth Corps?

Mr. JOHNSTON. The problem with that, Madam Chairman, is this is a very valuable program to us, and the young people from Micronesia are trained in Hawaii, and also some from Guam. As we understand it, the Job Corps training center in Hawaii, if it is declared a local or State Job Corps training center, we will immediately lose this whole program.

Mrs. HANSEN. So the status is indetermiate.

Mr. JOHNSTON. If it can be declared a national or regional training center, which we hope it will be, then the program will continue, so it is right up in the air at the present time.

Mrs. HANSEN. The Emergency Employment Act will be phased out?

Mr. JOHNSTON. Yes, ma'am, and the public service career program phases out at the end of this fiscal year.

NATIONAL SCIENCE FOUNDATION

Mrs. HANSEN. Will the National Science Foundation program be continued?

Mr. JOHNSTON. It should continue.

Mrs. HANSEN. What are they working on?

Mr. JOHNSTON. I am afraid we would have to supply that for the record. I really don't know.

[The information follows:]

NATIONAL SCIENCE FOUNDATION PROJECT

The National Science Foundation is providing $15,000 during fiscal years 1973 and 1974 for the Palau Mariculture Center under sea grants for work on marine resources demonstrations.

ENVIRONMENTAL PROTECTION AGENCY

Mrs. HANSEN. Will the Environmental Protection Agency be continued?

Mr. JOHNSTON. It is our understanding that that will continue.

Mrs. HANSEN. I am sure it would.

Mr. JOHNSTON. Yes, ma'am.

PEACE CORPS

Mrs. HANSEN. $1,014,000 was available for the Peace Corps in fiscal year 1973. How many Peace Corps people do you have?

Mr. JOHNSTON. About 228.

Mrs. HANSEN. Will that continue at the same funding level in fiscal year 1974?

Mr. JOHNSTON. It is our understanding that it will continue at approximately the same level.

Mrs. HANSEN. About 200 of them you said are participating in education.

Mr. JOHNSTON. Yes, ma'am.

Mrs. HANSEN. What are the duties of the other 28?

Mr. JOHNSTON. The others are in various fields such as architects, engineers, agricultural specialists, hospital technicians, dental assistants, home economics, and so on. Our projection shows a figure of 231, of which 172 would be in education.

CLOSING REMARKS

Mrs. HANSEN. Thank you very much, Mr. Johnston and Secretary Carpenter. I wish again to express the committee's appreciation to Representative Setik, your district administrator, and the other Micronesians who have come today to participate in the hearings. You have done a very good job of reviewing the current situation and your fiscal difficulties.

Mr. McDade.

Mr. MCDADE. Thank you, Madam Chairman. I want to join you in commending the Governor and the members of the Micronesian Congress who were kind enough to be with us. We very much enjoyed your presentation as we always do. They were very well presented and we thank you for coming.

Mr. JOHNSTON. It has been a pleasure appearing here again this year, Madam Chairman.

Mrs. HANSEN. It is always a pleasure to welcome our South Pacific neighbors.

Mr. JOHNSTON. We always appreciate the consideration you give us and your friendly and helpful attitude.

MONDAY, APRIL 9, 1973.

BUREAU OF INDIAN AFFAIRS

WITNESSES

MARVIN L. FRANKLIN, ASSISTANT TO THE SECRETARY FOR INDIAN AFFAIRS
WILLIAM L. ROGERS, DEPUTY ASSISTANT SECRETARY—INDIAN AFFAIRS
HOWARD NELSON, ENGINEERING ADVISER
JAMES E. HAWKINS, DIRECTOR OF EDUCATION PROGRAMS
EDWARD G. MARICH, ADMINISTRATIVE OFFICER, EDUCATION PROGRAMS
RAYMOND V. BUTLER, CHIEF, SOCIAL SERVICES
CHARLES P. CORKE, CHIEF, NATURAL RESOURCES
JOHN D. GEARY, CHIEF, PROGRAM PLANNING AND ANALYSIS STAFF, COMMUNITY SERVICES
EARLE R. WILCOX, CHIEF, FORESTRY PROGRAM
JOHN P. SYKES, DIRECTOR OF FISCAL PLANS AND MANAGEMENT
HOMER D. GREEN, CHIEF, DIVISION OF BUDGET
K. K. YOUNG, BUREAU OF RECLAMATION
FRANCIS M. WILES, DIRECTOR OF BUDGET, OFFICE OF THE SECRETARY
MRS. PATRICIA DONNELLY, PROGRAM OFFICER FOR ENGINEERING
JOHN CARMODY, CHIEF, DIVISION OF SCHOOL FACILITIES

Mrs. HANSEN. The committee will come to order.

This morning we have the Bureau of Indian Affairs. We have as

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our principal witness Mr. Marvin Franklin, Assistant to the Secretary for Indian Affairs.

INTRODUCTION

Mr. Franklin, it is a pleasure to welcome you this morning. Please introduce the members of your staff who are present today.

Mr. FRANKLIN. It would be a pleasure.

I would like to introduce first on my right, Mr. Bill Rogers, Deputy Assistant Secretary for Indian Affairs. Also at the table this morning on my left is Mr. John Sykes, the Director of Fiscal Plans and Management. Second to my right is Mr. Jim Hawkins, Director of Education Programs. And Mr. Ray Butler, the Chief of Social Services.

We also have in the room Mr. Charles P. Corke, Chief of the Natural Resources; John D. Geary, Chief of Program Planning and Analysis Staff, Community Services; Homer D. Green, Chief, Division of Budget; Howard Nelson, engineering adviser; Edward Marich, administrative officer, Director of Educational Programs; Earle Wilcox, Chief of the Forestry Program; and Mrs. Pat Donnelly, program officer for engineering.

BIOGRAPHY OF MR. FRANKLIN

Mrs. HANSEN. Thank you very much.

At this point in the record we will insert your biography, since this is the first time you have appeared before the committee.

[Biography follows:]

Marvin L. Franklin, Assistant to the Secretary for Indian Affairs.
Birth date: July 18, 1916.
Place of birth: Ponca City, Okla.
Marital status: Married, two children.
Address: Oklahoma City, Okla.
Education: B.A.—Northern Oklahoma College; law degree—Oklahoma City University.

Member of the Iowa Indian Tribe and has served as chairman of the General Tribal Council. Presently is vice-chairman of the Tribal Executive Committee.

Employment: 1947–present: Phillips Petroleum Co. Since 1965 director of Cooperative Project for Phillips Petroleum Co. with the major part of his assignment being to work with government to develop industry in disadvantaged areas, especially those where Indians are in need of job opportunities. 1940–1947: Commercial airline pilot. During World War II, trained pilots.

Affiliations: President of Indian Enterprises Inc.; president of the Phillips Industrial Finance Corp.; president, First Americans Corp.; vice-president of Provester Co.; member of the advisory committee to the American Petroleum Institutes; director of the Navajo Forest Products Industries, Navajo Chemical Co., Papago Explosives Co., Oklahoma Vocational-Technical Foundation, and the American Indian National Bank.

Awards: The Public Service Award for Conservation of Human Resources was presented June 7, 1971, for achievements in creating economic betterment for Indian reservations.

Mrs. HANSEN. I am sure you have a general statement. You may place it in the record and summarize it or read it as you wish.

Mr. FRANKLIN. Madam Chairman, if you do not mind, I would like to read this statement to you.

It is my distinct pleasure to make my first appearance before your committee today as the Assistant to the Secretary of the Interior for Indian Affairs.

Being of Indian heritage, I am keenly aware of the many problems which the American Indians have faced in their struggle for recognition, for equality, for employment, for protection of their resources, for improved living conditions, for participation in determining their destiny, and for the education of their children. I have seen great strides in my lifetime and I am very confident that we will continue to go forward with great success in attaining these goals.

INDUSTRIAL DEVELOPMENT

My endeavors, prior to taking this present position, included development of industry in disadvantaged areas, with special attention given to those areas where Indians are in need of job opportunities. I have had the opportunity to assist in bringing industry and business enterprise to a number of Indian tribes in our efforts to create economic betterment for Indian reservations. I will continue to place my energies in this direction and will work to establish a delivery system for Federal programs to assure the maximum delivery of resources to the American Indian to encourage involvement and self-determination.

AMERICAN INDIAN BANK

I am very proud to have played a part in which I consider a great breakthrough, an unprecedented step forward for the Indian, through the establishment of an American Indian Bank. This will be another means of financial assistance and another step toward self-determination.

EDUCATION OF INDIAN CHILDREN

To provide a quality education for Indian children is a desire of every Indian parent as well as every other American. The request which we will be discussing today will provide assistance through the Johnson-O'Malley program for approximately 102,000 Indian students who will be attending public schools. Indian youth are enrolling in colleges and universities in greater numbers each year. It is estimated that our request will provide assistance toward tuition and living expenses in conjunction with other Federal, State, and local programs for approximately 13,500 students.

The enrollment in Bureau-operated schools is expected to increase by approximately 730 students, to an anticipated total enrollment of 60,590. In addition, an estimated 2,200 students will be enrolled in 12 of our schools being operated under contracts with tribal groups.

RESERVATION ROADS IMPROVEMENT PROGRAM

Closely associated with our education and developmental efforts is the need for an adequate road system. In fiscal year 1974 our request will provide for 458 miles of grading, 546 miles of surface paving, and gravel surfacing of 130 miles. I cannot overemphasize the role that our road system plays in building the local economies in Indian communities.

FEDERAL GRANTS TO INDIAN TRIBES

Legislation is being prepared and will soon be submitted for congressional consideration of a new approach fostering local Indian self-determination by developing a program of block grants to federally recognized tribes. The primary purpose would be to provide tribal governments with funds which they could use at their own discretion to promote development of their reservations.

REVENUE-SHARING PROGRAM

Another form of self-determination is the assistance through the general revenue-sharing program. The amount for calendar year 1972 was $6.2 million to over 330 tribes and Alaska Native villages. The amounts ranged from $26 at the Cortina Rancheria in California to $1.8 million at Navajo. Twenty-nine tribes received $100,000 or more.

REALINEMENT OF THE BUREAU OF INDIAN AFFAIRS

I did not take this assignment unaware of the many problems now existing and I have pledged myself to provide the best leadership and guidance of which I am capable and to explore all avenues of talent, experience and resources to reach a satisfactory solution. There is much energy and talent available. We must find the most efficient way to use it. I am in the process of implementing a realinement of the Bureau of Indian Affairs headquarters organization which will streamline and strengthen these functions.

As I mentioned before, I have been at the tribal level and have seen the other side of the coin. However, since my appointment here in Washington. I have discovered that I have many hard-working, loyal, and competent employees who are capable of providing a program of service to Indian people. Their presence encourages me and together we are determined to give the Indians the things they so badly need, and for which they have been striving for years.

BIOGRAPHY OF MR. ROGERS

Mrs. HANSEN. Thank you, Mr. Franklin.

Also at this point in the record we will insert the biography of the Deputy Assistant Secretary of Indian Affairs, Mr. Rogers.

Mr. ROGERS. Thank you.

[The biography follows:]

William L. Rogers, Deputy Assistant Secretary—Indian Affairs.
Birth date: March 19, 1921.
Place of birth: Pendleton, Oreg.
Address: Washington, D.C.
Education: B.S., engineering—California Institute of Technology.
Employment: June 1971 to present, Deputy Assistant Secretary—Indian Affairs. June 1970–June 1971, Deputy Under Secretary of the Interior. 1942–1970, Aerojet General Corp.—rising to position of vice president and general manager of Aerojet's Electronics Division, Azusa, Calif.
Affiliations: Fellow member of American Institute of Aeronautics & Astronautics; life member of Navy League; Tau Beta Pi, national engineering honor society.

APPOINTMENT OF COMMISSIONER OF BIA

Mrs. HANSEN. Mr. Franklin, so that we can set the direction and understanding of this entire hearing, I would like to say that I am disappointed that we do not have a new Commissioner of Indian Affairs, or that we do not have an Assistant Secretary for Indian Affairs.

I think the legislation has been introduced to establish an Assistant Secretary. I understand that legislation has not been reported. Is this correct?

Mr. FRANKLIN. That is correct.

Mrs. HANSEN. However, I think the Bureau of Indian Affairs is very fortunate to have you acting as the special assistant to the Secretary. I know of no one who is more knowledgeable in the field of Indian Affairs and the problems than you are. I think the Indian people are very fortunate.

Mr. FRANKLIN. It is indeed generous of you to mention that.

AMERICAN INDIAN BANK

Mrs. HANSEN. In your statement you mention the American Indian Bank. When was this formed? What is its capitalization and where is it located?

Mr. FRANKLIN. The American Indian Bank is the result of about 6 years of concerted effort on the part of several American Indians who have recognized for a long time the need for the Indian people to have access to the financial resources of this country.

The bank was proposed about 6 years ago when we talked about the American Indian Development planning. That was submitted in the form of legislation and was never passed.

The latest effort is one in which we have attempted to form the American Indian National Bank in the same sense as any other group of citizens would.

We have, in conjunction with the forming of the application for the bank, formed the American Indian Trust. This organization has arranged to borrow $1 million for the capitalization of the bank. The trust will hold the shares of stock issued by the American Indian National Bank for the benefit of Indian tribes, according to the regulations to be adopted by the board of directors of the bank upon its inception.

The bank will be located in Washington, D.C., with corresponding banks across the Nation. Our hope and goal is to follow the National Banking Act, so that we can have facilities on tribal lands. We believe that this follows the dictates of the National Banking Act, as well as the decisions handed down by the Supreme Court over many, many years, recognizing the Indian trust lands as dependency lands. That follows the statute of the National Banking Act.

Mrs. HANSEN. The committee was very interested in the proposal when it was introduced because we thought this was one of the investment structures that was necessary in order to have a viable program of financing for the Indian people.

The committee was somewhat dismayed that the authorizing legislation for a bank in the form of those structures that we have for our foreign operations was never adopted. Will you be training the Indian people throughout the country in banking?

Mr. FRANKLIN. Yes; the bank structure itself will have nine directors, six of them will be Indian. You would be interested to know that your former colleague, Ben Reifel, has agreed to be one of the directors.

Mrs. HANSEN. That is excellent.

Mr. FRANKLIN. Mr. Bill Keeler, chief of the Cherokee Tribe, will be a director.

From the reservation level we have Mr. Robert Jim from the State of Washington, head of the Yakima tribal council, and Mr. Peter MacDonald, tribal chairman of the Navajo Reservation.

We have two other Indian members who will be on the board of directors. The remaining three members will be from banking circles, mainly in the Washington area.

EDUCATION OF INDIAN CHILDREN

Mrs. HANSEN. You also discuss in your statement the quality of education for Indian children. I think it might be interesting at this point in the record to insert the number of Indian students who attended public schools in 1950, 1960, 1965, 1970, 1971, 1972, and the estimate for 1973. You estimate that 102,000 Indian students will be assisted through the Johnson-O'Malley program in fiscal year 1974.

Also, for the same period of time, place in the record the number of college students that have been assisted through BIA programs.

Mr. WILES. Yes, ma'am.

Mr. FRANKLIN. This will be done.

[The information follows:]

Number of Indian students attending Johnson-O'Malley-assisted public schools

Year:	Number of students
1950	27,509
1960	40,881
1965	49,737
1970	72,081
1971	78,280
1972	86,780
1973 (estimate)	93,767

Number of college-assisted students assisted through BIA scholarship program

Year:	Number of students
1950	139
1960	1,718
1970	4,271
1971	6,623
1972	12,438
1973 (estimate)	13,500

PROGRESS IN INDIAN EDUCATION

Mrs. HANSEN. I think sometimes people do not really appreciate the tremendous progress that has occurred in the field of education. There are many things which need to be accomplished but we have made some progress.

Also insert in the record the number of students in Bureau-operated schools for the same years.

[The information follows:]

Number of students in Bureau of Indian Affairs schools and dormitories

Year:	Number of students
1950	29,575
1960	44,008
1965	52,271
1970	56,238
1971	56,786
1972	57,788
1973	59,861

INDIAN CONTRACT SCHOOLS

Mrs. HANSEN. How long have your 12 contract schools been in operation?

Mr. HAWKINS. Just a few years, Madam Chairman. I think the longest contract school has been Rough Rock, and I believe that began operation about 5 years ago.

Mrs. HANSEN. Please insert in the record the amounts of your contracts and the amount spent per pupil-day.

Mr. HAWKINS. Yes, ma'am.

[The information follows:]

INDIAN CONTRACT SCHOOLS—FISCAL YEAR 1973

	Years under contract	School cost	Cost per pupil-day
Wind River	2	$330,000	$21.57
Busby	1	796,000	15.04
Miccosukee	2	150,000	19.43
Ramah Navajo	3	526,000	22.16
Rock Point	1	785,000	12.28
Borrego Pass	1	163,000	11,76
Rough Rock	5	911,000	12.98
Blackwater	4	62,000	7.66
Stephan	3	238,000	10.18
St. Michaels	3	250,000	5.34
Mandaree	1	263,000	6.36
Bismarck Training Center	1	135,000	13.64

ROAD CONSTRUCTION

Mrs. HANSEN. You also say in your statement that closely associated with education and development efforts is the need for an adequate road system.

Mr. Franklin, the committee could not agree with you more, because the problem the committee has struggled with for many years is that of trying to eliminate the boarding schools, so that you have education closer to home. Yet in so many reservations there were no roads.

Mr. Reifel and I visited the Navajo Reservation. We spent almost 2 weeks on the reservation. Many of the roads on the Navajo Reservation are not fit even for a donkey.

You have also had difficulties in another area. As you are well aware, in some of these arid lands the lack of water has been an underlying reason why schools have not been located, occasioning the necessity to

have boarding schools. You say in fiscal year 1974 your request will provide for 458 miles of grading, 546 miles of surface paving, and gravel surfacing of 130 miles.

What part of the total road need will this meet?

Mr. FRANKLIN. What part of the total need?

Mrs. HANSEN. Yes.

Mr. FRANKLIN. A mighty small fraction.

Mrs. HANSEN. That is what I thought.

Mr. FRANKLIN. You know, in looking at the development, irrespective of whether it be social or economic, we note development usually lies around a roadway, an efficient roadway, as a manner of communicating.

The problem of building roads and the underlying maintenance problem that goes along with it is going to be an astronomical figure at some point in the future on Indian reservations. I am not real sure at this time how the American Indian is going to be able to finance the necessary roadways, and maintain them, in the future years.

Mrs. HANSEN. I think I noticed in your justification that your road costs would be in the vicinity of $1 billion, if you developed an adequate road system.

Mr. FRANKLIN. That is correct.

Mrs. HANSEN. What is the yearly authorization?

Mr. FRANKLIN. About $43 million.

Mrs. HANSEN. At this rate it will be a long time before those roads are built. We talk about developing a viable economy on the reservations. You have to have the basic ingredient of roads, otherwise you will make little progress economically.

Mr. FRANKLIN. And water.

Mrs. HANSEN. Roads and water.

Mr. FRANKLIN. Yes.

FORESTRY

I understand that you are familiar with the logging industry.

Mrs. HANSEN. Very.

Mr. FRANKLIN. I had the distinct pleasure of serving on the board of directors of Navajo Forest Products Industries for about 5 years. Of course, you do not log without roads and you do not build a plant without water. These are real problems in the areas of the Indian reservations.

Mrs. HANSEN. This is what has troubled the committee for a long time. You are falling further behind with road construction and water development each year.

I have not seen the kind of requests that are needed in any of your budgets in this regard for many years.

BLOCK GRANT LEGISLATION

You state in the third paragraph of your statement that legislation is being prepared and criteria will soon be submitted for congressional consideration of the block grants.

How much money are you proposing for block grants?

Mr. FRANKLIN. The block grant legislation proposal is for $25 million.

Mrs. HANSEN. Is that per year?

Mr. FRANKLIN. The language is written, in my interpretation, so that it would indicate per year. I would not want to mislead the American Indian into believing that that is a fact.

I would like to say that the $25 million is for the fiscal year 1974, with the hope that it would be continued years into the future.

Mrs. HANSEN. Will the legislation have to be authorized every year?

Mr. FRANKLIN. It would be yearly.

Mrs. HANSEN. As you are well aware, all new development programs have some successes and some failures. A few failures, regardless of what is intended, can destroy a program. Yet most people realize that over several years' time the program will be successful.

What is the need for the next 10 years, per year for such a fund?

Mr. FRANKLIN. I believe one of the greatest needs is in the area of planning for the development of Indian reservations.

We are emphasizing this particular facet in our structure in which we are talking about reservation development.

Now, the $25 million block grant legislation has not specified the exact purposes of these funds. It would be our hope that the American Indian, in helping to prepare the legislation, would recognize this need and say to the Congress in this bill that will be proposed that we need these funds for the development of reservations.

Mrs. HANSEN. In other words, it could be used for planning industry or it could be used for an Indian housing corporation?

Mr. FRANKLIN. Whatever the priorities of a particular tribe should be.

Mrs. HANSEN. Whatever the tribe decides?

Mr. FRANKLIN. Yes.

Mrs. HANSEN. The project then would be financed out of the $25 million?

Mr. FRANKLIN. No, ma'am. The financing is going to have to come from other sources, as I view it.

Mrs. HANSEN. What other sources?

Mr. FRANKLIN. For instance, in the matter of developing an industry or developing the natural resources, whatever the plan might call for, it would be necessary to seek financing from other sources.

Mrs. HANSEN. What are those potential other sources?

INDIAN FINANCING ACT

Mr. FRANKLIN. We have a proposal for the Indian Financing Act which would allow loan guarantees up to $200 million for the development of industry on Indian reservations.

There are other sources, such as industrial financing, revenue bond financing, and we would hope through the use of the American Indian National Bank we can find additional financial resources to provide the requirements for long-term development. With these development projects, as they produce revenue, there should be some system of sharing the profits of those organizations with the tribe in such a manner that they provide the revenue income to build the municipality that the American Indian needs on his reservation.

Mrs. HANSEN. How many tribes do we have in the United States?

Mr. FRANKLIN. We have 272 recognized entities that will be sharing in this particular program.

Mrs. HANSEN. I have a folder here that is full of additional requests just for this year, largely in one category.

I am wondering what the total amount of money, in the end, is envisaged? That is, what will the $25 million need for fulfillment in your estimation?

Mr. FRANKLIN. If the $25 million is used for planning in the course of developing the economy on reservations, I would say the end result would be something in the nature of $1 billion required for financing of projects necessary to bring about economic and social betterment.

Mrs. HANSEN. You are a businessman, Mr. Franklin. What portion of it, of necessity, would become a governmental responsibility?

Mr. FRANKLIN. That is a good question.

I certainly do recommend that Government and the private sector join hands in developing programs of this kind. It would be my conservative belief that over a 10-year period the Government share should not exceed over 20 percent.

Mrs. HANSEN. Twenty percent of the $1 billion?

Mr. FRANKLIN. Yes.

ADMINISTRATION POLICY ON INDIAN MATTERS

Mrs. HANSEN. In July 1970, President Nixon issued an Indian message setting forth the policy that the administration intends to follow in Indian matters. Please suummarize that message for the committee and tell us the status of its implementation.

Mr. FRANKLIN. In general, to summarize the President's message, he indicated a strong desire to encourage self-determination on the part of the American Indian.

In order to accomplish that step, there were items of legislation introduced that would provide some safeguards, checks and balances, and resources.

Mrs. HANSEN. Do you want to list those for us, Mr. Franklin?

Mr. FRANKLIN. The bills that were introduced?

Mrs. HANSEN. Yes.

ASSISTANT SECRETARY FOR INDIAN AFFAIRS

Mr. FRANKLIN. No. 1, I would like to comment on this matter of the Assistant Secretary for Indian Affairs.

We have already taken steps in that direction. We have recognized some benefits in having the American Indian report directly to the Secretary of the Interior. As you know, one of the bills was the Assistant Secretary for Indian Affairs.

INDIAN TRIBES CONTRACTING WITH FEDERAL GOVERNMENT

The second item was the Indian assumption of control. This is related to the contracting provisions in which the tribes, themselves, select and contract with the Federal Government for the provision of services.

Mrs. HANSEN. Give the committee an example of how it would work.

ZUNI PLAN

Mr. FRANKLIN. One example, and the most outstanding, of course, is the Zuni plan, in which they are providing the normal services of the Bureau of Indian Affairs to their entire reservation.

The plan on education which we are now prepared to publish for the benefit of the Indian tribes, to be contained in a booklet called "Choice," in which the various forms of contracting for the various situations on Indian reservations is available to the Indian.

One of the things we must recognize as we talk about the American Indian is the fact that each of the reservations presents an entirely different problem. The American public, unfortunately, thinks of the Indian as the Indian problem when in reality it is much broader than that category.

Mrs. HANSEN. I understand the Zuni plan has been a model for this type of contracting.

Mr. FRANKLIN. Yes. We have utilized the tribal input at the area level in the preparation of budgets for a number of years. This also is being strengthened in our realinement because we recognize those priorities.

Mrs. HANSEN. So the plan comes to the BIA and is reflected in your total overall request?

Mr. FRANKLIN. That is correct.

Mrs. HANSEN. How many tribes are performing this type of work?

Mr. FRANKLIN. There are only two tribes at the present time.

Mrs. HANSEN. The Miccosukee and the Zuni?

Mr. FRANKLIN. Right.

Mrs. HANSEN. How fast would you expect to be able to implement this procedure among the other tribes?

Do you want to explain what the problems are, Mr. Franklin? We have some new members on the committee. I think the problems are very basic. There is a wide diversity of opinion, as you well know, within reservations and between tribes. But, basically, considering the number of tribes, you have one basic problem, and that is your budget limitations.

When the Zunis, for example, say, "We need $2 million per year for the operation of our school," that becomes a basic part of their budget; is this correct?

Mr. FRANKLIN. That is right.

Mrs. HANSEN. If they say, "We need $1 million for roads," that is a basic part of their budget?

Mr. FRANKLIN. Yes.

Mrs. HANSEN. I can see, with the 270-plus tribes, the problems of who will adjudicate the allocation of funds.

Mr. FRANKLIN. You have touched on a very——

Mrs. HANSEN. Tender subject, I know.

Mr. FRANKLIN (continuing). Delicate subject. What I can best answer to you at this time is the concept that we are attempting to install within the Bureau of Indian Affairs, if you would care to hear it.

Mrs. HANSEN. I think the committee would be most interested.

Mr. FRANKLIN. Then would you mind if I used a chart to discuss that?

Mrs. HANSEN. Not at all. You may use anything you please to enlighten the committee. I think we would be very grateful for it.

Mr. FRANKLIN. I presume you do not mind if I approach the bench?

ADMINISTRATIVE COSTS

Mrs. HANSEN. Are administration costs included within the terms of a contract?

Mr. FRANKLIN. They are included.

Mrs. HANSEN. Who determines the administration costs, you or the tribe?

Mr. SYKES. It would be the tribe, Madam Chairman, with our review, with BIA's review. In other words——

Mrs. HANSEN. You do have some criteria?

Mr. SYKES. Yes, ma'am.

Mr. FRANKLIN. I think I can best discuss this by pointing to the chart. When I was asked to consider working with the Secretary, one of the things he requested was some sort of a plan of operation. I worked with members of the Interior Department and some of those in the field as well as some of the tribal leaders in discussing the concept of the Bureau of Indian Affairs and how it best delivered its services.

FEDERALLY RECOGNIZED TRIBES

You will note this chart is headed up "Federally Recognized Tribes." That probably raises some question in your mind to start with.

Mrs. HANSEN. It does, because we want to know what the definition is of a "federally recognized tribe."

Mr. FRANKLIN. So if you do not mind, we will get to that. In the federally recognized tribes, the only thing I found in common among tribes is that they have tribal members.

Mrs. HANSEN. That is one statement I can stand on.

Mr. FRANKLIN. Some of them vote, some of them do not vote.

Mrs. HANSEN. What determines the nonvoting?

Mr. FRANKLIN. According to their charter. It may be age or it may be geographical location. There are many things involved in the tribal membership that vote and do not vote.

[Discussion off the record.]

Mrs. HANSEN. You operate in regard to voting of the tribal members under the 1934 act?

Mr. FRANKLIN. That is correct. Each one of these members, in general, has about four places that they can go for services in the country. Many of them can go to the Bureau of Indian Affairs, because of a trust relationship.

Mrs. HANSEN. The BIA holds the tribal funds in trust. Isn't this correct?

Mr. FRANKLIN. Well, I am thinking more in the nature of the land relationship and the matter of services that have been offered to the tribes down through the years.

Mrs. HANSEN. Through the treaties?

Mr. FRANKLIN. Through the Bureau.

Mrs. HANSEN. Is this assistance based on treaties or has this grown beyond that through the years?

Mr. FRANKLIN. It has grown beyond the treaties.
Mrs. HANSEN. This gets to be a very important point.
Mr. FRANKLIN. That is correct.

TRIBAL GOVERNMENT

The second place is through his own tribal governing body. Now whether or not he participated in the voting——
Mrs. HANSEN. In regard to the trust responsibility of the BIA, suppose an Indian wants assistance, but does not think things are operating to suit him. Can he go to the BIA for assistance on a matter involving a land dispute? As you well know, this is a particular problem among some tribes.
Mr. FRANKLIN. Land is probably the knottiest problem I have seen, with the fractionalization.

FEE LAND AND INDIAN TRUST LAND

Mrs. HANSEN. You have fee land and trust land.
Mr. FRANKLIN. Yes.
Mrs. HANSEN. Fee land is generally beyond the scope of the trust. Is that correct?
Mr. FRANKLIN. Not in all cases. Sometimes there is a restriction.
Mrs. HANSEN. In the preponderance of cases?
Mr. FRANKLIN. Yes.
Mrs. HANSEN. For example, you have a section of land in the Quinault Reservation. That section of land could be divided up into four pieces. Three of those pieces are fee land and one is trust land. The tribe controls the trust land.
The fee land is controlled by individuals.
Before selling the fee land, do they have to come to you for approval?
Mr. FRANKLIN. If it is restricted.
Mrs. HANSEN. Suppose it is not restricted, they can do as they please?
Mr. FRANKLIN. That is correct.
Mrs. HANSEN. One of the problems that results, particularly in lumber areas, as you are well aware, is the fee land contract sometimes eliminates the use of this land by the tribes. It restricts the rights-of-way.
Mr. FRANKLIN. That is right.
Mrs. HANSEN. This has been one of the real problems. Sometimes Indians have sold their fee land, instead of selling the crop or the trees. So then you have outside ownerships mingling with the section that is owned by the council.
Mr. Franklin, as you well know, many tribal councils feel they would be more economically viable if they had the option at some time, wherever possible, to buy back this fee land that surrounds them. Is this one of the sources of great aggravation?
Mr. FRANKLIN. Not only that, it is one that is being pursued by the tribal councils around the country. For instance, on one reservation, in conjunction with the FHA, they are preparing to buy back 66,000 acres of land. I think this is the correct direction to go. Then some of the tribal councils are passing a restriction where the land can only be sold to an Indian, and I think this is a proper direction to go.

Mrs. HANSEN. Is this going to conflict with the Civil Rights Act?

Mr. FRANKLIN. Probably.

Mrs. HANSEN. What is going to happen?

Mr. FRANKLIN. Well, you know, life is getting so complicated, I am not sure where we will end up with all the laws that we have and the directions that we go.

Mrs. HANSEN. Is this not one of the problems that today's world faces, the direct collision between the treaty obligations and the overall relationship of the United States to a citizen of the United States? Are they not on a direct collision course? Is this not correct?

Mr. FRANKLIN. We have two worlds.

Mrs. HANSEN. I know. Another problem the tribes have in many instances is they do not have the fiscal ability to buy back fee land. Many tribes would like to have some kind of financial provision so they could obtain the money to purchase back the land to have a more viable economy.

Mr. FRANKLIN. I think the proper way to go would be in the normal channels of finance, buy back the land; once the land is secured and fully amortized, then have the Government place it back in trust for the benefit of the Indian tribe.

Mrs. HANSEN. But many Indians contend that they have not had the borrowing authority to do this through the normal fiscal channels.

Mr. FRANKLIN. I think an Indian tribe, if it wanted to buy land in the normal channels outside the relationship of the Government, should finance it in the same sense that you and I would buy a tract of land, is certainly viable.

Mrs. HANSEN. But they contend, and this is many Western tribes, that they cannot borrow the money to do this.

Mr. FRANKLIN. That is right. Now, the reason for this is precisely the reason we established the American Indian National Bank. We investigated the financial resources available to Indians in great detail and we found what I call a great deal of sympathy on the part of the American Bankers Association, but little understanding. We felt that, by establishing the American Indian National Bank, it would accelerate the date when the banking associations would acquaint themselves with the problems, the advantages, the needs of financial resources at the reservation level.

TRIBAL GOVERNING BODY

Mrs. HANSEN. Please discuss the services provided by the tribal governing bodies.

Mr. FRANKLIN. This was the second area in which the tribal members could go forth for services.

Mrs. HANSEN. What kind of services can the tribal governing body offer them?

Mr. FRANKLIN. Oh, my.

Mrs. HANSEN. Give us an example.

TRIBAL HOUSING AUTHORITY

Mr. FRANKLIN. OK.

We have suggested, based on experience, that the tribal governing body should have entities attached to that body such as one we have

had recent experience with, called the Tribal Housing Authority. That housing authority has been able to reach into other agencies of Government that had appropriations available to the American Indian and through that kind of relationship this tribal governing body has been able to provide housing.

Now, this is just one example, but we have suggested in the structure here that it include many other things, such as health, law and order, and economic development.

MAINTAINING LAW AND ORDER

I might say to you that they are doing a remarkable job, considering the geographic areas and the burgeoning problem that we have in the reservations in maintaining law and order. But this is one of the examples of where a tribal member can go through his governing body and be benefited.

Mrs. HANSEN. Please continue.

TREATMENT OF INDIANS AS AMERICAN CITIZENS

Mr. FRANKLIN. As an American citizen, every one of these individuals has some relationship with his Federal, State, and local governments.

Unfortunately, my experience has been that these agencies do not recognize the American Indian as being a citizen of the United States, and in many cases he has had restricted services.

Mrs. HANSEN. Mr. Franklin, this is a point that has greatly disturbed the committee. Some of the States that are supposedly very liberal provide very restrictive services to the American Indian. This is part of what has created the crunch upon BIA funds. Is this not correct?

Mr. FRANKLIN. It certainly is.

Mrs. HANSEN. In certain cities in Minnesota, Indians are not treated the same as other citizens. In certain areas of South Dakota, they are not treated the same as other citizens.

Mr. FRANKLIN. I agree with that wholeheartedly. I have titled this "Federally Recognized Tribes" for a specific purpose.

Mrs. HANSEN. The Federal Government has actually been far more responsive to the problems of the American Indian than some of the State governments and municipalities. Part of the problem of Indian law and order, I think you will agree, comes from the bad relationship between sheriffs in counties where your reservations are located. Is this not correct?

Mr. FRANKLIN. There is no doubt in my mind that the American Indian has taken second place in many of the things that we normally receive as American citizens.

AMERICAN INDIAN ORGANIZATIONS

Now, the fourth area is that the American Indian can belong to any kind of an Indian organization he chooses.

Mrs. HANSEN. The National Congress of American Indians, AIM, and so forth.

Mr. FRANKLIN. Right. Now, I could move from a tribal member into these individual organizations. The Bureau of Indian Affairs during the past few years has been very innovative, I believe, and developed some very worthwhile programs for the Indian people. It is now time to digest some of those programs and see that they are operating efficiently.

In order to do that we are converting the central office into a policy-making organization and moving the technical assistance and delivery to the area offices, with the insistence——

Mrs. HANSEN. At this point, Mr. Franklin, is it not true that your area offices have the greatest input with the Indians?

Mr. FRANKLIN. They are localized.

That is correct.

Now, we are moving down to the agency level the programs and the delivery of the Bureau's programs to the tribal governing body.

Now I would like to see the tribal members using their governing structure a little bit more than the agency, by having the tribal governing body present to the agency resolutions in behalf of their members as well as resolutions in behalf of the tribe.

Then we begin to shift the understanding of what we call self-determination to the tribal governing body.

To strengthen this matter of input into budgets and many other things that are occurring at the reservation level, we would like to have an area group. I put on there "area advisory board" without remembering in my own mind the requirement that it is necessary now, under the Federal regulations, to have formal notices and publication in the Federal Register for advisory boards.

So perhaps this is an ill-advised term, but, nonetheless, it is a system we would like to install in which representatives of the governing body meet in a formal manner with the area offices on a regular basis, so that programs, policies, and budgets are constantly a part of this input.

AREA ADVISORY GROUP

Now, this area advisory group can also belong to national organizations, as it so chooses. We discussed a bit ago some of the entities that can be part of the tribal governing body to reach out and obtain from the various branches of government, whether they be Federal or local, in order to strengthen their position with their own members.

Then, of course, we talked a little bit about organizations.

NATIONAL INDIAN COUNCIL

Now, somewhere in this structure, all of these people need to come together. We are proposing something in the nature of a national Indian—I wanted to use the word "commission," but I think that is too formal—maybe a National Indian Council, a board of about 15 people, made up of members from organizations, members from tribal governing bodies, who can formulate policies on a national level that would have some national input, not those things that relate to a specific tribe, nor to a specific organization, but——

Mrs. HANSEN. Overall policies on education or health?

Mr. FRANKLIN. Yes. The matter of self-determination.

Now, you know, looking at the history of policy of government—goodness gracious, it changes every 10 or 12 years.

Perhaps what we should have is this kind of a body in which they have an input into the policies of government. I think that describes what we would like to do for the federally recognized Indian tribes.

Now, could I touch on the other subject?

Mrs. HANSEN. Yes.

FEDERALLY RECOGNIZED TRIBES

Mr. FRANKLIN. The other subject that you are going to be asking questions about is what do you do with this other group of American Indians that does not come under the federally recognized tribes?

Mrs. HANSEN. These are largely urban and off-reservation Indians.

Mr. FRANKLIN. We have many tribes that were never recognized by the Federal Government. The question is, What about those American Indians? Are they just citizens or do they have a special place in the eye of the Federal Government? If they do, it seems to me that this is a subject that the Congress should address.

Mrs. HANSEN. Mr. Franklin, this has been a very complicated subject. Until a few years ago the committee was led to believe that nobody wanted the BIA to continue. It was said by some that this was a disastrous organization which should be abolished.

Now, because some of your programs have become more and more successful, it has become the desire of many people to have participation and access to the BIA. I am speaking of the BIA, not in its formal organizational sense, but in the sense of the Government's handling of the Indian problem.

RESERVATION INDIANS

For many years the consensus, apparently by administrations and budgeteers, was that money was to be spent for the Indians largely on reservation.

So the budgets have generally been restricted to the reservation Indian. The reservation Indians themselves, I think, have had a great hesitancy about saying to the nonreservation Indians, "Yes, help them." The reservation Indians do not want to see their moneys diluted by assisting urban Indians.

As U.S. citizens, the Indians are guaranteed under the Civil Rights Act equal opportunities and services.

Under the Civil Rights Act every American is guaranteed basic, inherent rights. If the BIA is going to assume the basic responsibility for all Indians this might be considered in conflict with the Civil Rights Act. If this occurred, other minorities might feel they are not being treated in an equal manner as the Indians.

The second thing, and most important, is your budget would have to be escalated far beyond the point it is now. Is this not correct?

Mr. FRANKLIN. It certainly is.

Mrs. HANSEN. How many Indian people are on reservations, 500,000?

Mr. FRANKLIN. Slightly over 500,000.

Mrs. HANSEN. There are approximately 300,000 Indians that are not on the reservation?

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Mr. FRANKLIN. That is from the federally recognized tribes. If you want to consider the other number, beyond the federally recognized tribes, I could not give you a figure, but it could run well over a million.

Mrs. HANSEN. Therefore, your appropriation might possibly have to be increased to over $1 billion?

Mr. LONG. Additional?

Mr. FRANKLIN. Yes.

Mrs. HANSEN. This is a problem, particularly with a budget committee.

Mr. FRANKLIN. This gives you a general idea that we do have a plan and a direction that we are going.

URBAN INDIANS

Mrs. HANSEN. What is your plan in regard to nonfederally recognized Indians?

Mr. FRANKLIN. That is a matter that will have to be submitted in the form of legislation.

Mrs. HANSEN. What type of legislation?

Mr. FRANKLIN. It may direct the Secretary to take on additional responsibilities and submit a budget to handle it. It may direct other agencies of Government to consider the increased recognition of need for services to American Indians so that would cover it.

Mrs. HANSEN. The Education Act last year addressed itself to nonfederally recognized tribes. Is that correct?

Mr. FRANKLIN. I regret that I am not familiar enough to speak on that subject.

Mrs. HANSEN. Do you have a question on Mr. Franklin's statement, Mr. Long?

Mr. LONG. Several things.

One is, you yourself are part Indian?

Mr. FRANKLIN. Yes, sir.

Mr. LONG. You don't look any more like an Indian than President Nixon.

Your question intrigues me, as a member of this committee.

Mrs. HANSEN. You don't have to look like an Indian.

ASSIMILATION OF INDIANS INTO SOCIETY

Mr. LONG. You indicate that about 1.8 million would be classified as Indians in tribes, on reservations and off reservations. Has anybody ever estimated how many Indians have passed out of the tribe into the rest of society and stopped regarding themselves as Indians?

Mr. FRANKLIN. There have been no estimates that I am aware of. One of the reasons that you run into the problem is because of the relationship of the tribal constitution to the members of the tribe. Some have a restriction on blood quantum in order to qualify as a member of the tribe.

Mrs. HANSEN. A quarter to one-eighth?

Mr. FRANKLIN. It depends. Some of them have a quarter.

Mr. LONG. I was looking at that not so much in a legalistic way of thinking——

Mr. FRANKLIN. You mean assimilated into the society?

Mr. LONG. Yes; moved away and said after a while, "My great-grandmother was an Indian" or something, but they are no longer regarded as Indians. I wonder how many there are?

Mr. FRANKLIN. A very large number have assimilated. It would be an estimate of something in excess of 2 million people who have some heritage of the American Indian.

Mr. LONG. Nevertheless, they really stopped thinking of themselves as being Indians, simply a nostalgic reminder of their ancestry.

Mrs. HANSEN. Would legislation of necessity have to carry the blood quantum?

Mr. FRANKLIN. It all depends on how deep the furrow is.

ADVANTAGES OF FEDERALLY RECOGNIZED TRIBES

Mr. LONG. Is it an advantage or a disadvantage to be a member of a federally recognized tribe?

Mr. FRANKLIN. An advantage.

Mr. LONG. Is is valid to give a privilege to one person and not doing it to somebody else?

Mr. FRANKLIN. I have to make a distinction of the advantage of being a member of a federally recognized tribe, and I am sure most other members of the tribe recognize that, too.

Mr. LONG. Could you have put in the record a list of what those advantages are?

Mr. FRANKLIN. Sure.

[The information follows:]

ADVANTAGES OF BEING A MEMBER OF A FEDERALLY RECOGNIZED TRIBE

Persons of Indian descent who meet the membership criteria of federally recognized tribes are assured of consideration for services provided by the Bureau of Indian Affairs because of their status as Indians. Membership does not, on the other hand, insure entitlement which may be dependent upon the specific language of the statute upon which a specific program is based. Such language might provide for a certain degree of Indian blood or residency on the reservation. Likewise, tribal members are assured of sharing in any distribution of the trust assets that their tribe might extend to its members.

More specific and of primary importance is the unquestioned right to own and inherit land held in trust by the U.S. Government and to derive certain tax benefits which arise therefrom. Regarding specific programs, eligibility exists for tribal members to participate in—

1. Education;
2. Social services;
3. Road programs;
4. Credit;
5. Housing assistance;
6. Health services (medical care);
7. Nontaxable land allotment or assignments;
8. Law and order;
9. Technical assistance in all areas of the Bureau's expertise; and
10. Preference with regard to employment in the Bureau of Indian Affairs and the Indian Health Service.

On the other hand, Bureau benefits are not advanced exclusively to tribal members. Recognized Indians residing on Federal reservations are eligible for certain services. Once again, however, actual entitlement depends upon the laws authorizing the expenditures for the programs involved.

FEDERALLY RECOGNIZED TRIBES

Mrs. HANSEN. Also insert in the record a list of the federally recognized tribes.

[The information follows:]

THE 481 FEDERALLY RECOGNIZED INDIAN ENTITIES AND STATUS OF ORGANIZATION OFFICIALLY APPROVED ORGANIZATIONS PURSUANT TO STATUTORY AUTHORITY [1]

Tribe	*Governing body*
Aberdeen area	
Cheyenne River Sioux	Tribal council.
Flandreau Santee Sioux	General business council.
Three Affiliated Tribes (Fort Berthold)	Tribal business council.
Lower Brule Sioux	Tribal council.
Oglala Sioux (Pine Ridge)	Do.
Omaha	Do.
Rosebud Sioux	Do.
Santee Sioux	Do.
Winnebago of Nebraska	Do.
Albuquerque area	
Jicarilla Apache	Tribal council.
Mescalero Apache	Do.
Isleta Pueblo	Council.
Laguna Pueblo	Do.
Santa Clara Pueblo	Do.
Southern Ute	Council of the Southern Utes.
Ute Mountain	Tribal council.
Zuni	Do.
Anadarko area	
Absentee-Shawnee	Council.
Caddo	Do.
Cheyenne-Arapaho	Business committee.
Citizen Band of Potawatomi	Council.
Iowa of Kansas and Nebraska	General tribal council.
Iowa of Oklahoma	Iowa council.
Kickapoo of Kansas	Tribal council.
Kickapoo of Oklahoma	Council.
Anadarko area	
Pawnee of Oklahoma	Business council.
Ponca of Oklahoma	Business committee.
Sac and Fox of Missouri	Tribal council.
Sac and Fox of Oklahoma	Council.
Tonkawa of Oklahoma	Tribal council.
Billings area	
Blackfeet	Tribal business council.
Chippewa Cree (Rocky Boy)	Business committee.
Confederated Salish and Kootenai (Flathead)	Tribal council.
Fort Belknap	Community council.
Northern Cheyenne	Tribal council.

[1] Indian Reorganization Act, Oklahoma Indian Welfare Act, and Alaska Native Act.

Central office

Tribe	*Governing body*
Chitimacha	Tribal council.
Mississippi Band of Choctaw	Do.
Miccosukee of Florida	General council.
Seminole of Florida	Tribal council.

Minneapolis area

Bad River Band of Lake Superior Chippewa	Tribal council.
Bay Mills	General tribal council.
Forest County Potawatomi	Do.
Hannahville	Community council.
Keweenaw Bay	Tribal council.
Lac Courte Oreilles	Governing board.
Lac du Flambeau	Tribal council.
Lower Sioux	Community council.
Minnesota Chippewa	Tribal executive committee.
Oneida of Wisconsin	General tribal council.
Prairie Island	Community council.
Red Cliff	Tribal council.
Sac and Fox of Mississippi in Iowa	Do.
Saginaw Chippewa	Do.
Shakopee Mdewakanton Sioux Community	General council.
Sokaogon Chippewa	Tribal council.
St. Croix Chippewa of Wisconsin	Council.
Stockbridge Munsee	Tribal council.
Wisconsin Winnebago	Business committee.

Muskogee area

Alabama-Quassarte of Oklahoma	Governing committee.
Eastern Shawnee	Council.
Kialegee Tribal Town	Business committee.
Miami of Oklahoma	Council.
Peoria	Business committee.
Seneca-Cayuga of Oklahoma	Council.
Thlopthlocco Tribal Town	Business committee.
United Keetoowah Band of Cherokee	Council.
Wyandotte	Do.

Phoenix area

Ak Chin Indian Community	Council.
Chemehuevi	Tribal council.
Cocopah	Do.
Colorado River	Do.
Duckwater Shoshone	Do.
Ely Indian Colony	Council.
Fort McDermitt Paiute and Shoshone	Tribal council.
Fort McDowell Mohave-Apache Community	Council.
Fort Mojave	Tribal council.
Gila River Indian Community	Council.
Confederated Tribes of Goshute	Business council.
Havasupai	Tribal council.
Hopi	Do.
Hualapai	Do.
Kaibab Band of Paiute	Do.
Las Vegas	Colony council.
Lovelock Paiute	Tribal council.

Phoenix area—Continued

Tribe	*Governing body*
Moapa Band of Paiute	Business council.
Papago	Council.
Pyramid Lake Paiute	Tribal council.
Quechan	Do.
Reno-Sparks Indian Colony	Council.
Salt River Pima-Maricopa Indian Community	Do.
San Carlos Apache	Do.
Shoshone-Paiute Tribes (Duck Valley)	Business council.
Summit Lake Paiute	Council.
Te-Moak Bands of Western Shoshone (Battle Mountain, Elko and South Fork)	Do.
Ute Indian Tribe of Uintah and Ouray	Tribal business committee.
Walker River Paiute	Tribal council.
Washoe (Carson Colony, Dresslerville)	Do.
White Mountain Apache	Do.
Winnemucca	Colony council.
Yavapai-Apache Indian Community	General community council.
Yerington Paiute (Campbell Ranch)	Tribal council.
Yomba Shoshone	Do.
Portland area	
Shoshone-Bannock (Fort Hall)	Business council.
Hoh	Tribal business committee.
Kalispel	Community council.
Lower Elwha	Tribal community council.
Makah	Tribal council.
Muckleshoot	Do.
Nisqually	Community council.
Port Gamble	Do.
Puyallup	Tribal council.
Quileute	Do.
Skokomish	Do.
Squaxin Island	Do.
Suquamish	Do.
Swinomish	Indian senate.
Tulalip Tribes	Board of directors.
Confederated Tribes of Warm Springs	Tribal council.
Sacramento area	
Cachil DeHe Band of Wintun (Colusa)[2]	Community council.
Covelo (Round Valley)	Do.
Fort Bidwell	General community council.
Grindstone	General council.
Kashia Band of Pomo (Stewarts Point)	Community council.
Manchester Band of Pomo	Do.
San Pasqual	General council.
Santa Rosa (Kings County)	Do.
Santa Ynez Band	Do.
Susanville	Do.
Tule River	Tribal council.
Tuolumne Band of Me-Wuk	Do.

Juneau area

Akiachak
Akiak [2]
Angoon [2]
Atka
Buckland [2]
Chanega
Craig [2]
Deering [2]
Douglas
Elim [2]
Fort Yukon [2]
Gambell [2]
Grayling (Holikachuk)
Haines (Port Chilkoot, 8)
Hoonah [2]
Hydaburg [2]
Inupiat
Kake [2]
Kanatak
Karluk [2]
Kasaan
Kenaitze
Ketchikan
King Island [2]
Kivalina [2]
Klawock [2]
Klukwan (Chilkat)
Kotzebue [2]
Koyuk [2]
Kwethluk
Kwigillingok
Little Diomede [2]
Mekoryuk
Metlakatla
Minto
Napakiak [2]
Nikolski
Noatak [2]
Nome [2]
Noorvik [2]
Nunapitchuk
Perryville
Petersburg [2]
Point Hope [2]
Point Lay
Quinhagak (Kwinhagak)
St. Michael [2]
St. Paul [2]
Savoonga [2]
Saxman [2]
Selawik [2]
Shageluk [2]
Shaktoolik [2]
Shishmaref [2]
Shungnak [2]
Sitka
Stebbins [2]
Stevens Village
Tanacross
Tanana [2]
Tatitlek
Tetlin
Tuluksak [2]
Tununak
Tyonek
Unalakleet [2]
Venetie
Wales Village [2]
White Mountain [2]
Wrangell [2]

OFFICIALLY APPROVED ORGANIZATIONS OUTSIDE OF SPECIFIC FEDERAL STATUTORY AUTHORITY

Aberdeen area

Tribe	*Governing body*
Crow Creek Sioux	Tribal council.
Devils Lake Sioux	Do.
Sisseton-Wahpeton Sioux	Do.
Standing Rock Sioux	Do.
Turtle Mountain Band of Chippewa	Do.
Yankton Sioux	Tribal business and claims committee.

Anadarko area

Absentee-Delaware	Executive committee.
Apache	Tribal council.
Comanche	Business council.
Kaw	Do.
Kiowa	Do.
Prairie Band of Potawatomi	Tribal business committee.
Wichita	Council.

[2] Also incorporated under State law (41).

Tribe	Governing body
Billings area	
Crow	Tribal council.
Assiniboine and Sioux of Fort Peck	Tribal executive board.
Juneau area	
Tlingit and Haida	Central council.
Minneapolis area	
Red Lake	Tribal council.
Muskogee area	
Osage	Tribal council.
Quapaw	Tribal business council.
Seminole	General Council.
Navajo area	
Navajo	Tribal council.
Phoenix area	
Paiute-Shoshone Tribes of Fallon	Business council.
Yavapai-Prescott	Board of directors.
Portland area	
Burns Paiute	General council.
Chehalis	Community council.
Coeur D'Alene	Tribal council.
Confederated Tribes of Colville	Business council.
Kootenai	Tribal council.
Lummi	Business council.
Nez Perce	Tribal executive committee.
Quinault	Tribal council.
Shoalwater Bay	Do.
Spokane	Business council.
Confederated Tribes of Umatilla	Board of trustees.
Yakima Tribes	General council.
Sacramento area	
Aqua Caliente (Palm Springs)	Tribal council.
Alturas	General council.
Cabazon	Business committee.
Cher-Ae Heights (Trinidad) [3]	Community council.
Fort Independence	General council.
Hoopa Valley	Business council.
La Jolla	General council.
Laytonville	Executive committee.
Mesa Grande	General council.
Pala	Do.
Pauma	Do.
Pit River (XL Branch)	Board of directors.
Rincon	Business committee.
San Manuel	General council.
Sycuan	Do.
Twenty-nine Palms	Do.

[3] Termination pending.

TRADITIONAL ORGANIZATIONS—RECOGNITION WITHOUT FORMAL FEDERAL APPROVAL OF ORGANIZATIONAL STRUCTURE

Albuquerque area

Tribe	*Tribe*
Acoma Pueblo	San Juan Pueblo
Cochiti Pueblo	Sandia Pueblo
Jemez Pueblo	Santa Ana Pueblo
Nambe Pueblo	Santo Domingo Pueblo
Picuris Pueblo	Taos Pueblo
Pojoaque Pueblo	Tesuque Pueblo
San Felipe Pueblo	Zia Pueblo
San Ildefonso Pueblo	

Anadarko area

Fort Sill Apache	Otoe-Missouria

Billings area

Arapaho (Wind River)	Shoshone (Wind River)

Central office

Cayuga	St. Regis Band of Mohawk
Eastern Band of Cherokee Indians of North Carolina	Seneca
	Tonawanda Band of Seneca
Oneida	Tuscarora
Onondaga	

Minneapolis area

Sault Ste. Marie Chippewa	
Upper Sioux (Granite Falls)	

Muskogee area

Cherokee	Choctaw
Chickasaw	Creek

Phoenix area

Payson Apache	
Skull Valley	

Portland area

Nooksack	Sauk-Suiattle
Northwestern Band of Shoshone (Washakie)	

Sacramento area

Augustine [4]	Lookout
Barona	Los Coyotes
Berry Creek	Manzanita
Big Bend	Middletown
Big Lagoon [4]	Montgomery Creek
Big Pine (Owens Valley)	Morongo
Bishop (Owens Valley)	Pechanga
Cahuilla	Ramona [4]
Campo	Resighini [4]
Capitan Grande	Roaring Creek
Cedarville	Santa Rosa (Riverside County)
Cold Springs	Santa Ysabel
Cortina	Sheep Ranch
Cuyapaipe	Sherwood Valley [4]
Dry Creek	Shingle Springs (Verona)
Enterprise	Soboba
Hoppa Extension (Yurok)	Sulphur Bank (El-Em)
Hopland	Table Mountain [4]
Inaja-Cosmit	Torres-Martinez
Jackson	Upper Lake [4]
La Posta	Viejas (Baron Long)
Lone Pine (Owens Valley)	Utu Utu Witu Paiute

[4] Termination pending.

Juneau area

Tribe
Akhiok (Alitak)
Akutan
Alakanuk
Aleknagik
Allakaket
Ambler*
Anaktuvuk Pass*
Aniak
Anvik
Arctic Village
Atmautluak
Barrow*
Barter Island
Beaver
Belkofsky
Bethel*
Bettles
Birch Creek
Brevig Mission*
Bristol Bay*
Candle
Cantwell
Canyon Village
Chalkyitsik
Chaloonawick
Chaneliak
Chefornak
Chevak*
Chignik
Chignik Lagoon
Chistochina
Circle
Clark's Point
Copper Center
Cordova*
Crooked Creek
Delta Junction*
Dillingham*
Dot Lake
Eagle*
Eek*
Egegik
Eklutna
Ekuk
Ekwok
Emmonak (Kwiguk)*
English Bay
False Pass
Farewell
Flat
Galena
Georgetown
Golovin*
Goodnews Bay (Mumtrak)*
Gulkana
Hamilton
Holy Cross
Hooper Bay*
Hughes
Huslia
Iliamna
Ivanof Bay
Kaktovik
Kalskag
Kaltag
Kasigluk
Kiana*
King Cove*
Kipnuk
Kobuk*
Koliganek
Kokhanok
Kongigonak
Kotlik*
Koyukuk
Larsen Bay
Lelida
Levelock
Lime Village
Lower Kalskag
Marshall
Matanuska*
McGrath
Manley Hot Springs
Manokotak*
Medfra
Mentasta Lake
Mountain Village
Naknek*
Napaimute (Napamute)
Napaskiak
Nelson Lagoon
Nenana*
Newhalen
New Stuyahok
Newtok
Nightmute
Nikolai*
Ninilchik
Nondalton*
Northeast Cape
Northway
Nulato*
Old Harbor
Oscarville
Ouzinkie
Palmer
Paulof Harbor
Pedro Bay
Pelican City*
Pilot Point
Pilot Station
Pitkas Point
Platinum
Portage Creek
Port Graham
Port Heiden
Port Lions*
Rampart
Red Devil
Ruby
Russian Mission (Kuskokwim)*
Russian Mission (Yukon)
St. George Island
St. Mary's*
Sand Point*
Scammon Bay*
Skagway*
Sheldon's Point
Sleetmute
South Naknek*

* Termination pending.

Juneau area

Tribe	*Tribe*
Stony River	Tuntutuliak
Takotna	Twin Hills
Teller*	Ugashik
Tenakee Springs	Unalaska*
Togiak*	Valdez*
Tok	Wainwright*
Toksook Bay*	Yakutat*

Mr. LONG. The Washington Post article of March 8 this year states that 189 BIA employees are working in a temporary building.

Mrs. HANSEN. We will discuss this matter when we review our investigative report.

Mr. FRANKLIN. I hope that I have the privilege of answering that question.

Mr. LONG. Now or later on? Would you prefer to answer it now or wait?

Mr. FRANKLIN. I would wait.

Mrs. HANSEN. As you know, at the direction of the committee, an investigation was performed of all of the facts surrounding the occupancy of the BIA Building. We asked our investigative staff to go into this matter, interviewing various tribal people all over the United States.

Mr. LONG. I have another question in the same category. Tell us whether you want to answer it now or later on.

BIA ADMINISTRATIVE COSTS

One member of the Yakima Tribal Council complained that $18 million designated for that tribe was being absorbed in the BIA overhead cost. Is that true? And for other tribes?

Mrs. HANSEN. This is why I asked earlier about the administrative costs. There is a contention, and certainly you are aware of it, that the BIA administrative costs are being assigned to the tribes.

Mr. FRANKLIN. I wish that I could answer that.

Mrs. HANSEN. Mr. Wiles?

Mr. WILES. That is a broad word, "administrative." If you call a forester an administrator who gives advice to the tribe on administration, if you call the teachers that teach the children administration, I would guess that would be a reasonable number. It depends on what you mean by the word "administration."

Mrs. HANSEN. You have several structures in what we usually term administration. This would, I assume, contain the Federal Government office in Washington an your area offices. These people are part of the administrative structure.

You have a boarding school on the Navajo Reservation; are you charging the administrative costs against the tribe?

Mr. WILES. I don't believe we are charging any costs against the tribe as such.

Mrs. HANSEN. You allocate your funds to the particular tribes and then you determine the total administrative costs. These administrative costs are included in the BIA administrative budget. Is that correct?

Mr. WILES. That is right. We allocate the money the way the committee appropriates it. The committee appropriates so much money for education. When I was in the Bureau—I guess they still do it—that money is allocated to the area office to run the schools in that particular area, whether it be boarding schools, day schools, or public schools.

Mrs. HANSEN. It is not a levy against the tribe.

Mr. LONG. That is what the Yakima Indians may be complaining about. There may be too much money allocated for overhead, money not available substantively to improve the life and well-being of the tribe. I would gather that is the substance of the complaint.

We want to know, is this true or unfounded?

Mrs. HANSEN. Dr. Long, over the years the committee has criticized the BIA for having too heavy a Washington, D.C., superstructure. We did not of necessity criticize the area offices where it seemed they were performing useful activities. Are the total administrative costs too high? The committee has said many times that it was too high. Yet, the GAO criticized the housing program on the reservations last year because they said it had not been properly supervised. The supervision and the training of how to manage these houses, and so on, would be an administrative cost. Isn't that correct?

Mr. WILES. Yes, ma'am.

Mrs. HANSEN. They should have had more administrative costs in this activity. The problem is how do you teach the proper care of housing? You can not expect people that have never had inside plumbing to know exactly how to manage all of the problems that are associated with a modern-type facility. People that have never known electricity are suddenly confronted with electric power. These are some of the problems that they have. These are part of the administrative costs.

Mr. WILES. I may be wrong in this and Mr. Franklin can correct me if I am, but I believe if you take the two Oklahoma areas, say the social workers that go out and actually contact the Indian people to find out what their needs are, you would have some people who would say the whole area offices' overhead is actually people going out and visiting the Indian people.

ADMINISTRATIVE JOBS FOR INDIAN PEOPLE

Mrs. HANSEN. I think there would be less criticism from the tribes about overhead if more of the Indian people had the administrative jobs. Is that true?

Mr. FRANKLIN. That is a goal that we are moving toward.

Mrs. HANSEN. I don't think the Indian people like the white people assuming all of the so-called lucrative jobs. You must understand in a reservation like the Yakimas, that a job of over $4,000 is a pretty lucrative job in their world.

Mr. LONG. Heavens!

Mrs. HANSEN. Do you have any other questions?

Mr. LONG. That is all.

Mrs. HANSEN. Mr. Evans?

Mr. EVANS. Thank you.

Mr. Franklin, over the past several years we all hear more and more about the Indian's desire for self-determination. I suppose, at least listening to you this morning, that the 200-some-odd tribes federally recognized have at least close to 200 different ideas on what they are seeking. Is this true, or could you fill me in in general terms, describe what they are looking for, as you sense it?

1934 INDIAN REORGANIZATION ACT

Mr. FRANKLIN. I would be happy to do so. By example, if we look at the American Indian as short a time as 15 years ago, many of our tribes did not have very much in the form of a structure for governing their organizations. Generally under the 1934 Indian Reorganization Act, it provided for the development of a tribal council, and this tribal council usually had a business committee made up of about five people. Those were the ones that ran the business of the tribe during——

Mr. EVANS. If I may interrupt, what you say intrigues me. The history, of American Indians, so poorly as it has been written of, leads many people to believe that the tribes in this country had governments of various kinds, but had government. From what you say I get the feeling that what happened after the white man came, defeated them militarily and took over the land, their tribal governments disintegrated.

Mr. FRANKLIN. You are absolutely correct. Most tribal organizations prior to the coming of the white man in this country did have structures in which they ran their tribal organizations. Many of them paralled the type of government that we have in this country today. The removal of Indian people from their indigenous areas into what we call reservations today, and the almost total paternalism that became the policy of the Government, did a great deal to destroy this great talent that they had. It destroyed their school systems. I think particularly of the Cherokee Tribe, when they built one of the first female seminaries west of the Mississippi, and then we saw it finally disintegrate. They had a total government structure and then, in general, the tribes became more reliant upon the Federal Government in the role that they played, which was quite dominant. Then we saw the decline of the policy of self-government in the tribal structures themselves.

It was not until 1934 that the Government recognized that they had destroyed a tremendously capable self-governing system, and I think the Indian Reorganization Act was one of the first recognitions of trying to reinstitute the system of self-government.

These tribal councils have struggled. They have moved forward. They are now a very viable entity among the tribal groups, but I would say totally inadequate for the taking over of what we would call self-determination. The reason for that is because they vary.

On some of the reservations we have only the need for a tribal governing body sort of like a city council, but in many of the reservation areas where we have the total municipality concept it is going to be necessary to structure the tribal governing body so that it, too, has the checks and balances that are so necessary, that we all recognize are necessary, so that if they have the judicial system, that judicial system

is separate from the legislative system. It is this type of thing that the Government will have to address itself to over a period of many years if we are to truly accomplish self-determination.

NAVAJO TRIBAL COUNCIL

Mrs. HANSEN. Isn't it true that you have to have a great deal of input from those sophisticated tribes who do this very well? I attended a Navajo Tribal Council meeting and they were discussing reclamation that day. I have never seen a more orderly or more constructive parliamentary body in session.

The Choctaw Reservation in Mississippi separated their judicial function from their policymaking and it was done very sophisticatedly.

Wouldn't you say, Mr. Franklin, what we have tried to overcome in the last few years was 130 years of misunderstanding? The tragedy of our times is not unrelated to those of the underdeveloped nations that emerged in a highly sophisticated, jet-powered, man-to-the-moon era. The tragedy has been the compaction of time on the problems that have pyramided through Government paternalism and the Indians' own compliance with the system that destroyed them.

Mr. FRANKLIN. That is precisely correct. What we see is the rapid change of the American Indian who is out of phase with modern society. Practically everything that is done becomes a monumental step and is overemphasized by the strides that have to be taken in order to find himself equal with society.

Mr. EVANS. One more question in this regard. In this search for self-determination, to develop their own system of government, what are the major general obstacles that they face? What are the initial things that have to be accomplished as you see them?

Mr. FRANKLIN. Primarily I would like for your committee to recognize the wonderful progress the American Indian is making in the field of education. He is now attending professional schools. There are many who have graduated from law and are becoming quite proficient in the field of law, many who have taken positions of leadership in government and obtained the experience that he now relates back to his own tribal governing body. Those are the things that I place as No. 1. It is not the money that runs an organization; it is the people who have the ingenuity to utilize resources that are available to them.

Mr. EVANS. What is the situation generally in regard to Indians getting these talents, wanting to get these talents, being able to get these talents through education and training, and then how many go back and make their talents available to other Indians of the tribe?

PRESERVATION AND DEVELOPMENT OF AMERICAN INDIAN

Mr. FRANKLIN. The desire on the part of the American Indian, I think, is increasingly to obtain for himself the elements of education that is available to him. We have seen great empathy on the part of the American public and particularly in the field of education in the universities and colleges and foundations to provide the vehicles for the American Indian to obtain this type of education. We have seen this recognized by the Government in some of their appropriations.

As to going back and devoting himself to the reservations, we see probably the greatest move that has ever been evidenced before when people like Peter McDonald, who is chairman of the Navajo Tribe, a graduate of Oklahoma University, an engineer, served in the space programs with some of the large companies, now going back to his reservation as the chairman of that tribe, a very articulate individual. We see this occurring in many of the reservation areas—probably one of the healthiest signs that we see for the preservation and development of the American Indian.

I have said many times in speeches around the country that the American Indian can become the richest ethnic group in the world because of the resources that he has. There should never be an occasion where the American Indian resources are ever relegated to the mere income from royalty. He should participate with a working interest in all of the things that he does, whether it be forestry, minerals development, agriculture, or whatever it might be. It is this type of leadership that is coming back to the reservation and is giving that drive to the American Indian today.

Mr. EVANS. I suppose this——

Mrs. HANSEN. I would like to comment on your last question. This summer I was on one of our western reservations and a young woman was building a new home. All the members of the tribe were tremendously interested in this new modern-type home. This, I think, is the direction the Indian people are going. The Indian people are very much interested in improving their environment. Building up within the tribe is the desire and sophistication that is necessary to make their tribes viable again. Isn't that correct?

INDIAN HOUSING IMPROVEMENT

Mr. FRANKLIN. Yes. I would like to make one comment about this giant step that the American Indian is taking. We have set up standards in our country, for instance in the field of housing, where we try to move the American Indian from almost no housing into something very modern. We expect to move him into a house that is worth $25,000 when in reality perhaps what we have failed to do is take that first step, which is shelter. If we would apply more of our dollars toward giving an individual good shelter—it pains me a little bit and it is a personal feeling, certainly not in my position connected with the Interior Department—but it pains me a little bit to see some of our indigenous people, who have been disadvantaged for a number of years, thrust into a facility that has such things as a washer and dryer, and things like that, paid over a period of 40 years, and what a cost that is, when if they were put into a shelter, well-built house, and then given the opportunity to go down and buy a refrigerator or whatever he needs as income becomes available, it seems to me he would be much better off and we would be much better off over the long period.

DEVELOPMENT OF INDIAN HISTORY

Mr. EVANS. One last question.

Where are we, if you know, in the compilation of histories of the various tribes of Indians of the United States? Are you aware of

what is going on in this regard? Who are putting these histories together? In the thirties when you went to high school, if you went to school in the North you got one view of the Civil War, and if you were in the South you learned about the War Between the States—a different version. Now, in regard to Indian history, are such histories available from this Indian point of view?

Mr. FRANKLIN. Yes, sir. There are two that I am aware of. I think there are more than that, but the Zuni are compiling a series of booklets on their own history. The Nez Perce have the first volume on their history. I think this will be one of the few times in this country where we will have the history of the Indian people recorded by people who are familiar with not only the customs but the intimate history. Nothing has discouraged me more in my attempt to do things for the American Indian than having to read the articles written by people who spent 1 day on a reservation and became an expert.

Mr. EVANS. Thank you, Madam Chairman.

Mrs. HANSEN. As you are well aware, many tribes want to preserve their archeological artifacts. The Makahs are a good example.

ADMINISTRATIVE COSTS OF CONTRACTS

Going back for a moment to your contracts with the Indian tribes. It has been stated by some of those who are assisting the Indian people in the administration of their contracts, that the administrative costs formerly assumed by the BIA relative to any given program are not built into the contracts with the Indian tribes. Therefore, the costs of the program must absorb the cost of the administration. This, therefore decreases the program.

Do you have any comment?

KANSAS CITY—INDIAN ENTERPRISES

Mr. FRANKLIN. I think it is a kind of quid pro quo. When you transfer administrative services to an Indian organization you are also creating employment and the capability of a contracting group to do other things. True, it may cost more from an administrative viewpoint. I would like to use as an example a small organization that I put together in Kansas City called Indian Enterprises that took over the employment assistance program for that particular region. When it first began, the services were quite minimal and the Bureau spent a considerable sum in helping that group become viable. In the second year of operation it turned in one of the highest efficiency records in the employment assistance program.

It did cost more the first year, but the second year it did with the American Indian the programs that were so necessary to create efficiency. One of the things that I remember so specifically in the first year of operation were—we were training the young Indian people who were employees of the Indian Enterprises to provide the services to the people coming in from reservations in the Kansas City area. We had great difficulty in many areas, such as the social problems of coming to a large city. The second year the capability of the Indian people working in Indian Enterprises to relate to the problems of those coming from reservations had increased in efficiency to the extent that it was a very viable operation. True, the capabilities of

developing contract services may appear to be a little high in the beginning but in the end you have an organization that is capable of doing many things in Indian Enterprises. For example, it has now contracted with the Labor Department for an entirely different program and it has reduced the cost of the Bureau of Indian Affairs program considerably as a result of having additional income.

Mrs. HANSEN. I can foresee a contract being let for the operation of a school and the program being required to absorb the administrative portion of the grant. This would of itself diminish the total educational effort.

Do you want to check on that, Mr. Wiles?

Mr. WILES. The only one that I am familiar with was when we contracted for the Rough Rock school. It was in the Bureau at that time. My memory is that at that time we not only fully financed each pupil, but I believe in addition to that they got funds from OEO and from some universities. I say in this particular case they were well financed.

Mr. SYKES. May I say a word? I think that I am a little bit familiar with that. The other day Mr. Bernstein spoke to me about the Navajo problem. He is a management consultant working with the Navajo Tribe. I think one of the problems our contracting people have had is that with the tribe, unlike an ongoing corporation that you are contracting with, they have never had any auditable administrative costs we could see that they could put in as a part of the contract.

Mrs. HANSEN. This is a BIA contract?

Mr. SYKES. That is right. In contracting with the tribe it really should be no different than contracting with Xerox or anybody else.

Mrs. HANSEN. Within their contract structure there should be set aside so much of that program for administration.

Mr. SYKES. Yes, ma'am.

Mrs. HANSEN. Have you allowed sufficient funds in your contracts for administrative costs so that it does not diminish the program below what would be considered to be the BIA level?

Mr. SYKES. My answer would be, at the moment, with our budget for 1974, there has been no increase, because we are in a sort of status quo budget for 1973 and 1974. There has been no increase requested, nor is there any increase in there for contracting.

LOAN AND CREDIT PROGRAM

Mrs. HANSEN. You are merely maintaining the status quo.

Mr. Franklin, do you want to comment on your loan and credit program.

Mr. FRANKLIN. On the Indian Financing Act?

Mrs. HANSEN. Yes.

Mr. FRANKLIN. The provision of that bill recommends an increase from $25 million revolving fund to $75 million, or an additional $50 million, plus the $200 million available for loan guarantees. Those would be guaranteed similar to what we find in the Small Business Administration program, where they can guarantee up to 90 percent of a loan for a business enterprise. Then the act was to provide for grants up to $50,000 per venture, and I would have to see the legislation on that before I could speak to that subject to any great extent. That was one of the provisions in the proposed financing act.

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Mrs. HANSEN. Will you also discuss the Indian Trust Council authority?

Mr. FRANKLIN. In my opinion, being a lawyer, I feel very close to this particular item, and I certainly have great feelings toward the urgency of that legislation, the purpose being to protect the American Indian and his resources development from conflicts of interest. I would envision that this would extend further than just conflict that might arise in the Government. To me, the Indian Trust Council authority is a very vital need in protecting the trust responsibilities.

Mrs. HANSEN. What, in essence, would be the structure?

Mr. FRANKLIN. Are you talking about the council authority?

Mrs. HANSEN. Yes.

Mr. FRANKLIN. Three-man organization. Entirely free of control from the executive department.

Mrs. HANSEN. Are they appointed or elected? Who would select the council?

Mr. FRANKLIN. These would be appointed and two of them would be from the American Indian group.

Mrs. HANSEN. Does their selection have to be ratified by the particular tribes?

Mr. FRANKLIN. Not by the tribe.

Mr. EVANS. What would their authority be? How would they function?

Mr. FRANKLIN. They would be called upon to handle the adjudication and initiation of adjudications in those matters that relate primarily where the Government was involved, an Indian tribe was involved in the development of natural resources or the protection of rights in natural resources.

Mr. EVANS. With the power to do what?

Mr. FRANKLIN. The power would be the same as if they were hired legal counsel and they could go as high as the Supreme Court.

Mr. EVANS. To represent whom?

Mr. FRANKLIN. To represent the Indian interests.

Mr. EVANS. On matters involving disposition of natural resources?

Mr. FRANKLIN. Their disposal rights in natural resources.

Mr. EVANS. Both in relation to the tribe and members of the tribe?

Mr. FRANKLIN. Yes, sir. Where the trust relationship is established. That is usually either on tribally owned lands or individually owned lands that have restrictions.

Mr. EVANS. Thank you.

Mrs. HANSEN. An example would be the problem in the Four Corners area.

Mr. FRANKLIN. I am afraid I am not familiar enough with the specifics of that.

Mrs. HANSEN. Four Corners involved the leasing of Indian coal land for the purpose of providing generation of power to the Southwest, principally California. Some of the Indians disagreed with the digging of the ground itself. They also disagree about reclamation. This was all Indian land and the contract was negotiated between the Navajos and the power companies. Could the Navajos take such a problem to the Indian Trust Council Authority?

Mr. FRANKLIN. Would you believe I am going to have to ask somebody a question? I don't think that would apply in this case, would it? The case would be where the Government was involved in the dispute.

Mr. Corke, could you help us out?

Mr. CORKE. In this instance it is tribal land. If it was tribal land involved, in this instance I can see the Trust Council authority could, if the tribe so desired, represent them.

Mrs. HANSEN. They could appeal certain actions and ask for renegotiation based upon better reclamation policies?

Mr. CORKE. That is right; they could support what the tribal authority does in this instance. Since it is all tribal land, there would be no conflict between individual Indians or individual tribes.

Mr. FRANKLIN. I am sorry that I am not clear on that subject.

Mr. EVANS. Would you yield?

Let's change the facts a little bit. Let's assume that the Navajos are contemplating a long-term lease of land for strip mining to power companies. Would these negotiations be such as to allow this trust to come in and take a position, or would the trustees stand by until asked to come in by the tribes?

Mrs. HANSEN. How about the individual Indians within the tribe?

Mr. EVANS. That was my next question. Let us say that the matter is of great controversy among the Indians in that tribe, whether such a lease should be issued or not.

Could a portion of the tribe come in, majority or minority, and ask for your services? In what way do you function in those circumstances?

Mr. ROGERS. If this would help, the Trust Council Authority is not to replace any judicial or any management vehicle that the tribes have now. It is to provide an independent source of counsel, representation for the tribe.

Mr. EVANS. If the tribe asked for the trust to come in and help them, as legal counsel, negotiate the terms of the lease, you would respond?

Mr. ROGERS. Yes; Trust Council Authority, in pursuing for an individual Indian or tribe, any action which might require legal representation, that authority could provide that representation to the tribe.

Mrs. HANSEN. Suppose a majority of the tribe voted for something and the dissidents didn't want it?

Mr. ROGERS. I believe there are problems such as that, Madam Chairman, which are beyond the Trust Council Authority power to solve. In other words, the Trust Council Authority is aimed at providing an independent source of counsel.

Mrs. HANSEN. The first step to alter that would have to be taken by a majority of the Indians themselves, the same as any other government?

Mr. ROGERS. Right.

BIA REALINEMENT

Mrs. HANSEN. On January 18, 1973, then Assistant Secretary Bodman announced a series of "Steps to Improve Operations of the Bureau of Indian Affairs." Summarize these actions and the status of their implementation.

Relative to this I have received a letter from Congressman Steed:

In further regard to our discussion about rumored changes in the structure of Indian Office field service and Indian educational programs, may I point out the following:

There are strong rumors that existing area offices will be abolished or consolidated so the Indian Service can conform to the "regional centers" concepts that other Federal departments are being required to adopt. Such consolidations are supposed to be justified on the premise that Indian agencies in the field will get more authority, thereby reducing the need for area offices.

He has a list of problems relative to this matter.

Mr. FRANKLIN. Your first reference was to Secretary Bodman. Part 1 of that was realinement of the Bureau of Indian Affairs central office functions in all of its locations meeting in Washington, Denver, and Albuquerque.

The first part of that——

Mrs. HANSEN. Those three locations are the only central office functions?

Mr. FRANKLIN. They are the central office functions.

Mrs. HANSEN. Not intended to replace area office functions?

Mr. FRANKLIN. They are not.

The first part of that was transfer of daily operational activity from the central office to area and agency offices, and this is in the process of being done. We have had a series of meetings with the area representatives and the structure has been arranged.

Mrs. HANSEN. As you well know, redtape is wound around everything, not only in BIA but every department of government.

Mr. FRANKLIN. We like to refer to it as whitetape.

Mrs. HANSEN. So that the decisions that formerly necessitated a Washington, D.C., decision could be transferred to the Albuquerque or Denver operation. Is that correct?

Mr. FRANKLIN. Those are mainly technical centers rather than policymaking centers. Under the structure that we have, the policy decisions will be held here in the Washington, D.C., area.

Mrs. HANSEN. Compliance, and so on, would be within the jurisdictions of the Albuquerque and Denver offices?

Mr. FRANKLIN. Yes, ma'am. Many of the functions in Albuquerque are of a service nature.

EDUCATION POLICY

Mrs. HANSEN. Would you have a fractured system? For a long time you had many area offices determining their own educational policies. Every area office was operating on their own. Would your Albuquerque and Denver offices each have a different educational program rather than a central educational program established by the Washington office?

Mr. FRANKLIN. Could I refer that to Mr. Hawkins?

Mr. HAWKINS. As I understand both the question and the intent of the administration, moving in the direction of decentralization, Washington would still control the policies, and an area could not take off independently upon its own, embarking on a new kind of educational program, a different kind of educational structure, if you will, without having that policy referred to Washington and cleared at this level. We would not be in the business of operating programs.

A part of my office is in Albuquerque and would still report directly to me but perform service on an as-needed basis to the area offices.

CLOSING OF BOARDING SCHOOLS IN OKLAHOMA

Mrs. HANSEN. In regard to the existing area offices being abolished, Mr. Steed's letter continues:

> This theory could not have been seriously advanced by anyone who knows anything about Indian field service. Service can only be rendered in this Federal activity in those places where Indians live. Unfortunately, they do not live in a geographical pattern that fits "regional centers concepts."
>
> Supporting this rumor is the long delay in getting a letter of authority for the Delaware Tribe to proceed with its construction of a building at Anadarko, Okla., to be leased as a new headquarters for the area office. The tribe has gone to great effort and considerable expense on this project as a result of having been given a letter of intent many months ago.
>
> There is another rumor that Chilocco, Fort Sill, and Riverside Indian boarding schools in Oklahoma are to be closed and all the students moved to a new central school, probably to be built at Oklahoma City. This was discussed in a conference with Office of Education people at Albuquerque, N. Mex., a few weeks ago. All three schools badly need some physical improvements. But this cost will be far less than a new building or school. Most important, the psychology of Indians being what it is, there will be a major "dropout" trend if all these students are thrown together. This factor is one which so many inexperienced people always continue to overlook about our Indian people.

Mr. Hawkins, do you have a comment?

Mr. HAWKINS. Madam Chairman, let me say at the outset that if I were planning to recommend the construction of any new kind of a centralized school, I have rather strong feelings major urban areas are not places where Indian boarding schools ought to be constructed. I think we would all agree that Oklahoma shares with many States responsibility for its Indian citizens as well as its non-Indian citizens. The majority of the Indian children in Oklahoma are in Public schools. At the present time, in the Anadarko area in Oklahoma, we run four BIA boarding schools—one elementary school in Concho, and the other three you mentioned which are secondary schools. At the present time we have no plans for consolidation of any of those schools. In fact, all of them are moving forward with some planning for improvement of their present facilities.

Mrs. HANSEN. You ought to be further along than the planning stage on some of those schools. The committee has been stressing school construction needs for such a long time you should have been long off that drawing board.

INDIAN SCHOOL BOARDS

Mr. HAWKINS. One of the problems that we have had is that in part, with the involvement of more and more of the Indian school boards in the planning, it really takes some time. I don't want to presume to make decisions for these Indian school boards, but we find that it takes a period of education with school boards themselves to determine the kinds of programs they want to offer their children.

Mr. MCDADE. Would you yield?

One general question on the emphasis that has been put into your budget for the construction of roads and trails to try to build a suitable infrastructure on Indian reservations. One of the basic

reasons for doing that, as I recall—correct me if I am wrong—is to get away from the need for the BIA boarding schools.

Mr. HAWKINS. That is correct.

PROGRESS IN REDUCING NEED FOR OFF-RESERVATION BOARDING SCHOOLS

Mr. MCDADE. What kind of progress are we making if you are talking about construction of additional planning for the BIA schools at the same time we increase substantially your amounts for roads? Are we going at cross-purposes?

Mr. HAWKINS. Not entirely.

Mrs. HANSEN. Oklahoma is not a reservation State.

Mr. HAWKINS. Right.

I would like to point out that the enrollment in many off-reservation boarding schools has been declining over the past 10 years. It has declined to the point now where sufficient school facilities are going to be available this coming September on the Navajo Reservation and the Navajo Tribal Council and the Navajo area have decided they are not going to send a freshman class to Intermountain School at Brigham City this next year. Instead, they will accommodate them on the reservation. Intermountain will probably be phased out as a Navajo boarding school. Unless there is another need for it we will phase it out as a BIA boarding school. Indeed, we are making progress in this area, but Oklahoma is a separate case and it is not——

Mr. MCDADE. You seemed to state that you are making progress in the direction that we hoped you would have some years ago.

Mr. HAWKINS. Right. I think in the next several years there is going to be substantial progress in this area.

Mr. MCDADE. Thank you.

CHANGES IN BIA SINCE MR. FRANKLIN'S APPOINTMENT

Mrs. HANSEN. What changes have been made in the BIA since your appointment, Mr. Franklin, as Assistant to the Secretary for Indian Affairs?

Mr. FRANKLIN. I hate to put anything like this on the record, but coming into the BIA and all of a sudden being saddled with 150 years of bad history, I woke up one morning thinking I had committed the original sin. We have tried to hold our head high in spite of the fact that it seemed like we have about 200 million people sitting on our shoulders. We do have a very talented organization.

Mrs. HANSEN. If some of the States would provide equal services for all Americans you would not have so many problems.

Mr. FRANKLIN. Correct.

I woke up this morning with a letter from Oklahoma. Since it was so appropriate for this particular meeting, I would like to read it to you, if you don't mind.

Mrs. HANSEN. Please do.

Mr. FRANKLIN. This was a letter to the editor of a Tulsa paper. The title of it was "Indians in Bondage."

Every year Congress makes appropriations of your hard-earned tax dollars to pay for a giant, fat octopus called the Bureau of Indian Affairs, which keeps the Indians in bondage, slavery, low spirits, half human, unable to think for himself, anything so that the BIA employees can have a fat salary, beautiful, comfortable life with our hard-earned tax dollars while the Indians are in bondage on various reservations starving.

At that point my contributor wrote on here:

You ought to be ashamed. As a taxpayer, don't you care? Give an Indian a chance. Give him his education, health, dignity, pride, freedom, and a right of self-government, to handle his own affairs. Give that Congress appropriation to the Indians at the grassroots level. Help the Indian to open the gates of BIA, Interior Department. Let them become a sovereign country. Help free God's people.

You know, that is sort of the way I feel when I wake up every morning. What can we do to really achieve the goals that the American has for himself? Our thrust has been in the past few weeks, since I came into the Bureau, to arrange the talents that we have in the organization so that it delivers. Now, I am very conscious of cost, as you might well guess. I certainly believe in reducing the amount of overhead to the extent that the programs do not suffer.

BIA GOALS

I have been cautioned, adequately, I think, by some of my colleagues in the Bureau, about the abuses that have occurred and could occur.

This is primarily our objective in the Bureau now, to bring efficiency into its delivery system. There are four main areas that we will be concentrating on, other than the necessary element of administration, and the necessary element of public affairs. Public affairs, incidentally, includes legislative matters. But the four elements that are most important to the American Indian are the thrust responsibilities of the Bureau, the education, the services that are being provided, and then, finally, the reservation development.

In this reservation development we envision such things as the strengthening of the tribal governments in order that they can receive, at their own pleasure, the fruits of self-determination. But at the same time, looking forward to a coordinated use of the reserves and the resources in this country, where economic betterment can become a reality, allowing the American Indian to find his proper social level.

So, Madam Chairman, if that is not too lengthy a description of what we are attempting to do, these are the small steps we have taken in the past few weeks.

Mrs. HANSEN. I think the problem is that the average American does not realize there has to be some structure for channeling an appropriation.

But the structure of government is prescribed by the laws of the United States, and the Appropriations Committee has no choice but to use those existing structures. It has been the responsibility in gen-

eral of two Federal agencies, the Bureau of Indian Affairs and the Indian Health Service, to carry out the programs. The average American does not realize that the Government is a government of laws and that we have no choice but to abide by the laws. Yet, this committee has provided education to more Indian children than ever before in the history of the United States. We have provided more Indian health service than ever before in history.

EFFORTS OF THE COMMITTEE

In the beginning, there was little effort by anybody to carry the load. It only became fasionable politically in recent years. I well recall the Senate reducing funds provided by this committee for the Indian kindergarten program. This committee, at some sacrifice to our own particular projects, restored some of those funds.

So let there be no mistake, that this committee has tried to do a job that a lot of the people were just talking about.

We struggle with the unending problem of budget deficiencies, Mr. Franklin, as you are well aware.

We try to do the best we can within as many budget constraints as we have had, and there have been many. I think it should never be said that this particular Appropriations Committee has not tried. Neither do I think it is fair to say that the Indian people have not made progress, because they have made progress. There is a great deal more to be done. I think in 1960 you had approximately 800 young people attending college on scholarships. Today we have, planned for this next year, 13,500. That is quite a story, in less than 12 years.

We had no kindergartens before. We now have youth programs that we did not have before. I sometimes think the truth is not told all across the Nation. It is like the Zuni telegram that said, "Won't somebody please tell the truth? We are a tribe that is making things work."

Mr. WILES. I think a lot of credit for the progress you have just mentioned goes not only to the committee, but I think it goes personally to you for your interest in the Indian people.

Mrs. HANSEN. No, not just to this committee, but to the Indian people, and to the people in the BIA who listen to those Indian people. You know, the symbol of the ugly bureaucrat has become tremendously fashionable. When I was in Alaska, I saw two dedicated teachers. You should see the struggle they had through those long Arctic winters. This is part of the so-called bureaucracy of the BIA. You just cannot help but think that these people have also had a tremendous goal of accomplishment in striving to do something. And they have not been too well-rewarded, either fiscally or with words of praise.

The committee will adjourn until tomorrow morning.

Mr. FRANKLIN. Thank you.

TUESDAY, APRIL 10, 1973.

Mr. HANSEN. The committee will come to order.

We will resume our hearing with the Bureau of Indian Affairs.

BIA POLICY REGARDING URBAN INDIANS

What changes have been made in the BIA policy regarding urban Indians? What has been done with the $275,000 provided in last year's bill for provision of referral services to urban Indians?

As you will recall, the committee was besieged last year with requests from urban Indians, asking for BIA assistance. They were very much interested in Indian centers being developed all over the United States, where there are large numbers of urban Indians.

They requested assistance from the BIA. It was not possible, as we mentioned yesterday, to transfer funds from the reservation Indians to assist the urban Indians. As we discussed yesterday, there is a possible problem if this occurred of being in conflict with the Civil Rights Act. Also remembering our discussion of yesterday that every citizen of a State is entitled to all the benefits that are available, the BIA budget has not recognized this tremendous number of urban Indians.

The committee thought it would be wise to give the BIA $275,000 to see what could be developed. Have you made any policy determinations, Mr. Franklin?

Mr. FRANKLIN. To address the first portion of your question about policy as it relates to the Bureau of Indian Affairs and the urban Indian, the policy has been to provide courtesy services where it was possible within the structure.

Mrs. HANSEN. What do you mean by "courtesy services"?

FIELD EMPLOYMENT ASSISTANCE OFFICES

Mr. FRANKLIN. In many cases there are employment assistance offices located in some of the urban centers, and without committing funds for subsistence, and things of that nature for the urban Indian population, it is still possible to serve some of the Indians by helping them find employment, and assisting them by making them aware of the services available to Indians in those cities.

Mrs. HANSEN. This is what the committee was concerned about, that in certain urban centers they were not treated as the ordinary, average American. The American Indian is entitled to all the privileges that any other citizen receives. The committee felt that if they had some way of knowing where the services were it would be of great assistance. Has the experience shown that the Indians can be served when they are in an urban area?

Mr. FRANKLIN. Generally speaking across the United States, in the broad term, the answer is no. There is no system that is available through the Bureau of Indian Affairs that can reach the urban Indian population to instruct them on where to go. Only in those areas where the Bureau has facilities or where there is a direct contact with the local reservation can proper direction be given.

The thing which you addressed yourself to, which I appreciate, is the fact that many of those in those agencies are still of the opinion

that the American Indian is treated as a rather special person, many still clinging to the belief that they receive a monthly subsistence check. When they go into an agency office, they are quite often told, "You are to go to the Bureau of Indian Affairs. They handle your problem."

You know, we must recognize now that many of these people are inclined to be rather reticent in nature and they accept in obedience the instructions of these people. Quite often they suffer great detriment because they have been denied services that are normally available.

We are trying to address this particular problem in the Bureau of Indian Affairs by strengthening our relationship with the 200 million people in the United States whom we talked about yesterday, in an effort to better relate the Bureau and its functions to the general population, so that it does realize that many of these people have by omission on the part of society in general failed to carry out an obligation to the citizens of this country.

Mrs. HANSEN. Yes, I think, if the average person who is writing letters to the newspapers would just urge the State legislatures to make sure that the urban Indians are treated like any other person in American society, that they might do something more constructive.

URBAN INDIAN CENTERS

Mr. FRANKLIN. To address ourselves to the second part of your question——

Mrs. HANSEN. The $275,000?

Mr. FRANKLIN. Yes. I would ask Mr. Rogers if he would explain to you the manner in which this has been handled.

Mrs. HANSEN. Please do.

Mr. ROGERS. Madam Chairman, we have not yet committed the $275,000 which the committee authorized for centers.

Mrs. HANSEN. Why not?

Mr. ROGERS. I would like to explain. Before spending that money for urban centers under the Bureau of Indian Affairs we felt it worth while to coordinate our activities with other elements of the Government which have a responsibility for taking care of citizens, including Indians, in the cities. There were meetings between the Department of Health, Education, and Welfare and the Department of the Interior, actually the two Secretaries of the Departments met to consider this question as to how the Department of the Interior and the Bureau of Indian Affairs could most effectively spend this $275,000. Out of those meetings came a suggestion that an Assistant Secretary level committee should be created under the chairmanship of OEO, and having Assistant Secretaries from Interior, from HEW, and from Commerce, the other elements of Government which have concern for urban Indians, and that this committee should address this question.

There was a meeting of this committee under the chairmanship of the Deputy Director of the Office of Economic Opportunity, and it was the agreement in that committee that the first thing that should be done would be to assess the progress of the urban Indian centers which the Office of Economic Opportunity had set up. There are some four that they had underway.

The procedure was begun to assess the progress of those centers, and that has not yet been completed. Of course, OEO is phasing out of business.

Mrs. HANSEN. That is what I was going to say.

Mr. ROGERS. So this committee is now going forward under the chairmanship of Mr. Carlucci who has become the Deputy Secretary of the Department of Health, Education, and Welfare. That, Madam Chairman, is our progress to date. We have not yet committed the $275,000 because we have not concluded that we have a viable program.

Mrs. HANSEN. HEW requested a rescission of about $4 million of Indian health funds which the committee provided last year. One of the projects involved dental health care. Interestingly enough their chart in their justification still shows a large deficiency in Indian dental care.

Contract medical care costs have increased, so they asked for rescission of that $1 million. This didn't make any sense to the committee. HEW also decided that $18 million in Indian education, which was added in a supplemental, was unnecessary.

We intended and we still intend that the BIA perform this work. We think they are far more reliable than the Department of HEW. We will trust the conscience of the Interior Department. Maybe criticism is due, but I don't think they are as recalcitrant or as reluctant to do what Congress tells them to do as HEW.

The $275,000 was added to see what assistance could be provided to the urban Indians. Since OEO is being phased out, what is going to happen to those urban Indian centers?

Mr. ROGERS. The OEO programs will be transferred to HEW.

Mrs. HANSEN. They will be presenting rescissions to some other subcommittee.

Mr. ROGERS. We do have some competent top management in HEW now, with Mr. Weinberger and Mr. Carlucci, Madam Chairman.

Mrs. HANSEN. That may be, but I certainly didn't have any evidence of it when HEW witnesses appeared before the committee asking for this rescission. I didn't think that was evidence of good management, and I told them how the committee felt.

What do you intend to do before the end of the fiscal year with the $275,000?

Mr. ROGERS. If we can arrive at a program that we feel is worth while and will be constructive toward the application of that $275,000 to urban Indian problems we will spend it.

Mrs. HANSEN. Otherwise the funds will lapse?

Mr. ROGERS. It will just lapse.

Mrs. HANSEN. I don't think you can allow this program to lapse. I don't think that this problem can be put under the rug some place. I think you have to face it.

GENERAL ASSISTANCE TO NONRESERVATION INDIANS

Mr. ROGERS. Frankly, our concern. Madam Chairman, is that the Bureau of Indian Affairs, of course, is primarily in business to serve federally rceognized tribes. The urban Indian problem is a serious problem. There is no question that urban Indians feel they are not getting the services to which they are entitled. There are other agencies of Government, however, which have heavy responsibilities in the

area of providing for citizens who are not members of federally recognized tribes, including Indian citizens, and we would like not to fragment the approach and have too many different areas of Government.

Mrs. HANSEN. In our investigative report the following statement is made:

> It is questionable whether the original intent of Congress, as expressed in the Snyder Act, would prohibit BIA's extension of services to Indians living in cities. There is now before the U.S. Supreme Court a petition for a writ of certiorari, in which the key issues bear on the determination whether BIA will be forced to change its historic direction and extend general assistance to non-reservation Indians.

The report goes on with quite a lengthy discussion on whether these problems were involved with the demonstration at the BIA building. Mr. Rogers, what has happened in that court case?

"RUTZ V. MORTON" CASE

Mr. ROGERS. Final resolution has not occurred in the *Ruiz* case. Perhaps someone can help me here, but I believe it has been submitted to the Supreme Court, and the Supreme Court has not yet decided whether they will accept it.

Mrs. HANSEN. They haven't decided they will rule on it?

Mr. ROGERS. I believe that is correct. I will be sure that the right answer goes in the record if it is all right with you, Madam Chairman.

Mrs. HANSEN. Please do.

Mr. ROGERS. Maybe Mr. Butler can help.

Mr. BUTLER. Madam Chairman, that was the *Ruiz* v. *Morton* case, which was originally filed November 27, 1968, in the U.S. district court in Tucson. It was taken from there on appeal to the ninth circuit court in California, where in June a three-judge panel ruled 2 to 1, in a split decision, that we did have the authority to provide assistance as the Snyder Act provides, "throughout the United States." That was taken on January 12 of this year, on a writ of certiorari, before the Supreme Court. The Supreme Court has taken the case on, but has not yet set it for hearing.

Mrs. HANSEN. Mr. Evans, do you have a question?

Mr. EVANS. You have explored most of what I wanted to get to, and I appreciate it. I think I heard from your words the answer to a question I had, and that is what your intent is in regard to this 200-and-some-odd thousand dollars. Looking toward the end of the fiscal year, I think I heard you say you are not going to spend a penny of it. I may be putting words in your mouth, but I think that is what I heard.

Mr. ROGERS. That may be the result. I can't say for sure.

Mr. EVANS. We are awfully close to the end of this fiscal year.

Mr. ROGERS. That is right.

Mr. EVANS. That is just my observation. Time will tell whether I am right.

Mr. FRANKLIN. Madam Chairman, if I might say, we spoke yesterday of the large number of people who might be involved in this program, and it would appear to me that, if we were to utilize these funds merely for the purpose of perhaps setting up special counselors, in the existing areas where we have urban services, who could better

identify the needs that the urban citizen had, it might be worth while to do so during the current fiscal year. I base this upon my experience in the operation of the little company I mentioned yesterday called Indian Enterprises in Kansas City. Our relationship there, where we had many people coming through Kansas City or living in Kansas City, who needed special services, usually of a temporary nature, where perhaps a small sum of money would have helped them or perhaps just the mere taking them by the hand and helping them find the services which they needed would have been quite helpful.

INDIAN COUNSELORS IN URBAN CENTERS

In the absence of activity on the part of others, I would recommend that the Bureau of Indian Affairs consider the utilization of counselors in the urban centers for this purpose. I could not promise you what the end result would be next year, because if indeed the Bureau of Indian Affairs does assume a responsibility for urban Indians, then, unless those services have some constraint, the requirement for budgetary purposes would be astronomical.

I think perhaps the greatest service that the Bureau can be to the urban Indian is seeing that he is adequately cared for by the normal services to the American citizen.

Mr. EVANS. We have just 3 months left of this fiscal year and I suppose that, as much as anything else, is going to be a constraint on you.

Mr. FRANKLIN. This does not create a great problem, because the areas we are talking about already have Indian centers. It would merely mean making available to the Indian centers personnel from the employment assistance branch to carry out a limited program which would determine whether or not it would be an effective method of serving the urban Indian.

Mr. EVANS. Thank you, Madam Chairman.

Mr. YATES. May I ask a question?

Mrs. HANSEN. Yes.

Mr. YATES. Do I understand your statement correctly? You said the best thing that could happen to the American Indian would be to make available to him the normal services available to other American citizens?

Mr. FRANKLIN. That is correct. We are talking about the urban Indians.

Mr. YATES. Urban Indians only; I see. Does this mean that you do believe that any funds that are set apart for services for the American Indians should not be provided for the urban Indian?

Mr. FRANKLIN. Under the present budget constraints it would be virtually impossible to serve the large urban population.

Mrs. HANSEN. Mr. Yates, yesterday we had quite a long discussion in this regard. Mr. Franklin had a chart which indicated the way the Indian services are provided to the various tribes. As the committee discussed, the States, municipalities, and the counties, have responsibilities under the Constitution, as interpreted by the courts, to treat every citizen alike. The problem that we have reviewed constantly has been the inability of the Indian to be treated exactly as everyone else is treated in such States as Illinois, Minnesota, South Dakota, et cetera.

The BIA budget to date has not recognized the urban Indian. Isn't that correct?

Mr. FRANKLIN. That is correct.

Mrs. HANSEN. To provide service to the nonreservation Indians would take many million dollars more, unless you wish to take money from the reservation Indian and apply it to the urban Indians?

Mr. YATES. I don't think that would be fair.

Mrs. HANSEN. That would be extremely unfair. The directive of the committee last year was to use $275,000, and see what the BIA could do to establish liaison services for urban Indians. The intention was to help assist the urban Indians in obtaining services that are available to every American.

URBAN INDIAN CENTERS

Mr. YATES. I have here a document which is the legislative review put out by the Indian Legal Information Development Service, reporting on the Federal budget. Respecting their comment on the urban Indian, it says on page 3:

> The purse strings will also be tightened for urban Indians. The Federal Government has assisted in funding a total of 13 urban centers to the tune of $1,450,000 during the past year. According to Mr. Nixon's new budget proposals, only four centers called urban demonstration centers will receive continued funding at their current levels. Mr. Nixon has liquidated the Office of Economic Opportunity which in his July 1970 Indian message he billed as his lead agency for urban Indians.

Is that the prospect for this fiscal year? Is this statement correct?

Mr. FRANKLIN. I believe you are asking me a question that is beyond my category.

Mrs. HANSEN. They stated that the OEO functions would be transferred to HEW. So the urban Indian centers as established, funded originally by OEO, should be funded by HEW.

Mr. YATES. The number of urban centers would be diminished from 13 to 4, is that correct?

Mr. FRANKLIN. I am sorry, I can't answer that.

Mr. YATES. I thought you would know how many urban Indian centers were proposed for the Nation.

Mrs. HANSEN. Their budget doesn't address itself to the urban areas; is that correct, Mr. Wiles?

Mr. WILES. That is right, Madam Chairman.

Mr. YATES. Mr. Wiles, do you happen to know anything about urban Indians?

Mr. WILES. No, I don't, Mr. Yates.

Mr. YATES. You don't know about what HEW does for urban Indians?

Mr. WILES. No, sir, I don't.

Mr. YATES. Nobody in the Department of Interior knows what HEW does for the urban Indians?

Mr. WILES. I wouldn't say that. I guess some people know. I don't happen to know.

Mr. YATES. You know about the report of this committee last year.

Mr. WILES. Yes, sir.

Mr. YATES. Indicating interest in the plight of the urban Indians?

Mr. WILES. Yes.

Mr. YATES. And you didn't think it was necessary to follow what the administration is doing for urban Indians?

Mr. WILES. I am not a policymaker for Indians, Mr. Yates.

Mr. YATES. This isn't a question of policy. It is a question of what is available.

Mrs. HANSEN. Mr. Yates, you get back to the fundamental principle that all of the urban Indians are entitled to the same benefits that every other American is entitled to.

Mr. YATES. That is correct. But the question is whether they should happen to know what is happening to urban Indians in another budget because of the fact that they are Indians.

Mr. EVANS. Madam Chairman, who has financed the urban Indian centers?

Mrs. HANSEN. OEO with participation from State funds.

Mr. FRANKLIN. And, in many cases, contributions from local citizens.

BIA INTEREST IN URBAN INDIANS

Mr. YATES. Does this mean, Madam Chairman, that when an Indian leaves the reservation and goes to the city, the BIA loses all interest in him?

Mrs. HANSEN. If an Indian is not being relocated under a BIA program, the BIA would not generally provide services for that individual.

For instance, if a member of the Quinalt Indian Tribe decides to move to Chicago, the Quinalt Indian tribal council would no longer offer him services. He becomes then part of the American citizenship. That is what has disturbed the committee, that many States don't treat the American Indian as another American, and provide the same opportunities as any other American.

Mr. FRANKLIN. That is correct.

Mrs. HANSEN. It would be impossible for the Quinalt tribal council to keep track of a tribal member who had decided he wanted no further part of the tribal organization as far as assistance, and decided to live in Chicago, Washington, D.C., or New York. The tribal council has neither the funds nor the ability to do it. Nor does the BIA have adequate funds to provide service to all nonreservation Indians. The $275,000 added by the committee was purely a pilot project to see what could be done or what should be done in an interrelationship with the Indian center.

Mr. YATES. That is right. That is why I favored your questioning a few moments ago, to try to find out what they had done in support of this initiative. That is what the purpose of my question was, to see whether or not there was any activity at all on the part of the Department of the Interior to see what is happening in the case of urban Indians.

[Discussion off the record.]

CHICAGO AMERICAN INDIAN CENTER

Mr. YATES. The point I was making, I am thinking of my own American Indian center in the city of Chicago, and how woefully underfunded it is.

Mrs. HANSEN. What does the city of Chicago provide for the center?

Mr. YATES. They put OEO funds in and receive money from HEW.

Mrs. HANSEN. Government funds. What does the city of Chicago provide of its own funds?

Mr. YATES. The fact remains that, when you talk to Indians, invariably they are looking to the Bureau of Indian Affairs for assistance. They have grown up under the jurisdiction and under the protection of the Bureau of Indian Affairs. If there is any kind of a problem that they have, they don't turn to HEW, they don't turn to OEO. They say, "Congressman Yates, we have tried to call the Bureau of Indian Affairs and we can't get any help from them." That is what happens. They still look to, and they are going to look to, the Bureau of Indian Affairs, and not to HEW.

Mrs. HANSEN. There was a point in time when the BIA was considered such an unresponsive organization that many individuals did not want any part and parcel of it. But the BIA has been receiving increasing amounts of funds through the years. They have gone ahead with very good programs and they have done a better job. In comparison to some of the other agencies and their programs, the BIA has been outstanding. It is now true that the average Indian wants to return to BIA jurisdiction, which I think the BIA should take as a compliment, particularly after all the criticism they have received through the years. Does the Bureau of Indian Affairs have an office in Chicago?

Mr. ROGERS. The Industrial and Development Office in Chicago.

Mr. FRANKLIN. I might add that the center in Chicago has many people coming to it asking for help. Until this sum of money you talked about a little bit ago, there has been no money provided for helping the urban Indian. This is the reason I suggested that in view of the fact that we have offered courtesy services to the American Indian we might make it a part of the services available and use that type of funding for the purpose of hiring counselors who would help people find employment, get into business, and find their way into the agencies.

Mr. YATES. My impression, after talking to Indians, is that they don't trust other agencies as they trust the Bureau of Indian Affairs. I don't know that they should trust them. I don't know that they ought to trust the Bureau of Indian Affairs. Perhaps they don't trust anybody. The point is they have grown up to look to the Bureau of Indian Affairs for answers. They think of BIA as being the logical agency which can help them.

Mrs. HANSEN. Some of the urban Indians have never lived on a reservation.

Mr. YATES. The ones I talk to come from reservations.

SCOPE OF BIA JURISDITION

Mr. ROGERS. Along that line, I would like to say it certainly is true that the average Indian, whether he is urban or a member of a federally recognized tribe, tends to look to the special services of the Federal Government for Indians. The fact of the matter is, however, that the Bureau of Indian Affairs only has funds to care for members of federally recognized tribes. This is a very large job. We need to improve. Our deep concern is that, just because people have the wrong

idea of what the Bureau of Indian Affairs is in business to do, we must be careful that we don't fall in the trap of trying to do everything without the funds to do it.

Mr. YATES. I took quite seriously the report of the committee last year asking the BIA to look into the problems of urban Indians. I hoped that your activities, which had been restricted, would be enlarged somewhat, to see what was going on with respect to the urban Indians, and that you would have recommendations as to what should be done in connection with the plight of urban Indians.

Many of those who live in my district do have serious problems and serious difficulties, and I don't think that OEO and HEW can give them the understanding and the kind of assistance that would be possible from the Bureau of Indian Affairs.

Mrs. HANSEN. In adding the $275,000 for the urban centers we hoped to avoid the legal problems. Because, if the BIA is compelled to spread their funds among urban Indians, the reservation Indians will no longer be provided with the service they are receiving today. I hope the $275,000 will be obligated during the remainder of this fiscal year.

Mr. YATES. I want to supplement what the chairman has said. I come from an urban area, with all the urban problems, but I do not want any of the money which has been allocated for Indians throughout the country, outside of the urban areas, to be taken from those funds and used for urban purposes. I think there ought to be money in the budgets to take care of both. I would hope that this new budget coming up would do that.

INVESTIGATIVE REPORT ON BIA OCCUPATION

Mrs. HANSEN. Last January, the committee requested the Appropriations Committee investigative staff to do a study of the events surrounding the occupation of the BIA building in November. The study was to consider, among other things, the nature and validity of grievances, use of funds for repair of damage, actions taken by the administration, and the extent to which the Indians were reservation versus nonreservation. That study has just been completed and each member of the committee has been furnished a copy. I would now like to discuss with you some of the findings of the study.

If you are not familiar with the study, it is a chronological sequence of the occupation, the proposals made, and the grievances.

The grievances were reviewed. A 20-point proposal paper, as you are well aware, was submitted.

TREATY ENTITLEMENTS

I will read some of the comments of the Indians interviewed and then ask you to comment: "Interest in obtaining entitlements in existing treaties outweighs the desire to negotiate new ones."

The White House response was: "The citizenship relationship with one's government and treaty relationship is mutually exclusive. A government makes treaties with foreign nations, not with its own citizens, and Indians have been citizens since 1924."

Do you want to make comments on those two statements, Mr. Franklin?

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Mr. FRANKLIN. No, Madam Chairman; I do not choose to comment on those matters that relate to treaties. I don't believe it is in the prerogative of the Bureau of Indian Affairs. It is my understanding that it is lodged elsewhere.

Mrs. HANSEN. The next proposal was: "The establishment of a treaty commission to make new treaties." Comments of the Indians: "Reservation-based Indians prefer established lines of communication to obtain entitlements from existing treaties," which I would presume means the BIA. Would this be your interpretation?

Mr. FRANKLIN. Not entirely. The treaties, you recall, were pretty broad. They dealt with many things other than benefits. The actual benefits related in treaties were pretty narrow. I remember in a treaty of our own tribe, a blacksmith shop and something like that was about the extent of the benefits that were related in the treaty, but I don't believe the Bureau of Indian Affairs is specifically involved in looking at the treaty in its broad sense as it relates to the many things that are covered within treaties.

Mrs. HANSEN. So this actually is a matter between the White House and the Indians?

Mr. FRANKLIN. That is my interpretation.

Mrs. HANSEN. This is the reason the White House was brought in to resolve this matter, rather than some agency like the BIA. Is this correct?

Mr. FRANKLIN. That is correct.

Mr. MCKAY. Weren't a lot of the treaties consummated through the military rather than necessarily through the office of the White House or the State Department?

Mrs. HANSEN. But the military is an executive arm of the President as Commander in Chief.

Mr. MCKAY. So is the State Department.

Mr. YATES. It happens in the movies.

Mr. FRANKLIN. We also note the personnel involved in those treaties, and you will find them heavily documented with names of military people, but it has always been my impression that the treatymaking function lay with the executive department.

Mr. MCKAY. I think that may be true but I think the instrument has been the military in most cases until recent years.

Mrs. HANSEN. I think the treaties were signed by the Governor in the State of Washington. The treaties spelled out certain fishing rights, land areas, et cetera. Isn't this correct?

Mr. FRANKLIN. I think you are correct.

RELATIONSHIPS OF INDIANS WITH THE FEDERAL GOVERNMENT

Mrs. HANSEN. But Governor Stevens was acting as an appointee of the President. Again this is a comment of the Indians: "Widespread support was expressed for a commission to review and define treaty rights that would clarify the relationship of the Indians with the Federal Government." Do you have any comment on that statement?

Mr. FRANKLIN. I believe anything that relates to treaties or interpretation of treaties is a prerogative of the executive branch.

Mrs. HANSEN. A major part of this review was on the subject of treaties.

Mr. YATES. Is not the subject of broken treaties, however, one of the grievances of the Indian tribes that are within your jurisdiction?

Mr. FRANKLIN. I have heard that term used. Just exactly whether or not that has been adjudicated I am not familiar.

Mr. YATES. From what I read in the papers, many of the Indian leaders voice the grievance that the United States has not maintained its treaties with the Indians. That is why, when Madam Chairman was reading this section of the report, it seemed to me that she was seeking a comment from you on whether or not the Indians have raised this in connection with their discussions with you.

Mrs. HANSEN. I am trying to define what the perimeters of the BIA are. If the BIA is not involved in the settlement of any of these particular problems, then it isn't their responsibility.

Mr. FRANKLIN. That is correct.

Mrs. HANSEN. That is not in your domain or jurisdiction?

Mr. FRANKLIN. That is correct.

STRUCTURE OF TRIBAL GOVERNMENTS

Mrs. HANSEN. We have the following comment: "Tribes are attempting to function in the 1970's with outmoded governmental structures designed in 1934."

Do you have any comment on this statement? Would this not be up to the Indian tribes themselves to determine whether they wanted to change their own tribal structure?

Mr. FRANKLIN. I do have a comment on that. The contemplation of self-determination would embrace the requirement that each of the tribal councils be competent to carry out the municipality functions that would be required to fit their particular reservation. In many cases the tribal council form is adequate, particularly for the smaller tribes who do not have the total municipality function. But in those instances where the tribal organization must carry out the legislative function, the judicial function, and the executive function, then they need to have an updating and an opportunity to update their governing body, in order that it serves the reservation with the checks and balances that you and I are accustomed to.

This is one of the areas that is causing some difficulties today, because, taking the format that was applicable in 1934 and applying it to a time when the resources are being developed, there are many programs that are different than 1934; houses are being developed, there are considerable law-and-order problems on some reservations, then we find the structures are inadequate.

One of the things we are doing, as was described to you yesterday in our working with the tribes, is the development of entities for reservations that fit that particular reservation.

Mrs. HANSEN. What procedures will they use to achieve a change? Is it vote within the tribe, a superimposition of government, or what?

Mr. FRANKLIN. I would envision that it would be within their constitutions, and in some instances it may be necessary to amend their constitutions.

Mrs. HANSEN. Which they have the ability to do, by a vote by their own membership?

Mr. FRANKLIN. Yes, they do. They have a quasi-democratic process. It is not exactly the same as you and I are accustomed to.

Mrs. HANSEN. That brings me to the problem of the Sioux Nation. Is it the membership of the Sioux Nation, the Oglala, Rosebud, et cetera, that determines the policies?

Mr. FRANKLIN. The constitution that they have provides for a tribal council. I am speaking now of the Oglala. That has the ability of being amended either by initiative or referendum petition.

Mrs. HANSEN. Have they done it?

Mr. FRANKLIN. They are attempting to do it by initiative petition at this time. I would be remiss if I didn't say the Bureau of Indian Affairs hasn't failed in keeping its function of keeping the voter rolls current. I think this is one of the problems that these people have to hurdle in the current conflict they have on the Oglala. But there are adequate provisions in the current constitution for bringing about an amendment of either their former government or the constitution itself, and this is what they are in the process of doing at this time.

Mrs. HANSEN. This is within their own tribal structure?

Mr. FRANKLIN. Yes.

Mr. YATES. What is the purpose of the amendment? What does the amendment seek to accomplish? You say they are in the process of amending the constitution. To gain what purpose?

Mr. FRANKLIN. The amendment being proposed by the Oglala at the present time is the dissolution of their government by amending their current constitution out of existence and then reinstituting a constitutional convention that would provide a government more suitable in their estimation for their current needs.

Mr. YATES. That is for the Oglala?

Mr. FRANKLIN. Yes.

Mr. MCKAY. Is that the present leadership of the Oglala making that recommendation to the tribe?

Mr. FRANKLIN. That is by initiative petition.

MEMBERSHIP IN TRIBES

Mrs. HANSEN. There is another comment:

> There is widespread support in the Indian community for the revision of 25 U.S.C. 163; restoration of rights to Indians terminated by enrollment and revocation of prohibitions against dual benefits.

The report goes on to say: "Tribes should have the authority to control their own membership, and government power to overrule a tribal decision should be abolished."

What is your comment, Mr. Franklin?

Mr. FRANKLIN. I wish I understood all of that. What was the first part of it?

Mrs. HANSEN. This is the proposal by the Trail of Broken Treaties: "A revision of 25 U.S.C. 163," and, "restoration of rights to Indians terminated by enrollment."

Mr. FRANKLIN. Let's take that part right there, "restoration of rights" of those terminated. That I understand is entirely within the prerogative of the Congress.

Mrs. HANSEN. "Revocation of prohibitions against 'dual benefits'."

Mr. FRANKLIN. This I would presume relates to dual benefits by having a membership in more than one tribe.

Mrs. HANSEN. That is right.

Mr. FRANKLIN. This seems on the surface not to be a very satisfactory method of having dual citizenship. It is a question that perhaps should be delved into, but the determination many years ago limited the enrollment of an individual on more than one tribal roll where there were judgment funds to be distributed to members of the tribe.

Mrs. HANSEN. The Indian comment was:

Tribes should have the authority to control their own membership, and Government power to overrule a tribal decision should be abolished. Most tribal leaders are opposed to granting dual benefits to those Indians that have a sufficient blood quantum for membership in more than one tribe.

TRUST RESPONSIBILITY OF THE FEDERAL GOVERNMENT

Mr. ROGERS. I might make one comment about the statement, "the power of the Federal Government to overrule a tribal decision should be abolished." That would give us a problem with respect to the trust responsibility. Indians want the Federal Government, as near as I can tell, very much. They want the Federal Government to maintain its position as trustee for their lands, and they want to hold the Federal Government responsible for the proper operation of those things. It does not seem possible to me, if you are talking about areas which might impinge upon the trust responsibility of the Federal Government, to completely eliminate the ability of the Federal Government to overrule a tribal decision, because we would have the obligation as the trustee, in the final analysis, in matters of that kind, to insure that the action taken was in the best interests of the trust.

Mr. WYATT. You would have a direct conflict?

Mr. ROGERS. Yes.

Mrs. HANSEN. Have you discussed this with the Indian leaders so that they understand what direction it is going to bring them into?

STATE JURISDICTION OVER RESERVATIONS

Mr. ROGERS. Yes, we have had continuing discussions.

Mrs. HANSEN. Another proposal is: "Repeal of State laws enacted under Public Law 280 in 1953." The comments of the Indians:

Without exception, all Indians interviewed supported repeal of Public Law 280 which vests in individual States civil and criminal jurisdiction over reservations. In some States, this jurisdiction was assumed only with tribal approval; in other States, jurisdiction was imposed without Indian consent. Since 1968, however, all tribes have been empowered to retrocede jurisdiction to the Federal Government, and some tribes have done so. Currently, States can assume jurisdiction only after a referendum expressing the will of the majority of the tribe.

Do you have any comment on that statement?

Mr. FRANKLIN. The State, of course, is the one that assumes this jurisdiction, and certainly the Bureau of Indian Affairs has little control over legislatures of the States. It would be entirely up to the legislatures as to whether they wanted to relinquish jurisdiction or assume jurisdiction.

Mrs. HANSEN. The response of the White House was:

A State's assumption of jurisdiction under Public Law 280 is voluntary and only upon consent of the tribe involved. Retrocession of jurisdiction to the United States is permitted in a provision of the Indian Civil Rights Act of 1968

but is not mandatory upon request of the tribe. Indian tribes are not deprived of civil and criminal jurisdiction over its members by Public Law 280. Power to legislate a change in this law is within the Congress which would want the views of tribes before acting on this proposal.

Do you agree with that statement?

Mr. FRANKLIN. I certainly recommend that they seek the Indian input in any form of legislation that is proposed.

Mr. YATES. Have any of the tribes retroceded to the Federal Government under Public Law 280?

Mr. FRANKLIN. I am not real sure whether it was under Public Law 280 or not, but the Oglala Tribe returned to the Bureau of Indian Affairs the law-and-order requirements on their reservation as late as last September.

Mr. YATES. Have any other tribes done that?

Mr. BUTLER. Sir, in answer to your question, in the State of Nebraska, the Omaha Tribe has been successful in getting retrocession from the State back to the Federal Government.

Mr. YATES. What would be the reason for that?

Mr. BUTLER. Sir, it is my understanding that, in Thurston County, Nebr., where this reservation is located, the law enforcement program of the county and of the State was woefully inadequate in the eyes of the Indian people residing on the reservation. They desired to have an increase in the law enforcement activities there, and it was by virtue of this that they have asked for retrocession.

There is a movement, too, Madam Chairman, I believe, out in your State, for retrocession.

Mrs. HANSEN. The Governor on his last day in office signed the order transferring the jurisdiction to the tribes. The State had assumed it, and then the last act of Governor Rossellini was to give the law-and-order jurisdiction back to the tribes.

COST OF OCCUPATION OF BIA BUILDING

There is a general discussion in the report of damages and expenses resulting from the BIA occupation. The damages to the building and contents, were listed as $734,033. The costs for protection of BIA building, relocation, and other expenses was $304,549; protection of field offices, $121,293; the administrative leave and document reorganization, $320,125; other Government agencies, $72,618. The total of all agencies was $1,522,618. These include $164,506 for art, having an estimated replacement value of $554,895. It represents BIA employee time which has been charged to the normal payroll accounts under all programs. It also consists of $5,968. GSA expenses for facilities and equipment to provide for TBT and $66,650 provided by OEO for the transportation and subsistence of the TBT members.

COSTS OF TBT CHARGED TO BIA

Costs relating to items 1, 2, and 3 totaling $1,159,875 were being charged as incurred to BIA appropriations for 1973.

What account are these charged to, and what cuts did you make in services to pay for this?

Mr. SYKES. Madam Chairman, I will attempt to answer that. We worked with the House investigators when they were in our building,

and I recognize most of those figures that you have read off there. What we have done is as we had to pay off some of those—and not all of them have been paid yet—we accumulated it in a central account. It will be spread across all accounts at the end of the year as we do with overhead. I can't specifically outline any particular——

Mrs. HANSEN. You mean to say Indian education is going to have to pay for that uprising?

Mr. SYKES. They will have to pay a certain share of it, yes, ma'am, but I can't pinpoint the actual services. I don't think Mr. Hawkins would feel if we would say any particular school will be closed or that they will even be shortened in length or anything of that type. We have kept all of the positions filled, but it will have to be an absorption of an unexpected expense.

Mrs. HANSEN. What is going to be the effect on these Indian programs? I didn't think you had funds to spare? Why wasn't a supplemental requested? Why spread these costs among these programs? I really think it is tragic to pay for depredations out of school funds; making the Indian youngsters pay for the rebellion of their elders.

Mr. Hawkins, what do you have to say about this situation?

Mr. SYKES. Madam Chairman, I will have to attempt to answer that. For one thing, we do not know of the total cost yet.

Mrs. HANSEN. You mean the total costs are going to be higher?

Mr. SYKES. There is one large item in there that was for GSA protection during that week that hasn't been determined yet if BIA will have to pay for it.

Mrs. HANSEN. Wouldn't that be a normal charge of GSA for their policing effort?

Mr. SYKES. It all depends on whether they had to put on extra people. We have received the bill for it, but we have, shall we say, bucked it back, and hopefully we will not have to absorb it. I think in one of those figures there is a $228,000 bill in there for GSA. It has not been finally determined yet if BIA, Interior, or GSA will have to pick up that cost. I personally feel that they probably had those people on board, and that if they had not been doing that they would have been working somewhere else in GSA, and it will be their responsibility for protecting the building.

Mr. EVANS. May I ask a question before we leave this? Did you ask for a supplemental?

Mr. SYKES. No, sir, we have not asked for a supplemental yet.

Mr. EVANS. These are hard figures as far as they are computed today, aren't they?

Mr. SYKES. Yes, sir, but I think it behooves us within the limitations that we have to live, within our outlays and within our appropriations, to make every attempt that we can to absorb it before we go for an additional supplemental.

Mr. EVANS. That sounds to me like you didn't ask for it because you knew in advance your request wouldn't be honored.

Mrs. HANSEN. Why should another Government agency pay for these costs? It should be a White House cost and not a BIA cost. Did you contemplate that?

Mr. SYKES. Yes, ma'am.

Mrs. HANSEN. They were not here protesting something as Mr. Franklin stated was under the BIA's jurisdiction. The protest dealt

with the Trail of Broken Treaties. You told me that the treatymaking obligation was the responsibility of the White House. Therefore I don't see any reason why the schoolchildren should be paying for the White House negotiations. To be very frank, just because they used the BIA building as a symbol of the "failure of the treaty obligations" doesn't mean the responsibilities lie within your domain. It is my feeling that this charge should not be met by the BIA. I don't know why the Education and Welfare Services should have to pick up the cost of the BIA occupation.

Mr. WYATT. Madam Chairman, isn't this really the question of whether or not the entire Indian community funded by the BIA should have to share the cost that is caused by a very small minority of willful people who did this in November? Isn't that really the question, rather than spreading it throughout the budget, I would assume, according to present plan?

Mr. YATES. Spread throughout the Indian budget?

Mr. WYATT. That will be the case if there is no supplemental.

Mr. FRANKLIN. Will you allow any philosophical approach to these things off the record?

Mrs. HANSEN. Yes.

[Discussion off the record.]

COST OF WOUNDED KNEE OCCUPATION

Mrs. HANSEN. What is Wounded Knee going to cost the BIA?

Mr. FRANKLIN. I am really happy that you brought that question up because we are getting down to truth with the public. I would like to see what this committee is going to say when someone has to come in here and say, "We need about $5 million."

Mr. YATES. Is that what Wounded Knee will cost? Why do you take a figure of $5 million?

Mrs. HANSEN. If this 4-day affair costs over $1 million, what do you think 30 days or more will cost?

Mr. YATES. Is that what it will cost?

Mr. FRANKLIN. I couldn't tell you right at this moment the exact figure, but I can tell you it is in excess of $2.5 million. You see, you don't win these confrontation battles with logic. You only win it in the public's mind. When these figures become available, and the truth does comes out, then the public is no longer going to tolerate it.

DEMONSTRATIONS IN WASHINGTON, D.C.

Mrs. HANSEN. Mr. Franklin, during the April disturbance a few years ago in Washington, D.C., some "visitors" used the park benches for firewood. Mr. Hartzog, the Director of the National Park Service, appeared requesting $44,000 to rebuild the benches. The committee told him we were not going to provide funds for more firewood. We thought it was a little expensive to have $44,000 bonfires. The result was that an Amish group, I think, came in and rebuilt the benches. The Park Service has figures to show the cost of the demonstrations in Washington, and do you think there is a public uproar? Nobody seems to care that their taxes are being used day after day to rebuild what someone has destroyed.

Mr. FRANKLIN. The public I am speaking of is much smaller than that. It is the Indian public.

Mrs. HANSEN. They may be a more responsible public than the general population. We have placed in our committee records what it costs the American people for these demonstrations. It cost $1,000 to sweep up the broken glass from cheap apple wine. These are facts and figures out of our committee records. That $1,000 could have been spent on critical needs in the National Park Service.

Mr. LONG. Will the chairlady yield?

Mrs. HANSEN. Yes.

Mr. LONG. I am not sure that the chairlady is entirely right about the public reaction to the occupation.

I don't know that the Council of Churches is particularly representative of popular feelings. I can tell you that in my district the feelings are very intense against any kind of riots on public property. I would guess you would get a reaction of about 95 percent of the people that would fluctuate between picking them up and throwing them out or shooting them on the spot. The Indians fall in a different category. There is great public sympathy for the Indians, but that is the only category of people that I can think of that my constituents are willing to tolerate sitting down on public property and burning up benches and that kind of thing. The feelings are very strong.

Mrs. HANSEN. Correct me if I am wrong, Mr. Franklin, I think within the Indian world the responsible Indian people are greatly troubled by the actions of a few Indians. But I am particularly disturbed about the BIA budget being required to absorb these costs.

Mr. FRANKLIN. We concur with your feelings.

Mrs. HANSEN. It is very disturbing to the committee.

OEO GRANT FOR TRAVEL FUNDS

An OEO grant of $66,650 was given in cash to "two representatives of TBT who refused to provide any other names but their own as recipients of the money."

Do you have any comment on that?

Mr. FRANKLIN. It was not a function of the Bureau.

Mrs. HANSEN. "The disbursements were made on the basis of rough computations of expenses on scraps of paper submitted by various group leaders, and there was no overall control of disbursements."

DESTROYED PERSONNEL FILES

The report continues: "The content of these files"—the 1,000 lost personnel files—"must be reconstructed, and the work entailed to do so constitutes expenditure of extended man-hours." Do you have a comment on that statement?

Mr. SYKES. Madam Chairman, each individual whose personnel file was lost is reconstructing his own, from his own personal papers, and putting them back into the Personnel Office. I read in the paper yesterday that they had discovered many boxes of materials down in North Carolina, and so maybe some of our records will be in those boxes, once they are sent back.

Mrs. HANSEN. What was contained in the personnel files that were destroyed? Were these all of your personnel records?

Mr. SYKES. For the Bureau of Indians Affairs in the Washington office. It is an accumulation of every time you receive a promotion, every time that you receive a reprimand, anything of that type is accumulated in the person's personnel file. The majority of those things taken were involved in that.

Mrs. HANSEN. There is another comment: "Tribal leaders claim that BIA had made no effort to reconstruct the content of misplaced or missing documents."

Mr. FRANKLIN. I would have to view that in the negative, because many of the records are duplicated in the field, and they are being processed in such a manner that the records here will be adequate to carry on the functions of the Bureau.

Mrs. HANSEN. Another charge was made: "BIA was using the disruption as an excuse for delaying action on controversial or delicate programs."

Mr. FRANKLIN. It was my recollection as a tribal leader at that time that that was true, and I can tell you, Madam Chairman, after having been here for about 6 weeks, it is terribly difficult to glue this thing back together, but we are trying, and we think we have the processes necessary to put it back into operation.

Mrs. HANSEN. "The BIA central office up to this time has still not completely recovered from this disruption."

Mr. FRANKLIN. Amen.

Mrs. HANSEN. Thank you very much for your very frank comments.

Mr. FRANKLIN. You know, when I came into this position I went home one time and said to my wife, "I am so naive working for the Government I didn't know but what you are supposed to tell the truth."

Mrs. HANSEN. I think the committee will provide you, Mr. Franklin, with one of our copies of the report so you can review it in detail.

Does any member of the committee have a question?

Mr. LONG. I have a number of questions which I would like to submit.

Mrs. HANSEN. We will insert these questions in the record at this point.

[The information follows:]

Congressman LONG. The figures on page 26 of your justification show that the estimate of timber cut on Indian land for fiscal year 1974 is higher than for fiscal year 1973, yet the value is less. What is the explanation for this? How much of a reforestation backlog is there on Indian forest land? Is the reforestation done by the timber industry?

Mr. FRANKLIN. The estimates were based on the relatively high market price of lumber at the time the data were submitted from the field during the first quarter of fiscal year 1973. At that time everyone expected the value per thousand board feet to drop during the latter part of fiscal year 1973 and to remain at a lower level throughout 1974. Those earlier estimates need updating in view of the continuing upward trend in lumber and log values. We now estimate that the value of timber that will be cut during 1973 and 1974 will be approximately $50,000,000.

As to the reforestation backlog we have 153,000 acres needing reforestation. An additional 785,000 acres need timber stand improvement, primarily the thinning of overstocked stands. Comparatively little reforestation is done by the industries that cut Indian timber.

Congressman LONG. Is there any Indian land which has been strip mined and not reclaimed? How much? Are there plans to reclaim it?

Mr. FRANKLIN. There are several large strip mining operations on Indian lands where the land has not been reclaimed. They have been in operation long before the establishment of NEPA. They are as follows:

1. The Gay phosphate mine on the Fort Hall Reservation has been in operation for about 25 years and will continue for many more. We do not know the amount of acreage that has been stripped. No definite plans have been made for reclamation.

2. The Navajo coal mine on the Navajo Reservation is the largest coal mine in the United States and has been in operation for about 8 years and will continue for many years to come. No final reclamation plans have been formulated.

3. American Smelting and Refining Co. opened a copper mine on the San Xavier Reservation in Arizona about 4 years ago. This mine will continue in operation for 10 to 15 years. No definite plans have been made for reclamation.

4. A sand gravel operation is in progress on the Salt River Reservation near Phoenix, Ariz. No final plans for reclamation have been formulated.

5. Small sand and gravel operations, both in operation and abandoned, would number in the hundreds and no attempt has been made to list them.

The largest uranium mine in the United States is located on the Pueblo of Laguna. It is in full production and will continue for years to come. No definite plans for final reclamation have been made.

The Black Mesa coal mine on the Navajo and Hopi Reservations in northern Arizona was put into production a few years ago. The lessee, Peabody Coal Co., will take definite steps for restoration of the surface and reseeding.

Congressman LONG. A Washington Post article of March 8, 1973, states that 189 BIA employees are working in a temporary building which is in deplorable condition while the main BIA building, which has now been repaired and reoccupied by the administrative staff, has two vacant floors. The article says that the temporary building has little furniture, the roof leaks, and "people are being paid $36,000 a year to sit around." Is this still true? The article also alleges that many of the employees assigned to the temporary building are the ones who will be losing their jobs as a result of the proposed reorganization. Is this true?

How many employees do you estimate have resigned because of dissatisfaction with the way BIA is being run since the occupation by Indians of the BIA building last November? The Post article states that the heads of two of the four program offices dispensing services to Indians have resigned. Only one of the four offices was not moved to the temporary building and he is staying with the Bureau. Isn't this more than coincidence?

Mr. FRANKLIN. The temporary building is no longer being used. All of the Bureau's employees are now located in the Department of the Interior buildings. The location of the employees has no bearing to the realinement of the central office. To my knowledge and understanding there has been no resignations attributed directly to the dissatisfaction with the way BIA is now being operated.

Congressman LONG. One of the proposals submitted by the Trail of Broken Treaties leaders to Government officials last fall was an accelerated rehabilitation and release program for State and Federal Indian prisoners. Is this program being accelerated? What is the budget request for fiscal year 1974 as compared to the funding for fiscal year 1973 and 1972? I am very disturbed to learn that in South Dakota, Indians account for one-half of the girls committed to reform schools and one-third of the male inmates at the State prison, even though Indians represent only one-twelfth of the total population of South Dakota. Do any other States have such rates of imprisonment among Indians?

Mr. FRANKLIN. Yes, the program is being accelerated. The Bureau of Indian Affairs during fiscal year 1973 awarded nine contracts to Indian organizations to provide, with the cooperation of Federal and State correctional officials, prerelease and postrelease counseling and assistance to Indian offenders throughout eight Western States. Bureau of Indian Affairs staff provided similar assistance to Indian offenders in three other Western States.

The Indian coordinators who provide this assistance are primarily exoffenders who related very well to the problems of the Indian offenders. The Indian coordinator during the first three quarters of fiscal year 1973 made 635 visits to the 44 State and Federal correctional facilities to assist the Indian offenders in prerelease planning.

During the first three quarters of 1973, 450 Indian offenders were released through parole and mandatory release.

The records accumulated indicate that on a yearly average there are approximately 1,500 Indian offenders confined in Federal and State penal institutions.

Fiscal year 1974 budget request is equal to that of fiscal year 1973 ($270,000). Fiscal year 1972 budget for this program was $250,000.

No, other States do not have as high a rate of imprisonments. The records of the Bureau of Indian Affair's Indian offender rehabilitation program show that the 44 Federal and State correctional facilities worked with had a total of 32,316 inmates 1,262 were offenders. This indicates that 4 percent across the board were Indian offenders.

Congressman LONG. The report to the House Appropriations Committee on the seizure of the BIA Building states that "one member of the Yakima Tribal Council complained that an exorbitant $6 million of $18 million designated for that tribe was being absorbed within BIA as overhead costs." Is this true? Is it true for other tribes? What percent of the money appropriated to BIA is absorbed as overhead costs?

Mr. FRANKLIN. I cannot reconcile the figures quoted by the Tribal Council. It is estimated that approximately 4 percent of total appropriated funds are used for overhead costs. The Yakima Agency was funded $2,905,415 in fiscal year 1972 and $2,963,725 in fiscal year 1973. Their overhead costs for these 2 years were $111,589 and $116,300 respectively. As I have previously stated we are realining the Bureau's Central Office and placing more decisionmaking at the area and agency level where the Indian leaders can participate more fully.

Congressman LONG. Improved roads on reservations would allow Indians to have local rather than boarding schools and would probably foster economic development. Do you feel that your road construction program is progressing rapidly enough?

Mr. FRANKLIN. The Bureau's backlog of immediate needs is $628,447,000 for constructing to current standards all class 1, 2, 3, and one-half of class 4 roads on Indian reservations. At the present level of funding ($57 million for fiscal year 1974), it will take 11 years to meet these immediate needs.

Congressman LONG. Some of the office furniture and equipment listed on page 49 of the report on the seizure of the BIA building seems terribly expensive. Why do three console typewriters cost $13,700?

Mr. FRANKLIN. The three typewriters reported to the task force as missing are as follows:

Description:	
Typewriter, electric, Friden BIA No. 1208380	$7,535
Typewriter, electric, Varityper BIA No. 1208584	1,575
Typewriter, electric, IBM, BIA No. 1217954	4,590
Total	13,700

After submitting our report to the task force the third item (BIA No. 1217954) was located, reducing the number to two, with a value of $9,110.

Congressman LONG. The items of art on loans which were destroyed or missing as a result of the occupation of the BIA building are listed as having an acquisition cost of $3,715 and a present value of $30,315. Is the $3,715 merely a rent payment on the items or has the value increased by that much? Have any attempts been made to find the missing art and artifacts which are presumed to have been removed by the occupying Indians? How much has been recovered?

Mr. FRANKLIN. The amount of $3,715 is the actual acquisition cost of paintings on loan to the BIA and lost in the disturbance. Present day value, as estimated by the Arts and Crafts Board is $30,315. Efforts have been made through the FBI to locate the items, but to date, these efforts have been unsuccessful, although several other items have been recovered.

Congressman LONG. I understand that BIA is involved in a dispute with GSA over which department should bear the expense of Federal protective services for BIA from November 2, 1972–November 9, 1972. Has this dispute been settled? Is there any precedent for the agency using the protective services bearing the expense? In past demonstrations in Washington who has paid for the necessary extra protective services—the GSA or the department being protected?

Mr. FRANKLIN. The BIA has not yet reimbursed the GSA for the expense of Federal protective services. I do not know of any precedent of an agency bearing such expense, nor can I answer concerning past demonstrations in Washington.

Congressman LONG. I note that the expense of disconnecting and reconnecting the phones in the BIA building was $970. Yet $2,611 in toll calls were made during

the occupation of BIA. When were the phones disconnected and reconnected? If you were going to disconnect them, why didn't you do it while the building was occupied so that there would not have been so much money spent on toll calls?

Mr. FRANKLIN. While it is true that telephone service could have been denied the building occupants during the disturbance it was considered not wise to do so. Emergency calls could not be made and it could also have been cause for further destruction. Disconnects and reconnects were necessary after the building was evauated because of relocation of BIA staff.

Congressman LONG. The costs incurred by the field offices to protect their property and records range from $54,693 for Aberdeen to $1,200 for Billings. Why is there such a difference in the costs among the field offices? Did some give themselves more protection than others?

Mr. FRANKLIN. There are a number of factors involved in the difference in costs from area to area. In the Aberdeen area we have more Bureau and tribal facilities to protect and to provide services to of an enforcement nature. The level of existing services of an enforcement and protective nature is another factor. In a number of instances, area and agency personnel felt they did not have adequate security and they found it necessary to hire additional personnel for security reasons.

Tribal officials also requested our assistance in protecting their property and records. In some instances tribal and Bureau offices are not located in close proximity, thereby making it necessary to hire duplicate protective personnel for two separate facilities.

EXPENDITURES ON INDIANS

Mr. YATES. I have questions of a general nature. This again is from the AIPA report on the Federal budget, an article by Karen Ducheneaux and Richard LaCourse:

The most basic viewpoint of the new budget is that of definition of terms of the Indians have been permitting the Federal Government to define what constitutes an Indian, what constitutes an Indian expenditure and the meaning of the phrase "spent on." Four major facts: First when the President's budget states that $1.45 billion will be spent on the approximately 500,000 reservation Indians and Alaska natives, it is patently false. At least one-third of the $1.45 billion is money from non-Indian agencies, which is available to all Indians on the basis of their U.S. citizenship, not on the basis of their legal Indian identity. Many of the approximately 500,000 nonfederally recognized Indians participate in these programs.

Do you have a comment on that statement, Mr. Franklin?

Mr. FRANKLIN. The only comment that I would have, Mr. Yates, would be that the Bureau of Indian Affairs will comment on its portion of that $1.45 billion. I would guess the items that are being referred to there are lodged elsewhere in Government.

Mr. YATES. The second point they make is this:

Not all of the $1.45 billion is spent to support Indians. A portion is actually spent against Indians or directed by past mistakes on the part of the Federal Government. For example, money to support the Justice Department's staff which works against Indians before the Indian Claims Commission is included in the total figure as are moneys to support the work of the General Services Administration which straightens out Federal accounts of Indian money. Another portion of money spent by the U.S. Army Corps of Engineers to build dams on Indian reservations or pay Indians for lands taken. None of this money is spent on Indians.

Is that a correct statement?

Mr. FRANKLIN. I have not made a study of all of the allegations in that particular article. I am sure that there is some evidence of truth if you wanted to say that a claim presented before the Indian Claims Commission did not need to have adjudication, as we look at adjudication, then perhaps the charges of the Justice Department for lawyers

to oppose the claims is an invalid charge against Indians. However, if we want to look at it in the true sense, you and I know that from a legal viewpoint, unless we have both sides represented in a controversy, then the result of the controversy is quite often subject to further dispute.

Mr. YATES. The third point made is:

> Some of the money is included in the $1.45 billion are moneys belonging to the Indian themselves deriving from claims payments or tribal revenues which the United States holds in trust. The figure in this area in the new budget is $190 million.

Is this amount taken from the Indians own money?

Mr. SYKES. Yes. It is not taken from them. It does include the amount that we carry in our budget which is what I call below the line. It is not a part of appropriated money, but there is money in there that belongs to the Indians and it does result from judgments, collections, and so forth, and it is included in that total, but it is not taken from the Indians' money. It goes through the accounting system, not through the appropriations.

Mrs. HANSEN. Mr. McKay?

BIA POLICYMAKING

Mr. MCKAY. This would have some implications to local portions of the budget but I think it is a generally related question also. What relationship to policy do you gentlemen have between here and your regional directors? Does the policy emanate here or from the regions? Can they make decisions on their own and then you get word of it whenever they get around to it, or do you get joint understanding as to what the policy shall be?

Mr. FRANKLIN. I am very sorry you weren't here yesterday. We went through the processes by which the Bureau will be operated. All policymaking will be lodged within the office here in the Washington area. We have strengthened the relationship between the central office and what we call area directors, and we have 12 areas that are involved who will be charged with the technical and management relationship of those policies. All the policies will be delineated from the central office level.

Mr. MCKAY. My concern is, and you know of the problem with the Indian school, it relates to contract schools, boarding schools, and so on, which will be justified sooner or later, but I have been aware that the Intermountain Indian School that the Navajos have been wanting, to move their children close to the reservation. We have known that for some time and I don't have any argument with that. I would want my children close to me, too, but when we called about this flareup, we get word from the office here that that is not the policy that is going to be released by the area director, and so we make a report that in fact the Bureau is going to look into it, and that that is not the policy, they do not have the authority to state so. Then we turn around and check with the Bureau, and they say, "Oh, no, that is the policy."

I may disagree with the policy, but when I am lied to about it, then I get mad. If it is the policy, all right, justify it and we will have our disagreements, but don't leave me out on a limb when you give

me a justification one way and then cut my feet out from under me the next time. If you want to deal with me and get cooperation, then you had better shoot straight.

Mr. LONG. Don't speak with a forked tongue.

Mr. MCKAY. The point is I think it may be just a matter that the communications didn't get through. That is what I am trying to get at here. Are the communications being strengthened— and I apologize for not having been here yesterday if you went through that structure, but I have great concern that that is true. Do you have further comments?

INTERMOUNTAIN BOARDING SCHOOL

Mr. FRANKLIN. Shall we do the first part of it? The matter of the Intermountain School, as you are quite aware, is being used almost exclusively now for the benefit of the Navajo. The school systems are being developed on the Navajo Reservation where they can better serve the Navajo youngsters without having them in boarding schools. So long as that school does have Navajo students in there, it is under the jurisdiction of the area director of the Navajo, and they are making these changes to phase out the students in the Intermountain School. However, the broad statement of closing down the Intermountain School is a policy decision that will be made at the local level and here in Washington. The reason for it is because we are seeing across the Nation the request for and directing attention toward more adult vocational education, and indeed vocational education for those that are not considering the normal pursuit of academic achievement. We are now contemplating that by the end of this phaseout period, which will start next year for the Navajos, and take 4 years, by the end of that time we may well have converted that school to vocational education.

Mr. MCKAY. I don't have any argument if that in fact is going to be, but if you are moving the high school section of that back to the reservation, that is a more logical and better way to go, all right, but to close it down completely when other tribes, other than just the Navajo, need it is not wise. If I am incorrect, you correct me—there are other tribes besides the Navajo who feel they have need if not for high school for the skill center, the vocational training portion; is that true?

Mr. FRANKLIN. That is true. What actually happened in that case, if I understand it properly, was that the release that was made by the area office should have delineated only those things in the Intermountain School system that release to the Navajo people, but instead, I think, it was too broad probably and merely a matter of phasing out of the school.

Mr. MCKAY. Then it is the policy of the Bureau of Indian Affairs— and you are building high schools down among the Navajos, opening another one this fall, I think, or you gave them one last fall—so that that population of high school students is shifted?

Mr. FRANKLIN. Yes.

FUTURE OF INTERMOUNTAIN SCHOOL

Mr. McKay. But do you now have a policy to change the focus of that Intermountain School, or are there Indians of other tribes who have need for the high school the same as the Navajo have?

Mr. Franklin. I am going to let Mr. Hawkins reply to that portion of the academic processes.

Mr. Hawkins. Yes, sir, Mr. McKay.

The decision as to what future shape that school may take will be the result of a study which will go forward in the very near future to determine, No. 1, are there other tribal groups which will have need of that school as a secondary school as it is now, or, No. 2, is there another educational use to which that school can be put, such as adult vocational technical education, or is there another use to which the Bureau can put it which may not be educational?

I am not sure that that probably will yield much in the way of fruit for us, but we are going to make this study, and we will be making recommendations to Mr. Franklin, and I am sure that, before any further decision is announced, we would want to sit down with the Utah congressional delegation and brief them completely.

Mr. McKay. Do you see at this point that there is a need, regardless of the shape or emphasis of the school, secondary or vocational, that there is a need for it, whether for Navajos or someone else?

Mr. Hawkins. There is no question in my mind but what there is a need for education of this kind.

Mr. McKay. And will be for some time?

Mr. Hawkins. There is a need for this kind of postsecondary education. However, I think we must review the cost of it, the cost of conversion, if the decision is made to go in that direction, and make a complete report in terms of just what the implications are.

Mr. McKay. There was a statement made by the Senator which indicated the BIA had reported to him that they had already decided it was too expensive and therefore it was going to be closed.

Who gave him that information?

Mr. Hawkins. That information came from the area, as I understand it. I have not seen this report yet; our survey and review office, I guess it was, in Denver made a study of classroom space on the Navajo Reservation and they concluded that there were spaces on the Navajo for all of the Navajo children who leave the reservation to go to secondary schools. They then made a special study of Intermountain, in which they pointed to the fact that the Intermountain operation, on a per pupil basis, is about twice as expensive as a school on the Navajo Reservation.

They concluded that we should start shifting the children from Intermountain to the empty classroom space on the Navajo Reservation.

Mr. McKay. Then you are saying it was misinterpretation or miscommunication, and it only related to the Navajo secondary children?

Mr. Hawkins. That is correct.

Mr. McKay. Rather than to the unit utilization as a whole.

Mr. Hawkins. That is correct.

Mr. McKay. When do you expect to have this study completed?

Mr. Hawkins. I am hoping to have it ready by the 1st of June.

Mr. McKay. Are there other tribes who have requested or would like to get into that institution?

Mr. Hawkins. I have no requests on record at the moment. I think that other tribes have not even viewed Intermountain as a possibility, primarily because they knew that the Navajo Tribe had it completely sewed up.

Mr. McKay. Pretty well dominated it, I will grant that.

Mr. Hawkins. Right.

Mr. McKay. I was under the impression from your administrators that they had had, not that you had had, request from the northern tribe or tier of Central States that they would like to get some of their students in. Do you have a policy going in which you are building vocational schools on reservations which would in fact preclude the fact that this will be closed down as a school, of any kind?

Mr. Hawkins. No, sir. At this point in time we have no plans afoot to build vocational schools, postsecondary vocational schools, on any reservations.

VOCATIONAL SCHOOLS

Mr. McKay. One other question.

I had the vice chairman of the Navajo Tribe in my office a week or two ago. He indicated that they need, although they like their children back on the reservation close to home as much as possible, and I don't argue with that, but he indicated that there was a need for some kind of vocational or school-oriented activity out in the regular community of the reservation, which would relate the trained students to occupations where jobs were available. Because the feeling was they just don't have jobs on the reservation unless they develop down the road, but at the present time they need that in the community relations, so they move into the community for jobs.

Is that true?

Mr. Hawkins. Yes, sir, there is no question but what living in a community contributes greatly to the education of any child. You learn things about life outside of school as well as academic subjects in school, and participating in community life is always a rather important aspect of any child's or adult's education.

Mr. McKay. Maybe I need to reemphasize this. Do you see that it will be important to have either job skills or vocational skills of some kind being given to them in an area where they can then move right into the community and work?

Mr. Hawkins. I understand the question.

Mr. McKay. Rather than say train them on the Navajo Reservation and then try and get them a job?

Mr. Hawkins. Yes, sir, I think that is a valid statement.

Mr. McKay. So that if that is true, then these types of institutions have some validity in maintaining them.

Mr. Hawkins. Yes.

Mr. McKay. That is all I have.

Mrs. Hansen. Mr. Evans.

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Mr. EVANS. I just have a couple of general questions.

You talked about the phasing out of OEO and the impact this will have among Indian nations. In my new congressional district I have the Mountain Utes who have had an active community action program in addition to Headstart and day care.

With the OEO being dismantled, is the BIA going to operate and fund programs formerly administered by OEO? What is going to happen?

Mr. FRANKLIN. They are in the process now of studying the transfer of funds from OEO to HEW that relate to the Indian programs that they have had in the past. Just yesterday I received a call from one of the individuals who will be involved in that consideration of these transfers, asking for us to participate in identification of programs that we thought could be beneficial at the reservation level.

Mr. EVANS. Mr. Franklin, do you have an opinion as to whether or not it would be, assuming these programs should go on, more appropriate for BIA to be the responsible agency to receive these funds and parcel them out in preference to HEW?

Mr. FRANKLIN. No, sir.

Mrs. HANSEN. I am glad you asked that question, Mr. Evans. I have wondered why the BIA didn't assume some responsibility for these activities.

Mr. FRANKLIN. No. 1, let me say I think it has been a very healthy situation to have other agencies of Government involved on Indian reservations, even though it did cause a great deal of confusion.

In the minds of the Indian people, it is difficult for them to separate the Bureau of Indian Affairs from Government, but at the same time it did give them some in-depth viewpoints of other agencies of Government, and brought indeed to the reservation some programs that were not only needed but the input of fresh views were also needed.

I think there have been great strides made by the Indian people as a result of some of these OEO programs. Of course, we hear about the bad parts, but very seldom do we hear about the good, and I can see a lot of good.

In the future I would hope the agencies that handled funds for such programs as Headstart, CAP program, and things of that nature would also involve the matter of contracting with the local people, the tribes themselves, and let them develop their programs.

They have followed that pretty much, but I would recommend the continuation of that so that the people themselves carry out their own programs.

Mr. EVANS. In brief then your answer is that you think it would be proper for the Office of Education to provide such programs, if they are to be continued, because of the greater variety of experience in Government agencies it brings to the Indians themselves?

Mr. FRANKLIN. Yes, I do.

Mrs. HANSEN. Do you happen to know if a request has been made by HEW to fund programs such as CAP, Headstart, et cetera?

Mr. FRANKLIN. No, ma'am, I am not familiar with that.

Mrs. HANSEN. Mr. Wiles, I urge that you take it upon yourself to find out what the budgetary requests are in the field of CAP and the Headstart programs.

This committee cannot sit here as an isolated committee unaware of the budgetary needs in other Indian programs. You can't lock yourselves in to just looking at isolated instances.

The committee has to be aware, and the Congress is criticized for not having the awareness of the total budget.

FUNDING OF MOUNTAIN UTE PLANNING GRANT

Mr. EVANS. Madam Chairman, my second question goes exactly to that. It involves EDA. The Mountain Utes have received a planning grant from EDA, the development of an area compared to Mesa Verde National Park for its cultural and historic importance and its interest in tourists.

Will BIA be funding this kind of project now that EDA is being dismantled?

Mr. FRANKLIN. It is not likely.

Mr. EVANS. This is a project which people in the area have been working on for years. They are trying to find a business activity for these Indians that they can handle themselves from top to bottom, from management down to cleanup of trash left by tourists, taking their people and training them as guides, so that it is entirely a function of the Indians themselves.

They have gotten EDA interest. It has not been easy to put this together. Here we are on the threshold of an important economic development on a reservation, and yet EDA is being dismantled and the funds that they may have had available for this important purpose are now greatly in doubt.

I will join the chairman and suggest that if these funds just disappear and EDA disappears, and these contacts which they have had vanish, you are going to inherit the wrath of an awful lot of people, because you are the most convenient target they could shoot at.

Mr. FRANKLIN. We understand that, and we have seen a great deal of programs brought to reservations, that give them some overnight wealth and a great deal of promise for the future, and then they do like the Arab. They fold their tent and go home, and the BIA lives there perpetually, and so we become, as the chairman mentioned, the respository of anger.

Mr. EVANS. I would hope, Mr. Franklin, that, instead of being the repository of anger, that you would take initiative on these matters, to make suggestions and inputs on both the question of phased-out OEO and EDA programs looking for their continuance.

Thank you, Madam Chairman.

FEDERAL FUNDING OF INDIAN PROGRAMS

Mrs. HANSEN. Mr. Franklin, I am going to insert in the record at this point a copy of the "Federal Funding of Indian Programs" found on page 39 of our special investigative report. This list includes the amount of participation from the Department of Agriculture, Depart-

ment of Commerce, Department of Defense, OEO, Health, Education, and Welfare, Housing and Urban Development, Department of Interior, Department of Labor, Small Business Administration, the Veterans' Administration, National Foundation on the Arts and the Humanities, and the Alaska Native claims.

The total funding provided in fiscal year 1971 was $718,810,000; in 1972, $856,861,500; and in 1973, $1,031,228,000.

Of this total, the Bureau of Indian Affairs, including Alaska Native claims, is $544 million. It seems to me in order for the committee to have the widest possible knowledge, so there is no duplication, we should have a summary of the programs funded by Agriculture, Commerce, Defense, et cetera. That would give us all a clearer picture, and I am sure the BIA would profit by this kind of knowledge.

[The table follows:]

SCHEDULE A

FEDERAL FUNDING OF INDIAN PROGRAMS—FISCAL YEARS 1971, 1972, AND 1973

	1971	1972	1973
Department of Agriculture	$18,394,000	$22,853,000	$23,298,000
Department of Commerce	24,619,000	28,649,000	30,969,000
Department of Defense	8,497,000	13,700,000	29,375,000
Office of Economic Opportunity	72,294,000	52,311,000	56,029,000
Health, Education, and Welfare	173,280,000	221,573,000	255,549,000
Housing and Urban Development	22,558,000	25,139,000	34,800,000
Department of Interior, except BIA	13,140,000	18,309,000	22,247,000
Department of Labor	10,073,000	7,779,000	6,202,000
Small Business Administration	6,300,000	12,600,000	19,826,000
Veterans' Administration	7,590,000	8,121,000	8,478,000
National Foundation, Arts and Humanities	710,000	300,000	
Subtotal	357,455,000	411,334,000	486,773,000
Bureau of Indian Affairs, including Alaska Native claims	361,355,000	445,527,500	544,455,000
Total	718,810,000	856,861,500	1,031,228,000

Mrs. HANSEN. The CAP program and the Headstart program have been very popular. The moment somebody somewhere eliminates one of these programs, what is going to happen is the Indian people are going to turn to the BIA for assistance.

The only possible way the BIA can fund these programs would be by reducing some other ongoing program. This is where the difficulty lies, Mr. Franklin. The financial process has not been adequately structured in the administration.

When the Indian education bill was passed, apparently nobody thought to confer with the BIA, so that the programs could be coordinated. This is what makes the budget problem so tremendously difficult, and why everybody is in an accusatory mood.

Mr. Wiles, I wish you would contact somebody in the Office of Management and Budget and provide for us what the 1974 budget contains for activities affecting the Indian people.

Mr. WILES. Last year we supplied to this committee and also the Senate committee, I believe, the total funds appropriated to Indians. I don't have a copy of the report with me but I believe it appears in the Senate report, all these programs, Agriculture, OEO. It is all in a tabulation.

Mrs. HANSEN. We had to ask for the information.

[The information follows:]

FEDERAL FUNDING OF INDIAN PROGRAMS
Fiscal Years 1972, 1973 and 1974 (Estimated)
(Thousands of dollars)

Agency Program Area	1972	1973	1974
Agriculture, Dept. of	$ 22,853	$ 26,584	$ 26,584
Farmers Home Administration	(2,086)	(1,773)	(1,773)
Research Service (farm, etc.)	(1,716)	(963)	(963)
Stabilization & Conservation Srvc	(3,225)	(3,165)	(3,165)
Rural Electrification Admin	(5,720)	(4,533)	(4,533)
Soil Conservation Service	(163)	(550)	(550)
Food & Nutrition Service	(9,943)	(15,600)	(15,600)
Commerce, Dept. of	28,701	31,063	3,113
Business loans	(4,960)	(4,855)	---
Planning, tech. assist. & res	(2,095)	(4,176)	---
Regional Action planning	(180)	(300)	---
Economic Development Admin (Public Works)	(18,500)	(18,500)	---
Pribilof Islands Fund	(2,966)	(3,232)	(3,113)
Defense, Dept. of	25,344	21,970	20,224
Army Corps of Engineers	(25,344)	(21,970)	(20,224)
Economic Opportunity, Office of	52,467	54,005	62,800
Legal Services	(1,800)	(1,900)	---
Work Incentive Program (Labor)	(1,301)	(1,509)	(1,400)
Head Start	(9,700)	(10,000)	(10,000)
Neighborhood Youth Corps (Administered by Labor)	(3,348)	(3,300)	(3,300)
Community Action (Local incentives)	(22,000)	(20,696)	(32,100)
Job Corps	(2,400)	(2,400)	(2,500)
Opera. Mainstream (Admin. by Labor)	(6,164)	(3,800)	(3,800)
New Careers (Admin. by Labor)	(654)	(700)	(700)
Concentrated Employment Program	(5,100)	(5,000)	(5,000)
Job Opport. in Business Sectors	---	(4,700)	(4,000)
Health, Education and Welfare, Dept. of	219,908	258,614	264,710
Office of Education	(34,165)	(46,025)	(46,025)
Health Srvs. & Mental Health Adm	(185,743)	(212,589)	(218,685)

FEDERAL FUNDING OF INDIAN PROGRAMS (continued)

Agency Program Area	1972	1973	1974
Housing and Urban Development, Dept. of	25,139	34,800	34,800
Metropolitan Development Comprehensive-Planning Grants	(550)	(900)	(900)
Model Cities & Governmental Rela	(916)	(900)	(900)
Alaska Housing	---	(1,500)	(1,500)
Low Rent Public Housing	(23,673)	(31,500)	(31,500)
Interior, Dept. of the	438,969	520,833	520,552
Solicitors Office	---	---	(300)
Bu. of Sport Fisheries & Wildlife-(Hatcheries)	(2,201)	(1,519)	(3,824)
Bu. of Reclamation	(5,239)	(7,860)	(8,386)
Geological Survey:			
Resources Mgmt.--Pil, Gas & Other	(980)	(948)	(948)
River Clearance-Phreatophyte Growth	(206)	(12)	---
Basic Data Collection - Ground Water-Resources	(343)	(349)	(345)
Bureau of Indian Affairs	(430,000)	(510,145)	(506,749)
Labor, Dept. of	7,779	6,202	6,202
Manpower Dev: & Trng. Activities	(7,779)	(6,202)	(6,202)
Small Business Administration	12,600	19,826	15,234
Veterans Administration	14,900	16,400	16,300
Veteran Benefits	(14,900)	(16,400)	(16,300)
National Foundation Arts & Humanities	129	100	---
TOTAL FEDERAL FUNDING	848,789 1/	990,397 1/	970,519 1/

1/ Does not include Social Security payments and the categorical welfare aids paid by States and local governments through grants from the Department of HEW.

Mrs. HANSEN. The committee will adjourn until 1:00 p.m.

AFTERNOON SESSION

JUSTIFICATION MATERIAL

Mrs. HANSEN. The committee will come to order.
We will insert justification pages i–v in the record at this point.
[The pages follow:]

DEPARTMENT OF THE INTERIOR

BUREAU OF INDIAN AFFAIRS

HIGHLIGHT STATEMENT

The Bureau of Indian Affairs proposes a budget of $544.7 million for fiscal year 1974, of which the largest single item is $181.9 million for the education of Indian children. Seventy million dollars of the total request is for the 1974 payment to the Alaska Native fund as authorized under the Alaska Native Claims Settlement Act, Public Law 92-203, enacted December 18, 1971

The funds requested will provide for:

Education--- $181.9 million. Contracts with the states through the Johnson-O'Malley program in the amount of $25.4 million will provide assistance to public school districts enrolling Indian children in public schools. Scholarship grants will be made to approximately 13,500 Indian college students and $1.4 million is the Bureau's contribution to the operation of the Navajo Community College.

Funding for operation of Federal schools in the amount of $136.9 million will provide for an estimated 41,795 students in 79 boarding schools; 18,796 students in 753 day school units; and 2,222 students in Indian contract schools.

Welfare and Guidance Services -- $59.9 million. The request for $59.9 million, which is an increase of $4.9 million over fiscal year 1973, reflects a continuing rise in caseload to a level of 75,000 persons. The Tribal Work Experience program will continue on 30 reservations with an anticipated 4,250 participants. The needs of neglected and handicapped Indian children will be investigated and care will be provided.

Employment Assistance -- $35.3 million. Direct Employment and Adult Vocational Training will provide service to 14,970 Indians in fiscal year 1974. Emphasis will be placed on providing funds to the field to allow the Indian tribes more voice in determining the training required.

Maintaining Law and Order -- $8.3 million. There is an Indian population of approximately 307,000 on 87 reservations in 17 states where local authorities have not assumed civil and/or criminal jurisdiction. Therefore, it is the responsibility of the Federal Government to provide for safety and protection within these communities. Through counseling and other services, every effort will be made to prevent recidivism among the approximately 450 offenders released each year.

Forestry -- $6.2 million. The objective of Indian forest management is to realize from the forest resources, the highest economic and social services for Indian owners on a sustaining basis. The $287,000 increase reflected in the request will be used to utilize primarily protection needs of the Indian forest. In consultation with the Indians, forest management work plans are related with other uses of the forests, such as grazing, recreation, and watershed management.

Range Lands -- $3.9 million. A United States Court Order Civil 579 was signed October 14, 1972 in which the Navajo Tribe and the United States are co-defendants. The Hopi Tribe of Indians is asking for a writ of assistance to secure protection of their undivided half interest in approximately 1.8 million acres of land lying adjacent to the Hopi and Navajo Reservations awarded in 1882 by Executive Orders. The cost in fiscal year 1974 to comply with the court order is estimated to be $570,000. The $1.1 million will provide for the establishment of management units that will increase forage production for use

of Indian-owned livestock. This involves the erection of fences, construction of watering facilities and implementation of cultural practices for range renovation. The completed units will be conducive to rotation grazing and the increased production of the Indian-owned lands can be used by Indian livestockmen, thereby increasing income for the Indians.

Tribal Operations -- $4.3 million. In addition to the organizational activity resulting from the Alaska Claims Settlement Act, it is estimated that 34 awards totalling about $75 million will be made by the Indian Claims Commission in settlement of claims against the United States for which research must be conducted to determine the Indian tribal beneficiaries of each award and in preparing and keeping current the tribal membership rolls.

The number of appeals from individuals denied tribal enrollment required to be processed for decision by the Secretary of the Interior increases with the number of membership and payment rolls prepared. In the Budget year, the Bureau will work with the tribes in preparation or bringing current approximately 165 tribal membership and/or payment rolls.

Soil and Moisture Conservation -- $8.3 million. The request of $304,000 increase in fiscal year 1974 will assist additional tribes in agricultural resource development proposals requested in their long-range reservation acceleration programs. The program provides assistance in farm, ranch, watershed, and reservation planning for the utilization and development of Indian soil, water, and forage resources. The soil and moisture technicians work directly with Indian people in an effort to teach the advantages of taking care of their soil, forage, and water resources. Special emphasis will be placed on greater Indian participation in decision making relating to use and management of their agricultural resources.

Indian Water Rights -- $1.7 million. Protection of water rights has become one of the most vital issues facing the Bureau in its trust obligation for the protection of the lands and resources of American Indians. The Office of Indian Water Rights directs every aspect of the Bureau's and Department's effort to assert and protect the water rights of Indians. Since its inception in fiscal year 1972, the Office has assisted in the adjudication of 12 suits and filed an all important suit in the U. S. Supreme Court entitled U. S. v. State of California and State of Nevada involving the Pyramid Lake Tribe's interests. The progress of water inventories includes completion of first phase studies on 21 reservations and inventories are in process under contracts on 28 reservations.

Buildings and Utilities -- $27.2 million. The buildings and utilities program provides primarily for construction of new school facilities including Ramah Navajo High School, New Mexico; Acoma Day School, New Mexico; a new K-12 grade school at Wanblee, South Dakota; and kindergarten classrooms and quarters at various locations. Also a grant of $1.6 million is included to assist in the construction of the Navajo Community College.

Irrigation System -- $16.8 million. The request of $16.8 million will provide $10.5 million for the continuation of construction of the Navajo Indian Irrigation Project. Also $6.3 million will be provided for the improvement, rehabilitation, betterment and extension of other irrigation projects. Approximately $1.3 million is requested for engineering and supervision and surveys, investigations and plans.

Indian Reservation Roads (Liquidating Authority) -- $43.0 million. The proposed program for fiscal year 1974 is planned to serve the Indian people and to assist the social and economic development of the Indian communities through more efficient movement of people and goods. The program authority in fiscal year 1974 amounts to $57.0 million which will provide for grading of 458 miles, paved

surfacing of 546 miles and gravel surfacing of 130 miles. Liquidating authority of $43.0 million is requested for the budget year.

Alaska Native Claims -- $70.0 million. Included in the fiscal year 1974 budget request is $70.0 million for the Alaska Native Claims which represents an increase of $20.0 million over fiscal year 1973. These funds will be used for the settlement of centain land claims of Alaska Natives as authorized by Public Law 92-203, December 18, 1971. This settlement will be accomplished in conformity with the real economic and social needs of the Natives and with their maximum participation in decisions affecting their rights and property.

Federal Government Obligations. The Federal Government holds title, in trust, for 39.7 million acres of tribally-owned land and 10.7 million acres of individually-owned land.

Population. The United States Census for 1970 reports there are 792,730 Indians and 34,378 Aleuts and Eskimos in the United States. This is a total of 827,108 Americans claiming Indian or Alaska Native ancestry. There are approximately 533,700 reservation Indians and about 295,000 living off reservations in urban and rural communities. Our estimates include for the first time approximately 38,000 rural Indians living in California counties containing Indian trust land and this should be taken into consideration when comparison is made with the total of 488,000 reported in March 1971.

Program Direction. The Administration will continue to provide the American Indian the opportunity and assistance to live in prosperity, dignity and honor, and the opportunity to help shape and determine their destiny through their participation and involvement. Continued emphasis will also be given to development of commercial and industrial potentials for increased Indian employment and income.

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS

Comparative Statement of 1973 Appropriation and 1974 Budget Estimate

Appropriation and Activities	Fiscal Year 1973 Appropriation	Fiscal Year 1974 Estimate	Increase (+) or Decrease (-) 1974 Compared with 1973
EDUCATION AND WELFARE SERVICES:			
1. Educational assistance, facilities and services	$187,326,000	$184,187,000	- $3,139,000
2. Welfare and guidance services	65,537,000	69,312,000	+ 3,775,000
3. Employment assistance	42,427,000	35,307,000	- 7,120,000
4. Maintaining law and order	8,266,000	8,266,000	-
Total	303,556,000	297,072,000	- 6,484,000
RESOURCES MANAGEMENT:			
1. Forest and range lands	8,146,000	10,159,000	+ 2,013,000
2. Outdoor recreation	353,000	353,000	-
3. Fire suppression and emergency rehabilitation	800,000	800,000	-
4. Agricultural and industrial assistance	17,362,000	17,362,000	-
5. Soil and moisture conservation	9,785,000	10,089,000	+ 304,000
6. Maintenance of roads	6,592,000	6,592,000	-
7. Development of Indian arts and crafts	688,000	688,000	-
8. Management of Indian trust property	12,414,000	12,314,000	- 100,000
9. Repair and maintenance of buildings and utilities	24,867,000	24,867,000	-
10. Operation, repair and maintenance of Indian irrigation systems	1,611,000	1,611,000	-
11. Environmental quality services	523,000	523,000	-
Total	83,141,000	85,358,000	+ 2,217,000

Comparative Statement of 1973 Appropriation and 1974 Budget Estimate (con.)

Appropriations and Activities	Fiscal Year 1973 Appropriation	Fiscal Year 1974 Estimate	Increase (+) or Decrease (-) 1974 Compared with 1973
CONSTRUCTION:			
1. Buildings and utilities.....	$39,219,378 1/	$27,200,000	- $12,019,378
2. Irrigation systems.....	16,800,000	16,800,000	-
Total.....	56,019,378	44,000,000	- 12,019,378
ROAD CONSTRUCTION (LIQUIDATION OF CONTRACT AUTHORITY):			
1. Federal-Aid Highway roads.....	45,539,000	43,000,000	- 2,539,000
GENERAL ADMINISTRATIVE EXPENSES.....	6,200,000	5,319,000	- 881,000
ALASKA NATIVE FUND.....	50,000,000	70,000,000	+ 20,000,000
GRAND TOTAL.....	544,455,378	544,749,000	+ 293,622

1/ Excludes transfer of $58,622.

IMPOUNDMENT OF FISCAL YEAR 1973 CONSTRUCTION FUNDS

Mrs. HANSEN. What appropriated funds in the BIA are currently impounded?

Mr. SYKES. There is $31 million deferred in the construction accounts.

Mrs. HANSEN. That is your polite term for impoundment.

Mr. SYKES. Yes, ma'am.

Mrs. HANSEN. In what categories?

Mr. SYKES. In construction.

DEFERRED ALASKA DORMITORY CONSTRUCTION

Mrs. HANSEN. The following ongoing projects from prior years are impounded: Sitka, Alaska, dormitory, $2.1 million; Fairbanks, Alaska, dormitory, $1.9 million.

In addition, Fort Yukon dormitory, $1,465,000; Tok dormitory, $1,465,000; and Fairbanks dormitory, $1,250,000. Are those the entire extent of the Alaska dormitories?

Mr. SYKES. Yes.

Mrs. HANSEN. What does that total?

Mr. SYKES. A little over $10 million.

Mrs. HANSEN. What is the reason for these funds being impounded?

Mr. SYKES. Could I defer that question to Mr. Hawkins?

Mr. HAWKINS. As you already know, we have been, for a long time, working closely with the State of Alaska, in an effort to transfer responsibility for education to the State.

Very recently, as recently as I believe last September, the State school board decided that their previous policy of building schools where we would build dormitories, having these regional high schools, was going to cost the State too much money, and would also not meet the needs as expressed by so many of the Native people.

As a result, they changed the policy to build smaller day high schools in those cities or those communities which would have as few as 40 youngsters in high school.

SMALL HIGH SCHOOL ACCREDITATION PROBLEMS

Mrs. HANSEN. How does a 40-student high school affect a school's accreditation? Will the University of Alaska and other colleges accept these graduates, because this is something that arose in my own State. I happened to live in a school district that had a high school of that size. If I had gone to that high school, I could not have entered college.

What are you doing to prevent that from happening?

Mr. HAWKINS. I believe, Madam Chairman, that these schools will be accredited. Having been the principal of a school at Dillingham myself in the early 1950's, where we had a total of 22 kids in high school, of the graduating class of the 3 years I was there, more than 50 percent went on to college.

That high school was not accredited, but the kids were able to take the college entrance examinations and pass them with very good marks.

Mrs. HANSEN. Suppose that didn't happen because of the inability to offer certain courses?

Mr. HAWKINS. That would unquestionably create some problems. However, my understanding is that through the planning that Alaska is now doing, that these schools will be able to be accredited.

Mrs. HANSEN. I am very dubious about what the State of Alaska can and can't accomplish, because of their fiscal difficulties. They have a great many problems. In a 40-student high school, what would be the size of the faculty?

Mr. HAWKINS. Probably a faculty of 8, possibly 10.

Mrs. HANSEN. You have had difficulties in recruiting the faculties for some of the more modern outposts in Alaska. What do you think is going to happen when the schools are even further and further apart?

Mr. HAWKINS. I think there are probably going to be some problems, although with the current supply of teachers, perhaps fewer problems than there would have been 10 years ago.

LOCATION OF SMALL HIGH SCHOOLS IN ALASKA

Mrs. HANSEN. How many 40-pupil high schools will be constructed and where will they be located?

Mr. HAWKINS. They have not yet decided the location of all of these. At the present time the places where they have indicated that they would like to have these high schools, where they do not now exist, are Chevak, Hooper Bay, Unalakleet, Kotzebue, and Barrow.

Mrs. HANSEN. How many students will that serve of those that are eligible for high school?

Mr. HAWKINS. Actually everyone of those places will have high schools in excess of 100 students.

Mrs. HANSEN. That isn't the question. How many students live beyond the travel area of that school?

Mr. HAWKINS. This should take care of approximately 600 students who now have to leave their home communities to go to high school.

CONTINUED NEED FOR HIGH SCHOOL PROGRAMS

Mrs. HANSEN. How many students will be served in other facilities?

Mr. HAWKINS. I will want to correct the record on this, but I believe there will be about 1,900.

Mrs. HANSEN. Where will those 1,900 go to school?

Mr. HAWKINS. Those 1,900 will probably be taken care of inside Alaska at places such as the Wildwood Boarding situation at Kenai, Alaska, probably the boarding home program in Anchorage and Fairbanks, and possibly some young people coming into these larger high schools and staying with friends or relatives and going to school in places like Kotzebue or Barrow.

Mrs. HANSEN. So there would be no need whatsoever for any student to come to Chemawa?

Mr. HAWKINS. There shouldn't be any need for children to come down to Chemawa. I think there will still need to be some kind of

boarding facilities or boarding program. Whether or not it would be a formal BIA-operated program is another question. I don't think there would have to be a formal boarding school.

NEED FOR REPROGRAMING ALASKAN CONSTRUCTION FUNDS

Mrs. HANSEN. So the $10 million actually could be used for other programs in this fiscal year.

Mr. HAWKINS. Yes; that is right. We plan to come to you with a reprograming request for this $10 million, which would begin the construction of some small high schools I was just talking about at Hooper Bay, Chevak, and Barrow.

Mrs. HANSEN. Isn't that the responsibility of Alaska?

Mr. HAWKINS. These are still places where the BIA operates schools, and we, I believe, have adopted the policy that until we move out of a town and turn the school over to the State, we have the responsibility for construction, operation, and maintenance of that school.

Mrs. HANSEN. Before you request a reprograming, you had better be sure that the State of Alaska is committed to this program and that the schools will be used to the utmost. You recall the problem at the school near Sitka. I am going to be very blunt. Alaska was delighted to have the boarding school but they didn't want the Indian children in the Sitka public schools.

Mr. HAWKINS. That is right.

Mrs. HANSEN. They wanted to sell them lettuce, milk, and bread, but they didn't want any part of them in the public schools of Sitka. I want to make sure that this doesn't happen again.

Mr. HAWKINS. We will certainly do our best to get a firm commitment from Alaska regarding this. Of course, you realize we are going to request the reprograming of some money that was already reprogramed.

RELATIONSHIP OF LOCAL HIGH SCHOOLS AND ALASKA NATIVE CLAIMS SETTLEMENT

Mrs. HANSEN. I am sure you will. I will say this is a very confusing state of affairs, because we certainly are not going to rebuild the school near Sitka. Is Alaska paying some attention to the location of their high schools in regard to the settlement of the Alaska Native claims?

Mr. HAWKINS. Yes, it does have to be part of it, Madam Chairman. Furthermore, you may recall that the community of Barrow recently voted to incorporate itself as the North Slope Burrough, which is the Alaska equivalent of a county. This carries with it the operation and funding of schools within that particular burough, so we would anticipate that Barrow would probably be out of the BIA's responsibility in another couple of years. Clearly the taxable wealth on the North Slope is rather substantial, and Barrow should have quite a bit of money. I understand they are going to tax the oil that is in the ground.

DEFERMENT OF ROUGH ROCK CONSTRUCTION

Mrs. HANSEN. Why was $1,428,000 impounded for the Rough Rock School?

Mr. HAWKINS. The planning and the design of the Rough Rock High School are now complete. We have given sufficient budgetary authority to the Rough Rock School Board so that a contract can be developed by May 1, 1973. The project will proceed in accordance with the planned schedule of construction bid in June 1973 as within the funds available.

Mrs. HANSEN. Since this is a no-year item the $1.428 million will carry over into fiscal year 1974?

Mr. HAWKINS. That is right.

Mrs. HANSEN. How much more will this facility cost because of the escalation of cost due to this delay?

Mr. HAWKINS. I don't believe it does anything at all, Madam Chairman, because they couldn't have gone to bid without the construction design drawings, which have just recently been completed. At the most they are slipping only a month or two.

Mrs. HANSEN. The facility will be relatively on schedule?

Mr. HAWKINS. That is right.

DEFERMENT OF CASA BLANCA ELEMENTARY SCHOOL CONSTRUCTION

Mrs. HANSEN. Why was $1,500,100 for the Casa Blanca Elementary School impounded?

Mr. HAWKINS. The original bidding schedule was for the third quarter of fiscal year 1973, the present fiscal year. We plan, since the planning and design have just now been completed, that the bids will be issued in May and the contract awarded after July 1, after the bids have been reviewed.

Mrs. HANSEN. The budget expenditures will look good on June 30, but not so good on the 1st of July.

Mr. HAWKINS. There are going to be a lot of contracts awarded on the 1st of July.

Mrs. HANSEN. Is that sufficient money? Does that cover the contract?

Mr. HAWKINS. Again we haven't gotten the bids, so we don't know for sure, but we are assuming——

Mrs. HANSEN. You expect that the bids will be within the $1,500,100?

Mr. NELSON. Yes. The architectural estimates are within the funding available.

DEFERMENT OF KINDERGARTEN CONSTRUCTION

Mrs. HANSEN. $1,135,000 in kindergarten construction has been impounded. This was your own request that you justified in last year's budget. Why are you impounding your own funds?

Mr. NELSON. I did not impound or defer them.

Mr. SYKES. They were selected for deferment.

Mrs. HANSEN. Who selected them?

Mr. SYKES. We did, Madam Chairman.

Mrs. HANSEN. You did, of your own volition?

Mr. SYKES. No, ma'am. We had within the President's total $250 billion budget, we were requested to defer $31 million in projects.

Mrs. HANSEN. You stated in your own budget presentation to us that these facilities should be ready for this fall's school year. Isn't that correct?

Mr. SYKES. I think we are going to make it on most of those this fall. We only have problems in a couple of areas in the Dakotas and in Alaska, where we have some quarters in some one or two kindergarten units that because of the construction period in Alaska may be going beyond what we had first anticipated. All of these funds we requested in our 1973 budget.

Mrs. HANSEN. I know you did.

Mr. SYKES. With the intent that they would be obligated in this fiscal year.

Mrs. HANSEN. When will you obligate these funds?

Mr. SYKES. We will obligate most of these in July. We will keep a very close look on all our obligational schedules on all of these projects, the ongoing projects that we have now, and if we see that any of the projects are perhaps slipping just a little bit in the obligational authority, we will push as many of these in as we possible can in May and June, but we do have to stay within our spending.

Mrs. HANSEN. You are leaving a lot of no-year funds for the committee to transfer.

Mr. SYKES. We certainly hope not, Mrs. Hansen, because we do have plans for these.

Mrs. HANSEN. The committee would rather do it than OMB.

DEFERMENT OF NAVAJO COMMUNITY COLLEGE CONSTRUCTION

The Navajo Community College, $2.9 million?

Mr. SYKES. Since we gave you that list, we have made some changes in that schedule, and we are on a schedule basis now giving the community college their money on a construction schedule.

Mrs. HANSEN. This year?

Mr. SYKES. Yes, ma'am.

CONSTRUCTION PROJECTS DEFERRED

Mrs. HANSEN. Please insert in the record your current impoundment list.

Mr. SYKES. Yes, ma'am, we will be glad to submit the whole list.

[The information follows:]

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CONSTRUCTION APPROPRIATION
FISCAL YEAR 1973

Buildings and Utilities

		Deferred Project Amount	On-Going Project Amount	Total Amount
1.	On-going projects (prior year)..	$4,141,400 1/	$4,765,700	$8,907,100
2.	Napakiak School.....	-	1,200,000	1,200,000
3.	Sherman Institute.....	3,083,000	2,879,400	5,962,400
4.	Red Lake Community Building.....	-	1,352,900	1,352,900
5.	Ft. Yukon Dormitory.....	1,465,000	-	1,465,000
6.	Tok Dormitory.....	1,465,000	-	1,465,000
7.	Ramah School.....	-	950,000	950,000
8.	Rough Rock School.....	1,228,000	242,000	1,470,000
9.	Water Exploration and Development.....	-	100,000	100,000
10.	Dillingham Dormitory.....	1,970,000	-	1,970,000
11.	Fairbanks Dormitory.....	1,250,000	-	1,250,000
12.	Casa Blanca Elementary School...	1,500,100	-	1,500,100
13.	J. F. Kennedy Classroom.....	-	100,000	100,000
14.	Kindergartens (Bureauwide).....	1,135,000	-	1,135,000
15.	Engineering Services.....	-	3,044,000	3,044,000
16.	Navajo Community College.....	-	3,400,000	3,400,000
17.	Zuni Rehabilitation Center.....	600,000	-	600,000
18.	Brockton High School.....	-	70,000	70,000
19.	Rocky Boy School.....	450,000	-	450,000
20.	Dunseith Public School.....	465,000	-	465,000
21.	Public School Planning Assistance.....	200,000	-	200,000
22.	Chevak School.....	-	358,000	358,000
23.	Phoenix Gym.....	1,420,000	-	1,420,000
24.	Chemawa School.....	750,000	-	750,000
25.	East Charles Mix.....	-	2,728,500	2,728,500
26.	Haskell Jr. College.....	5,730,000	-	5,730,000
27.	Laguna Jr. High School.....	-	30,000	30,000
28.	Deferred Equipment.....	2,058,500	3,700,700	5,759,200
	Total.....	28,911,000	24,921,200	53,832,200

1/ Fairbanks and Sitka Dormitories, Alaska

Mrs. HANSEN. The full $2.9 million will be spent for the Navajo Community College?

Mr. SYKES. It is really a total of $3.4 million. We had already given them some money. The $2.9 million was deferred. We will the first part of May give them the remaining $1.9 million of that $3.4 million so they can continue on schedule.

Mrs. HANSEN. Does that complete the authorization?

Mr. SYKES. Yes; it completes the $5.5 million that was in the authorization.

DEFERMENT OF ZUNI REHABILITATION CENTER CONSTRUCTION

Mrs. HANSEN. The Zuni Rehabilitation Center, $600,000?

Mr. SYKES. We have not completed the planning and design on that particular center. Do you know, Mr. Nelson, when that will be?

Mr. NELSON. Madam Chairman, the design for this facility is by private architects and engineers hired by the tribe. We have nothing to do with it.

Mrs. HANSEN. The tribe is contracting in this instance, is it not?

Mr. NELSON. That is correct.

Mrs. HANSEN. When do they expect those designs to be completed?

Mr. NELSON. There have been some modifications and changes, and I believe they are supposed to have them completed some time in July.

Mrs. HANSEN. Every time the designs are modified or changed, doesn't that raise the cost?

Mr. NELSON. I am sure it will, but I haven't heard anything of late as to exactly the outcome.

DEFERMENT OF ROCKY BOY SCHOOL CONSTRUCTION

Mrs. HANSEN. Rocky Boy School, $450,000?

Mr. SYKES. We have been working with them very closely. Their school board has been in on any number of occasions. The $450,000 is broken down about $125,000 for equipment for this particular addition that they desire to put on.

Mrs. HANSEN. Will the facility be ready in time so the equipment can be installed?

Mr. SYKES. Yes. This was done in two phases. We hope to be able to release at least $125,000 of this $450,000 to them in late June or early July, or definitely in early July, so that they could purchase the equipment that will go into this addition when it opens in the fall. The rest of this is for water and sewer problems.

Mrs. HANSEN. Which they have called to the attention of Mr. Vance?

Mr. SYKES. Yes, ma'am. They have been in town and they have been working with the different committees up here.

Mrs. HANSEN. Will you allocate these funds before June 30?

Mr. SYKES. If we can possibly do it, we will allocate $125,000 of it for the equipment, and the rest in July.

DEFERMENT OF DUNSEITH PUBLIC SCHOOL CONSTRUCTION

Mrs. HANSEN. The Dunseith Public School, $465,000?

Mr. HAWKINS. They haven't finished their design drawings yet, Madam Chairman. Until they have completed the design drawings

they don't have the need for the construction funds, and we don't anticipate that that money will be needed until after July 1. There shouldn't be any delay at all on that program.

DEFERMENT OF PUBLIC SCHOOL PLANNING ASSISTANCE

Mrs. HANSEN. Public school planning assistance, $200,000?

Mr. HAWKINS. Yes, Madam Chairman. The funds that are mentioned here are to provide planning assistance for design drawings for public schools which had a problem because of impact of Indian students in those particular schools.

Mrs. HANSEN. Why are these funds impounded?

Mr. HAWKINS. We had no requests for it, Madam Chairman.

Mr. SYKES. I believe we had no applications from the public schools for this money. It may be that when Mr. Hawkins' contract finishes the review with the other 200,000 item——

Mrs. HANSEN. When can we expect that review?

Mr. HAWKINS. We have a preliminary report which I believe I sent you a copy, the preliminary study. The final one will be finished before June 30. I will send you a copy.

Mr. SYKES. Won't this point out, Jim, some areas where perhaps part of this $200,000 could be applied for plans?

Mr. HAWKINS. That is entirely correct.

Mrs. HANSEN. I really think it is very unfair to expect the construction budget of the BIA to fund a public school that only serves say 10 Indian youngsters.

Mr. HAWKINS. This is one of the things we are getting at with this study.

Mrs. HANSEN. I can understand the problem in some of the low valuation school districts with meeting the school construction needs. But I would suspect that there are many districts that say, "Well, these Indians are attending school here, just let them pay for it. We are not going to raise our tax dollars." I don't think the white people always accept their responsibility in treating the Indian people as equal citizens.

Mr. HAWKINS. That is correct.

DEFERMENT OF PHOENIX INDIAN SCHOOL GYM CONSTRUCTION

Mrs. HANSEN. The Phoenix gym, $1.420 million?

Mr. HAWKINS. We finally completed the planning and design of the Phoenix gym. The original bidding schedule was for the third quarter of fiscal 1973. We feel if the request for proposals can be issued in May 1973 and the contract awarded after July 1, there really shouldn't be a delay, because the gym won't be ready for use this next school year anyway.

Mrs. HANSEN. It will not be completed for a year?

Mr. HAWKINS. It will be a year from July 1 that it should be completed, right.

Mrs. HANSEN. You said the planning and design hasn't been completed. Yet when we ask you about what stage it is in, you usually say planning and design completed. The Park Service testified in support of about $44 million worth of projects to be completed in fiscal year 1973. When the committee reviewed their impoundments we discovered the planning hadn't been completed.

Mr. SYKES. I think in most of our cases the planning was completed, is being completed or has been completed in the last part of this fiscal year.

DEFERMENT OF CHEMAWA SCHOOL PLANNING FUNDS

Mrs. HANSEN. The Chemawa school, $750,000? You are requesting no funds in fiscal year 1974 for the Chemawa school?

Mr. HAWKINS. Madam Chairman, we didn't feel that we wanted to go ahead with the planning and design of Chemawa until after we had the needs assessment completed. You may recall that when Mrs. Brown was in, and she and I met with you about 2 months ago, you indicated very strongly that you felt we had to determine just what the need was in the Northwest.

CHEMAWA ASSESSMENT STUDY

Mrs. HANSEN. I think you have to determine the numbers of young people who are going to attend a Northwest boarding school, facing the fact that the Alaskan students will be attending school in Alaska. You have to develop the type of school that will reflect the need of the Northwest youngsters.

Mr. HAWKINS. That is correct. Here is the needs assessment, which has just been completed. It does indicate that a school is needed in the Northwest for between 500 and 600 youngsters. Considering the number of dropouts, the number of young people who have left school, the number of people for whom the public schools just don't present an answer would indicate that somewhere between 500 and 600 is the size that we should plan for, so we will proceed posthaste.

Mrs. HANSEN. Some people have suggested that the Chemawa school should be moved to an Indian community, where it would have access to more Indian youngsters.

Mr. HAWKINS. That is not the recommendation that the area makes to us in this study.

Mrs. HANSEN. No, I am just telling you some of the comments I have received. What is the status of the Chemawa school facility?

Mr. HAWKINS. We are ready to proceed with the selection of an architect and engineering firm. The Chemawa school board will be consulted, in the selection of the architect and engineering firm, and at the point when a contract is ready to be developed, I think sufficient funds can be released so we can get started on it. There shouldn't be any delay at all, Madam Chairman.

Mrs. HANSEN. There was an article in the Portland Oregonian highlighting a large number of misadventures at Chemawa. Has that situation been settled?

Mr. HAWKINS. That report has not yet reached me from the Portland area office, Madam Chairman. I had better call and find out what happened.

DEFERMENT OF HASKELL JUNIOR COLLEGE CONSTRUCTION

Mrs. HANSEN. The Haskell Junior College, $5,730,000? I think these funds were originally requested in your fiscal year 1973 budget.

Mr. HAWKINS. Yes, it was our own request.

Mrs. HANSEN. Why are these funds impounded?

Mr. HAWKINS. The problem has been that the planning for Haskell has very badly needed to be brought into line with the realities of the number of kids who can go there.

Mrs. HANSEN. How many students do you have at Haskell?

Mr. HAWKINS. We have at Haskell right now 1,200.

Mrs. HANSEN. How many students were planned to attend Haskell?

Mr. HAWKINS. The planning was for 1,700, but then the program came in from Haskell, which the Haskell staff and superintendent put together. The actual space that was being planned for was somewhere in the neighborhood of 4,000, far over what we had originally authorized. In other words, they planned a program of such a number of courses, such a variety of courses that, had we built everything they had recommended, we would have had spaces for about 4,000 young people, and only 1,700 to fill those 4,000 spaces. It has taken several months to clear up this issue.

Mrs. HANSEN. Why did they propose a 4,000 enrollment?

Mr. HAWKINS. Perhaps I could ask Mr. Carmody to comment on this, because he has worked directly with Haskell in an effort to clear up this particular problem.

NEED FOR FURTHER PLANNING AT HASKELL

Mr. CARMODY. Madam Chairman, when we asked for the program to be submitted, the curriculum-type program and the class loadings, we had noticed at that time they had asked for something like 296 courses to be offered during that 1 year. To identify design space with the type of course and utilization of space, it came out that they would have to have a class day of 20 hours, or extend their 2-year offerings to a 3- to 4-year situation, or increase the enrollment to something up around 3,500 to 4,000. This is what their program indicated, so we had to go back to the school people and ask them to look at their program, their offering and their needs to bring it in line with a total of 1,700 students. This is what they have been doing.

Mrs. HANSEN. Then the design will not be completed during fiscal year 1974? You don't need the whole $5,730,000 during 1974?

Mr. NELSON. No; the $5,700,000, Madam Chairman, is for construction. We don't need this. We need the money eventually, but the design money will be used—what will happen, we have an AE contract out for approval at the present time.

DEFERMENT OF EQUIPMENT PURCHASES

Mrs. HANSEN. The $2,041,500 provided for deferred equipment has been impounded. Was this equipment for those schools which were not ready for occupancy? Is that the reason it is deferred?

Mr. CARMODY. Yes. Part of it is for those projects that are being deferred.

Mrs. HANSEN. What are the other reasons?

Mr. CARMODY. The rest of it is delays in the construction of the ones that are being constructed now.

Mrs. HANSEN. Will this equipment be needed in fiscal year 1974?

Mr. HAWKINS. Most of it will be needed for 1974.

Mrs. HANSEN. How much will be needed? If any further impounding is going to be done, it is going to be done by this committee.

Mr. HAWKINS. Everything but Haskell, Madam Chairman.

Mrs. HANSEN. Insert in the record a list of the funds you will be able to use in fiscal year 1974 for deferred equipment.

Mr. HAWKINS. And the Alaska dormitory equipment. We will give you a complete list.

[The information follows:]

REVISED LIST OF DEFERRED EQUIPMENT NEEDS FOR FISCAL YEAR 1974—$1,778,000

In prior years funds have been appropriated by the Congress for the construction of certain schools; however, funds for the purchase of equipment were not appropriated at that time. Equipment includes such items as desks, chairs, tables, cabinets, maps, lockers, classroom, dormitory, and kitchen equipment:

Intermountain Dormitory, Utah	$244,805
Institute of American Indian Arts Dormitory, New Mexico	81,750
Wingate Dormitory, Arizona	121,845
Crownpoint Dormitory, New Mexico	82,275
Aberdeen Kindergartens, Dakotas	17,960
Albuquerque Kindergartens, New Mexico	7,850
Juneau Kindergartens, Alaska	31,150
Navajo Kindergartens, Arizona and New Mexico	17,215
Phoenix Kindergartens, Arizona	25,050
Grayhill School, Arizona	400,000
Sherman School, California	250,000
Cheyenne Eagle Butte School, South Dakota	200,000
Haskell Print Shop, Kansas	40,000
Haskell Electronics Shop, Kansas	60,000
Bethel Dormitory, Alaska	85,000
Kyle School, South Dakota	59,200
Haskell temporary classrooms, Kansas	54,400
Total	1,778,500

DEFERMENT OF M.A. & I. PROJECTS

Mrs. HANSEN. Major alterations and improvements, $711,000. Why have these funds been impounded?

Mr. HAWKINS. I will have to defer to Mr. Nelson for this.

Mr. NELSON. Major alterations and improvements in construction have been reduced from the amounts shown on your list to $593,000: The deferred projects are:

Aberdeen area: Building 125, remodel Municipal Center, Ft. Thompson, S. Dak	$125,000
Juneau area:	
Install outdoor classroom—Wrangell, Alaska	85,000
Provide covered walks—Hooper Bay, Alaska	15,000
Provide covered walks—Chefornak, Alaska	30,000
Muskogee area:	
Add room Building 515—Hartshorne, Okla	25,000
Extend cable roof Building 515-Hartshorne, Okla	22,000
Phoenix Area:	
Rehabilitate hospital building—Phoenix Indian School Arizona	210,000
Sealcoat streets—Parker, Ariz	34,000
Chainlink fence—Ft. Duschesne, Utah	5,000
Southeast agencies: Plant management shop—Choctaw, Miss	42,000
Total	593,000

Mrs. HANSEN. Will these funds be obligated in fiscal year 1974?

Mr. NELSON. We will be using them in 1974.

Mrs. HANSEN. When do you intend to issue the contracts?

Mr. NELSON. Probably after July 1.

DEFERMENT OF NAVAJO IRRIGATION CONSTRUCTION

Mrs. HANSEN. We used to have a rule in this committee that we didn't want to see anybody spend money on the 28th, 29th, or 30th of June.

The Navajo irrigation project, $1,500,000. Why are these funds impounded?

Mr. SYKES. This was another case, Madam Chairman, of looking at the total project. As you know, we were appropriating $10.5 million.

Mrs. HANSEN. This was determined on the basis of their needs and on the basis of the testimony of the BIA, and the Navajo people.

Mr. SYKES. Yes, ma'am. We looked at the the construction schedule, and in trying to arrive at this total figure, we determined that $1.5 million could be deferred until July without hindering that program.

Mrs. HANSEN. You will just accomplish that much less work on this project?

Mr. NELSON. No, I don't think so. We will continue the project, but it will be done in July, August, and September.

Mrs. HANSEN. The work couldn't have been performed in June?

Mr. NELSON. We just received a notice about a week ago that because the contractor had developed a new system, and really had just constructed a plant right near by, that he would be able to construct the pipe a little bit faster than he had anticipated, and that he could step up his project a little more than he had anticipated, so we will do everything we can to release as much of that prior to July 1 as we possibly can.

Mrs. HANSEN. What are you requesting in fiscal year 1974 for this project?

Mr. NELSON. We had $10.5 million in 1974.

Mrs. HANSEN. This will give you a total really of $12 million?

Mr. NELSON. That will be accomplished in 1974, yes.

DEFERMENT OF OTHER IRRIGATION CONSTRUCTION

Mrs. HANSEN. A total of $463,000 is impounded for all other projects. What does that consist of? Does this involve other irrigation projects?

Mr. NELSON. Yes, ma'am.

Mrs. HANSEN. Insert a list of the projects in the record.

[The information follows:]

Irrigation construction—Fiscal year 1973 deferred projects

Albuquerque area: Survey and investigations	$68,258
Billing area: Surveys and investigations	55,000
Navajo area: Navajo irrigation project	1,500,000
Phoenix area: Surveys and investigations	105,000
Portland area: Surveys and investigations	105,000
Sacramento area: Soboba projects	129,742
Total	1,963,000

Mrs. HANSEN. Why were those funds impounded?

Mr. NELSON. Again looking at the schedule and figuring out that we could defer those until the first part of July.

Mrs. HANSEN. In your highlight statement you mention that employment assistance will be funded at a $35.3 million level. How much of the work will be performed by contract?

Mr. BUTLER. There are so many of those little ones, Madam Chairman, we will try to get those added up and put them in the record.

[The information follows:]

It is estimated that in fiscal year 1974 approximately $14 million will be obligated for contractual services.

Mr. SYKES. Could I say one word on that, and probably get myself in trouble? On the employment assistance, I think our sentence there, "but emphasis will be placed on providing funds to the field to allow the Indian tribes more voice in obtaining the training required," I don't think that implies we are going to contract all of that money.

What has been done in the past is that at destination points the decisions were made. We mean we are going to allocate the funds down to the agency.

Mrs. HANSEN. I hate to inform you, but part of the urban Indian problem started with some of your relocation programs. The BIA through its employment assistance program relocated many reservation Indians into our larger cities. In a great many instances the program wasn't successful and the Indians either returned to the reservation or became unemployed.

Mr. SYKES. We are going to attempt to endorse this so the training will be closer to the reservation.

Mr. HANSEN. Mr. Reifel and I warned the BIA when the relocation program was initiated that you might eventually have difficulties and that you might create something that was going to be an albatross and a source of trouble. I am like the Indian people. I would prefer my own environment rather than being relocated to live in a rather unhappy situation. I think you have taken the right direction to provide the economy in the land that they enjoy and love.

Mr. SYKES. That is exactly what this is.

Mrs. HANSEN. I hope you will not run into similar problems.

Mr. SYKES. I wish I could say we won't.

Mrs. HANSEN. I am not talking about the dollar cost. I am talking about the cost to the human being, in these kinds of situations. I have seen some very tragic circumstances occur. A family if they had had the same type of an opportunity in their own locality, would not have ended up with drug problems, alcohol problems, and all the rest after being located in a strange and lonely city, where they weren't treated as human beings.

EDUCATION AND WELFARE SERVICES

We will insert in the record justification pages 1 through 22 at this point.

[The pages follow:]

EDUCATION AND WELFARE SERVICES

Analysis by Activities

Activity	F.Y. 1972 Amount Available	F.Y. 1973 Amount Available	F.Y. 1974 Estimate	Increase or Decrease (-) 1974 Compared with 1973	Page Reference
1. Educational assistance, facilities and services	$166,989,210	$187,326,000	$184,187,000	-$3,139,000	3
2. Welfare and guidance services	58,348,089	65,537,000	69,312,000	+ 3,775,000	13
3. Relocation and adult vocational training	39,362,275	42,427,000	35,307,000	- 7,120,000	17
4. Maintaining law and order	7,226,681	8,266,000	8,266,000	--	19
5. Fire suppression	1,438,642	--	--	--	
Contract authorization	- 693,295	--	--	--	
Applied to contract authorization	271,192	--	--	--	
Unobligated balance lapsing	844,206	--	--	--	
Total	273,787,000	303,556,000	297,072,000	- 6,484,000	

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS

Education and Welfare Services

Appropriation, 1972	$273,787,000	
Total appropriation, 1972		$273,787,000
Appropriation, 1973	301,056,000	
Supplemental appropriation, 1973	2,500,000	
Total appropriation, 1973		303,556,000

Summary of Increases and Decreases, 1974

	Base for 1974	Increase 1974	
Educational assistance, facilities and services:			
Assistance to pupils in non-Federal schools	46,308,000	- 1,000,000	
Operation of Federal school facilities	138,038,000	- 1,439,000	
Community Development and Adult Education	2,980,000	- 700,000	- 3,139,000
Welfare and guidance services:			
Direct welfare assistance	47,735,000	+ 4,878,000	
Social services	7,327,000	-	
Welfare housing	10,475,000	- 1,103,000	+ 3,775,000
Employment assistance:	42,427,000	- 7,120,000	- 7,120,000
Maintaining law and order:	8,266,000	-	-
Decrease, 1974			- 6,484,000
Budget Estimate, 1974			297,072,000

1. Educational Assistance, Facilities and Services

Sub-activity	F.Y. 1972 Amount Available	F.Y. 1973 Amount Available	F.Y. 1974 Estimate	Increase (+) or Decrease (-) 1974 compared with 1973
A. Assistance to pupils in non-Federal schools:				
Public Schools:				
a. Navajo peripheral	$ 1,951,454	$ 2,105,000	$ 2,105,000	-
b. Other	21,675,429	23,247,000	23,247,000	-
Higher education	15,002,615	20,956,000	19,956,000	- 1,000,000
Total	38,629,498	46,308,000	45,308,000	- 1,000,000
B. Federal Facilities:				
(1) Boarding schools	89,007,139	95,234,000	95,234,000	-
(no. of pupils - Boarding)	(36,407)	(37,370)	(37,770)	+ (400)
(no. of pupils - Dormitories for Public school enrollment)	(4,025)	(4,025)	(4,025)	-
(2) Day schools	29,125,139	31,251,000	31,251,000	-
(no. of pupils)	(17,375)	(18,466)	(18,796)	+ (330)
(no. of units)	(721)	(743)	(753	+ (10)
(3) Indian contract schools	1,626,515	4,550,000	4,550,000	-
(no. of pupils)	(714)	(2,222)	(2,222)	-
(4) Special Services:				
a. Program Direction	3,563,339	4,599,000	3,160,000	- 1,439,000
b. Transportation of boarding school students	1,100,621	1,004,000	1,004,00	-
(5) Summer Programs	1,383,914	1,400,000	1,400,000	-
Total	125,806,667	138,038,000	136,599,000	- 1,439,000
C. Adult Education and Community Development.	2,553,045	2,980,000	2,280,000	- 700,000
Grand Total	166,989,210	187,326,000	184,187,000	- 3,139,000

A. Assistance to pupils in non-Federal schools: Fiscal year 1973, $46,308,000; Fiscal year 1974, $45,308,000. Decrease -$1,000,000. The decrease consists of:

Increase (+) or Decrease (-) Amount	Increase (+) or Decrease (-) Positions	Total Program	Total Positions	Explanation
$ -	-	$25,352,000		
-1,000,000	-	19,956,000		Non-recurring
-1,000,000		45,308,000	4	

Following are the planned distribution of funds by State for the Peripheral Dormitories and Public School Contracts:

AREA / STATE	Amounts 1973	Amounts 1974	Increase (+) Decrease (-)
ABERDEEN			
Nebraska	$ 673,000	$ 670,000	- 3,000
North Dakota	750,000	740,000	- 10,000
South Dakota	1,650,000	1,640,000	- 10,000
ALBUQUERQUE			
Colorado	286,081	287,000	+ 919
New Mexico	1,487,919	1,488,000	+ 81
ANADARKO			
Kansas	80,000	102,000	+ 22,000
BILLINGS			
Montana	1,080,000	1,080,000	-
Wyoming	135,000	135,000	-
JUNEAU			
Alaska	4,859,000	4,859,000	-
MINNEAPOLIS			
Minnesota	1,350,000	1,350,000	-
Wisconsin	460,000	460,000	-
Iowa	150,000	150,000	-
Michigan	120,000	140,000	+ 20,000
MUSKOGEE			
Oklahoma	2,125,000	2,140,000	+ 15,000
Mississippi	10,000	15,000	+ 5,000
NAVAJO			
New Mexico	2,000,000	2,000,000	-
Peripheral	2,105,000	2,105,000	-
PHOENIX			
Arizona	3,835,000	3,785,000	- 50,000
Nevada	245,000	245,000	-
Utah	10,000	20,000	+ 10,000

Funds by State for the Peripheral Dormitories and Public School Contracts: (Con't)

AREA State	Amounts 1973	 1974	Increase (+) Decrease (-)
PORTLAND			
Idaho	$ 485,000	$ 485,000	-
Washington	1,025,000	1,025,000	-
Oregon	71,000	71,000	-
SACRAMENTO			
California	350,000	350,000	-
SOUTHEAST			
Florida	10,000	10,000	-
Total	25,352,000	25,352,000	-

Program of Work:

Under the Act of April 16, 1934, as amended, commonly called the Johnson-O'Malley Act, the Bureau of Indian Affairs provides supplementary financial assistance to public school districts facing financial problems due to the presence of tax-exempt, Indian-owned lands within the school district boundaries and the enrollment of relatively large numbers of Indian children.

Many of the public school districts on Indian reservations have insufficient funds to operate effective school programs even with State aid and general Federal aid to their education programs. Such districts often have little or no tax base. In these districts, public school assistance funds are used to assure operation of a basic school program.

As States and their local public school districts assume increased responsibility for basic education programs, public school assistance funds are made available for supplementary specialized education purposes that identify with Indian children. These programs will have a positive effect in improving educational achievement, reducing dropouts, and paving the way for entrance into improved employment opportunities or higher education programs. Some of these supplemental public school programs are:

1. Transportation for kindergarten children.
2. Employment of home-school coordinators and counselors.
3. Arts and Crafts programs.
4. Teacher aides and inservice training programs.
5. Workshops for teachers of Indian children.
6. Cultural enrichment programs.
7. Summer programs.
8. Parental costs.
9. Curriculum development.
10. Student conferences.
11. Special transportation.
12. Special library services.

The public school assistance funds are made available through contracts with the State Departments of Education and tribal groups operating on the basis of plans developed cooperatively by the Bureau of Indian Affairs and the contracting agency. The plans take into consideration the ratio of Indian children involved, local tax efforts, all other sources of financial aid available, including other Federal programs of aid to education (Public Laws 81-815, 81-874, and 91-230), and any special situations or needs related solely to Indian children.

Financial aid is also provided to cover the full per-pupil costs of education of Navajo children housed in Federal dormitories who attend out-of-district public schools peripheral to the reservation. A contract is negotiated with each such district for a specified number of Indian students. In addition to the full cost of education, funds are provided for parental items such as lunches, school supplies, etc.

In the State of Alaska, public school assistance funds are also used to provide subsistence for approximately 400 students housed in dormitories at Nome, Kodiak, and Bethel, and for over 1,000 students placed in urban boarding homes where high schools are available.

Examples of Recent Accomplishments:

The greatest accomplishment in the public school assistance programs funded under the Johnson-O'Malley Act in recent years has been the greatly increased involvement of local Indian Education Committees in the planning and monitoring of school projects. All schools or school districts receiving financial assistance now have these Indian Education Committees and the approval of these Committees is required for all projects.

Another achievement resulting from the development of Indian Education Committees has been a marked increase in special supplementary education programs. The number of these programs has approximately doubled in the past two years.

The enrollment of Indian students in public schools receiving financial assistance was 93,767 in fiscalyear 1973, an increase of 6,987 over the previous year.

Approximately 800 individuals from the local communities, most of them Indian, were working in public schools as teacher aides, home visitors, and counselors. They are available, as cross-cultural interpreters of behavior, to administrators, teachers, children, and parents. They represent a way of incorporating Indian adults directly into the educational enterprise, and they provide a means by which Indian adults can become better informed concerning the education of their children in public schools.

During fiscal year 1973 more than 1,600 professionals and para-professionals working with Indian children in public schools were provided inservice training and educational support through training programs and summer workshops.

In the past two years, the number of special teachers and home visitors assisting Indian children in public schools has approximately doubled. In this same period of time, the number of kindergarten units has increased by more than 50 percent.

Contracts have been initiated with tribal groups in New Mexico and Wisconsin to administer the public school assistance programs.

Higher Education(- $1,000,000)

The Bureau of Indian Affairs Higher Education Assistance grants are designed to supplement other Financial resources available to help make a college education possible for needy Indian students. Other resources include a wide range of Federal programs; tribal scholarships; State, private and foundation grants; and, personal or family contributions of the student. The actual realization of assistance from other resources by Indian students fluctuates from year to year with a trend toward more dependency on Bureau grants.

In October 1972, the Bureau received a supplemental appropriation of $2.5 million. These funds provided higher education grants to 1,708 additional Indian

students who were not currently attending college, but who had been accepted for enrollment, and to 2,109 married students requiring additional assistance since they had been originally funded as unmarried grantees.

Total Cost of Students Attending College

	No. Students	Amount	Total
Single Students	8,200	$2,371 (1,478)	$19,440,000 (12,121,000)
Married Students 1/	5,300	$4,257 (1,478)	$22,560,000 (7,835,000)
Total	13,500		42,000,000 (19,956,000)

1/ In FY-1972 the majority of married students were funded based on single amounts. This practice of necessity will have to be continued through FY-1974.

Other Resources 1/

	F.Y. 1972	F.Y. 1973	F.Y. 1974
Other Federal Programs (EOG, Work-Study, Loans and College Scholarships)	$2,407,715	$2,938,000	$2,712,000
Tribal Scholarships	$ 574,063	$ 702,000	$ 648,000
State, Provate, Foundations Scholarships	$2,117,896	$2,600,000	$2,400,000
Student & Family Contribution	$1,433,742	$1,755,000	$1,620,000
Total	$6,533,416	$7,995,000	$7,380,000

1/ A reduction of $1 million is reflected in Higher Education (scholarships). It is estimated that the total funds requested will provide for the estimated 13,500 applicants with the assumption that Indian students will receive assistance from the Basic Education Opportunity Grant Program provided for in the Higher Education Act of 1972 which provides a basic grant to needy students of $1,400 or home-half of the cost of going to college whichever is less.

FY 1974 Budget Analysis

Students			Total Amount
13,500	Bureau of Indian Affairs.....	$1,478	$19,956,000
	Other.....	615	7,380,000
13,500	Total.....	2,093	27,336,000

Program of Work:

Grants are made to eligible Indian students who cannot qualify for other types of scholarship aid or who require additional funds that cannot be obtained from other sources and would otherwise be unable to attend college.

Higher Education Program includes contracts for scholarship services with recognized tribal organizations, contracts with on- and off- campus Indian organizations, and higher education field meetings. Three Indian Junior colleges receive basic administrative funding on behalf of approximately 1,000 Indian students.

At least 241 students are expected to be funded through special programs largely in the fields of Law and Education Administration. Of this number 60 students are expected to receive their advanced degrees this fiscal year.

The Program also provides placement assistance to graduates, supplementing the efforts of college, tribal, and State employment services. The earning potential of each year's graduates, based on the average starting salary of their respective professions, is estimated to exceed $4 million in Fiscal year 1972, $6 million in Fiscal year 1973 and over $10 million in Fiscal year 1974.

Examples of Recent Accomplishments: 1/

The numberof full year students assisted, increased from 6,623 in Fiscal year 1971 to 10,658 in Fiscal year 1972. In fiscal year 1973, 13,500 are expected to be funded.

The Indian Lawyer Program provided special grants to 110 Indian law students in some forty different universities in Fiscal year 1972, increasing to 167 in Fiscal year 1973. In Fiscal year 1973, 35 are expected to graduate and over 50 will do so in Fiscal year 1974.

Eighty-five Indian students were able to work toward their Masters' and Doctoral degrees in the field of Education Administration. This program is providing a solid basis for the future administration of schools by Indian professional administrators. Thirty students are expected to graduate in Fiscal years 1973 and 1974.

There was appropriated $1.4 million for the Navajo Community College for Staff and administrative support. Two programs on the Rosebud and Pine Ridge Reservations in South Dakota received a total of $450,000. These three programs enrolled 515 students in Fiscal year 1972, increasing to 700 in Fiscal year 1973 and to an estimated 1,000 in Fiscal year 1974.

Sixty-nine Indian students were assisted in four college Work-Study Programs in Fiscal years 1972 and 1973, thus providing training at the undergraduate level in critical area professions, such as social studies teachers, counselors, and Indian education teachers.

Job placement efforts were made on behalf of the 652 graduates in Fiscal year 1972 as well as those seeking more advantangeous positions from previous graduating classes.

B. Federal Facilities: Fiscal year 1973, $138,038,000; Fiscal year 1974, $136,599,000; decrease, $-1,439,000. The decrease consists of:

Increase (+) or Decrease (-) Amount	Positions	Total Program	Total Positions	Explanation
- $1,439,000	- 172	$136,599,000	8,482	Reduction in program direction costs
- 1,439,000	- 172	136,599,000	8,482	

Cost Factors Involved in Decrease

The decrease of - $1,439,000 is the result of savings in program direction costs.

Program of Work:

(1) Boarding Schools (including dormitories):

	FY 1973	FY 1974	Increase
Amount	$95,234,000	$95,234,000	
Number of Pupils	41,395	41,795	400

Boarding schools provide instruction at the elementary, high school, and post-high school levels. Enrollment is composed of those Indian children who do not have suitable education opportunities in their home communities, who are orphans, or who, for social reasons, must be educated away from their homes. These schools must also provide a home-living program to assist students in making social and cultural changes necessary for successful school adjustments.

Dormitories house children who attend local public schools. These children do not have public schools available in their home communities they are

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1/ Full-year students are those who completed the equivalency of at least two semesters of college work. A total of 13,066 individual students were assisted; however, in computing full-year students, two one-semester students were grouped as one; two part-time to equal one; and, two dropouts or summer session students to make one full-time.

enrolled at both the elementary and secondary levels. The dormitories provide housing, feeding, and out-of-school recreation and tutoring activities.

(2) Day Schools:

	FY 1973	FY 1974	Increase
Amount	$31,251,000	$31,251,000	-
Number of units	743	753	10
Number of pupils	18,466	18,796	330

The majority of those students enrolled in Bureau day schools are the elementary grades with about five percent in high school. Most of these schools are small schools in isolated locations. Programs are designed to compensate for the effects of isolation and social-economic deprivation experienced in such locations. Kindergarten classes are provided for five-year-old children.

(3) Indian Contract Schools:

	FY 1973	FY 1974	Increase
Amount	$4,550,000	$4,550,000	-
Number of pupils	2,222	2,222	-

This activity provides for the development, training, and related expenses of Indian School Boards and for the operation of schools under management contracts to Indian School Boards or tribal cooperatives.

(4) Special Services:

	FY 1973	FY 1974	Decrease Increase
a. Program Direction	$4,599,000	$3,160,000	- $1,439,000

A decrease of $1,439,000 in the Program Direction will result in the reduction-in-force of a number of permanent Civil Service positions which primarily involve the Central Office of Education Programs in Washington, D. C. and Albuquerque, New Mexico, as well as administrative positions for education in the various Area Offices.

	FY 1973	FY 1974	Increase
b. Transportation of Boarding School Students	$1,004,000	$1,004,000	-

Transportation by plane, bus, and rail, and incidental expenses are provided pupils from their homes to and from boarding schools.

Program of Work:

Program Direction covers the salaries and expenses of Education Office employees rendering field supervisory services, as well as the Education staff in the Central Office. Responsibilities of these employees include planning the overall academic and career vocational program for Federal schools in cooperation with Indian tribes and with State and local officials, the development of increased Indian enrollment in public schools; teacher recruitment; and, in-service training for Bureau Education employees.

(5) Summer Programs:

FY-1973	FY-1974	Increase
$1,400,000	$1,400,000	-

Summer programs provide remedial and tutorial instructions to help Indian youth overcome social and academic deficiencies; and, provide field trips, recreational and camps experiences to broaden the background of the children.

C. Adult Education and Community Development: Fiscal year 1973; $2,980,000; Fiscal year 1974, $2,280,000; decrease - $700,000. The decrease consists of:

Decrease (-) Amount	Positions	Total Program	Total Positions	Explanation
- $700,000	- 42	$2,280,000	44	Improved selection criteria to complement other Indian programs.

Cost Factors Involved in Decrease

Improved criteria for selection of priority projects to reflect financial needs of tribes consistent with other programs of tribal assistance.

Program of Work:

The Adult Education Program enables adult Indians, through part-time education near their homes, to improve their opportunities for employment or further education. Major emphasis is placed on preparation for high school equivalency examinations and basic literacy. Courses are also offered in a variety of other subjects including consumer economics, nutrition, safety, civics and Indian language and culture.

The Community Development program has as its major thrust, assisting tribes to become more involved in the administration of the Bureau of Indian Affairs programs which provide for their needs and to assist Indians and Alaskan Natives to strengthen the organization of their communities. The budget also provides funds to assist tribes to introduce their priorities into the Bureau of Indian Affairs budget requests and to gain a better understanding of the decision making process by means of which the federal government determines the funding level for the Bureau of Indian Affairs programs.

Examples of Recent Accomplishments:

The contracting of Adult Education programs to tribal groups is continuing. Some 16 programs have been contracted to the tribes in whole or in part and others will be contracted during the current fiscal year.

In fiscal year 1973 over 8,000 Indian adults participated in BIA funded classes. While this figure appears to be less than the previous year it is not a real decline as reporting procedures were changed to more accurately reflect activities in the field. 859 high school equivalency certificates were reported. Most importantly, those securing jobs, promotions, entering college or other education programs increased from 172 the previous year to 619 this year.

The five pilot learning centers initiated in Alaska, Idaho, Oklahoma, New Mexico and Arizona were enthusiastically received by the students. Additional centers were begun by joint use of BIA--USOE funding. Three small centers are in the planning stages in Washington. Additional centers will be established this year as funding permits.

This year an adult education program is being initiated in Alaska which previously had no real program. Additional funding was made available for new programs in Wisconsin and New York.

Community Development funds have enabled tribal leaders to become involved in the preparation of the BIA budget requests for F.Y. 1973, 1974 and 1975. This has meant that BIA budget requests reflect tribal priorities and desires. Tribal leaders have become more familiar with the operation of the Bureau of Indian Affairs and have developed a better understanding of the decision making process by which the federal government determines the level of funding for Bureau programs.

2. Welfare and Guidance Services

	F.Y. 1972 Amount Available	F.Y. 1973 Amount Available	F.Y. 1974 Estimate	Increase (+) or Decrease (-) 1974 compared with 1973
A. General Assistance	$37,220,669	$42,060,000	$46,938,000	$ +4,878,000
(Caseload).....	(61,915)	(69,000)	(75,000)	(+6,000)
B. Other Welfare Assistance:				
(1) Child Welfare.	5,019,180	5,400,000	5,400,000	-
(Caseload)...	(3,315)	(3,600)	(3,600)	-
(2) Miscellaneous Assistance...	206,672	275,000	275,000	-
C. Social Services.....	6,725,701	7,327,000	7,327,000	-
Subtotal.....	49,172,222	55,062,000	59,940,000	+4,878,000
D. Housing Improvement.	9,175,867	10,475,000	9,372,000	-1,103,000
Total.....	58,348,089	65,537,000	69,312,000	+3,775,000

A. General Assistance: Fiscal year 1973, $42,060,000; fiscal year 1974, $46,938,000; increase, $4,878,000. The increase consists of:

Increase (+) Amount	Positions	Total Program	Total Positions	Explanation
(1) $+4,758,000	-	$44,728,000	-	Increased caseload and unit costs.
(2) + 120,000	-	2,210,000	-	Increased number of TWEP participants.
+4,878,000		46,938,000	-	

A. General Assistance: Cost Factors Involved in Increase

(1) Increased caseload of 6,000 persons at unit cost of $49.70 per month per person, $3,578,000; and increased unit costs for 69,000 persons at $1.43 per month per person, $1,180,000, a total increase of $4,758,000.

(2) Work Experience costs for 250 additional employable assistance recipients at $40 per month per worker, a total increase of $120,000.

B. Other Welfare Assistance: Fiscal year 1973, $5,675,000; fiscal year 1974, 1974, $5,675,000; no change.

(1) Child Welfare: Fiscal year 1973, $5,400,000; fiscal year 1974, $5,400,000; no change.

(2) Miscellaneous Assistance: Fiscal year 1973, $275,000; fiscal year 1974, $275,000; no change.

C. Social Services: Fiscal year 1973, $7,327,000; fiscal year 1974, $7,327,000; no change.

Amount	Positions	Total Program	Total Positions
--	-2	$ 7,327,000	480

Program of Work:

The Federal Government has assumed responsibility for providing financial assistance and other social services to needy Indian residents of reservation communities who do not receive State or county assistance. The 1974 projections for social services and assistance are based upon caseload history, probable eligibility, and recognized trends.

The on-going increased development of Tribal Work Experience Programs as a more desirable way of providing for the assistance needs of employable Indians has been encouraged, and the number of such programs as increased.

Constructive employment has been provided for many, including in many instances, opportunity for training; a number of Tribal Work projects such as home construction and repair, building maintenance and development of recreational facilities contributed directly to the welfare of the reservation community; and tribes have had the opportunity to develop management experiences.

Applications and continuing eligibility for assistance will be appropriately investigated. The needs of neglected and handicapped Indian children will be investigated and when placement away from home is indicated, foster care and appropriate institutional care will be provided for dependent, neglected, and handicapped Indian children from reservations for whom such care is not available through established welfare agencies. Appropriate counseling will be provided to tribal courts in connection with problems of children and provision of protective services, and staff services will be provided to assist in housing programs and programs for family use of judgment funds.

Miscellaneous assistance will provide burials for needy Indians and for other costs related to welfare programs, including arrangements with needy tribes for meeting some of the costs of the surplus food commodities programs for needy Indian families.

Examples of Recent Accomplishment:

The TWEP program has provided constructive employment as well as opportunity for training to many Indian participants. TWEP projects include home construction and repair, road repair, building maintenance, and development of recreation facilities. These and other TWEP projects contribute directly to the reservation communities. TWEP also provides management experience opportunities to participating tribal groups. The chart below illustrates actual and projected TWEP participation for the indicated fiscal years.

TWEP Participation

	FY 1972	FY 1973	FY 1974
Number of Tribes (average)....	29	29	30
Number of Participants (monthly average).....	3,800	4,000	4,250

D. Housing Improvement: Fiscal year 1973, $10,475,000; fiscal year 1974, $9,372,000. Decrease - $1,103,000. The decrease consists of:

Decrease (-) Amount	Positions	Total Program	Total Positions	Explanation
- $1,103,000	-	$9,372,000	16	Improved selection criteria to provide for only the most needy cases.

Cost Factors Involved in Decrease

In the past two years sizeable increases well in excess of $1 million have been added to Bureau estimates for improvement of housing in California. Total funds requested in FY-1974 will return this activity to a normal operating level.

Program of Work:

Based on the fiscal year 1972 Housing Survey there are some 103,300 Indian families for which only 30,100 existing dwellings are in standard condition. The houses which can be renovated to standard condition number approximately 20,500*. A total of 48,300 new homes are required to replace existing substandard dwellings and to provide homes for families now living with other families in overcrowded conditions.

Emphasis of the Bureau's Housing Improvement Program (HIP) will continue to be on renovation and enlargement of existing housing. During FY 1974 approximately 4,120 houses will be improved and 475 new houses constructed.

The renovation effort has been and continues to be an important element in reducing the total costs of achieving the goal of eliminating substandard Indian housing. This effort continues to operate very well with the benefits to the Indian families direct and satisfying. Concomitant with these direct savings are the indirect savings generated by providing decent, safe and sanitary shelter, thus reducing the health and social costs created by an unsafe and unsanitary environment.

It has been found most important that the renovation effort be of a quality and sufficiency that the recipient can take pride in the finished product. The renovations must include not only the basic necessities of water and utilities but must provide for the modern conveniences including living space and storage space that are so necessary for the paraphernalia of every day family living that is so much a part of modern family life. Toward this end HIP will begin to reevaluate and improve upon some of the earlier efforts that were undertaken. The repair work envisioned also means completing those minor repairs to homes that are not worth repairing to standard condition but are to be repaired to enable the families to ward off the elements until they can obtain better shelter.

It is now apparent that there are certain segments of the Indian population and areas that were thought to be eligible for other federal programs but simply cannot be served. The existence of small isolated bands of Indians, land ownership problems, lack of land, and meager income make it impractical to use other federal housing programs. At present, people in these situations can only be

* Approximately 4,400 additional homes are in adequate condition which means that they are in standard condition except one or more utilities are not available.

served adequately by the Housing Improvement program.

The housing programs, wherever possible, will be coordinated with the Department of Labor training program, tribal work experience program, tribal work experience programs, and tribal credit programs to provide construction training, home improvement and increased financial input.

Examples of Recent Accomplishments:

In fiscal year 1972 some 465 new homes were constructed and 3,940 were repaired. During fiscal year 1973, the program will provide more adequate or improved housing conditions for some 5,630 Indian families (530 new homes and 5,100 repairs).

3. Employment Assistance

Subactivity	F.Y. 1972 Amount Available	F.Y. 1973 Amount Available	F.Y. 1974 Amount Available	Increase (+) or Decrease (-) 1974 compared with 1973
A. Direct Employment.	$15,133,000	$17,427,000	$14,425,000	- $3,002,000
B. Adult Vocational Training.....	24,716,000	25,000,000	20,882,000	- 4,118,000
Total.....	39,849,000	42,427,000	35,307,000	- 7,120,000

A. Direct Employment: Fiscal year 1973, $17,427,000; Fiscal year 1974, $14,425,000; decrease, -$3,002,000. The decrease consists of:

Decrease (-) Amount	Positions	Total Program	Total Positions	Explanation
-$3,002,000	- 4	$14,425,000	264	Reduce Residential Training Center activity.

Cost Factors Involved in Decrease

Termination of high cost training contract at Roswell, New Mexico and reduction in overhead cost at the Federal Employment Assistance Offices

B. Adult Vocational Training: Fiscal year 1973, $25,000,000, Fiscal year 1974, $20,882,000; decrease - $4,118,000. The decrease consists of:

Decrease (-) Amount	Positions	Total Program	Total Positions	Explanation
-$4,118,000	-22	$20,882,000	324	Abolish Indian Solo Parent Project; Reduce Institution Training carried out under AVT:
-$4,118,000	-22	$20,882,000	324	

Cost Factors Involved in Decrease

Abolish Indian Solo Parent Project with 130 trainees (130 X $7,700 average cost per trainee), - $1,000,000
Decrease the number of institutional trainees by 1,025 - $3,118,000.

Program of Work:

The estimate of $14,425,000 for Direct Employment and $20,882,000 for Adult Vocational Training will provide service to 14,170 Indians in Fiscal year 1974. Funds from Direct Emplyment are to be used to supplement AVT funds. The services will be provided as follows:

	Persons served			
	F.Y. 1972	F.Y. 1973	F.Y. 1974	Change
Adult Vocational Training				
Institutional Training	7,825	7,910	7,980	+ 70
Solo Parent	135	130	-	- 130
On-the-Job	1,670	2,500	2,500	-
Sub-total	9,630	10,540	10,480	- 60
Direct Employment	3,690	4,565	3,330	-1,235
Residential Training	1,545	1,135	360	- 775
Grand Total	14,865	16,240	14,170	-2,070

Example of Recent Accomplishments:

Since the inception of the Employment Assistance Program through June 30, 1972, over 48,300 single persons or heads of families were placed directly into employment from which more than 101,400 persons benefitted. During Fiscal year 1972 there were 4,850 new entries into institutional vocational training increasing the total served since inception of P.L. 84-959 to 37,600 entries, 23,100 completions, 11,840 discontinuances with 2,660 still in training at the end of the fiscal year. From this training about 24,800 initial skilled job placements have resulted benefitting approximately 47,000 persons. On-the-job training placements have totaled 14,400 benefitting over 43,000 persons.

In F.Y. 1974, emphasis will be placed on getting employment assistance and adult vocational training funds to the areas and agencies which will allow the Indian tribes more voice in determining the types of training they desire and where they wish to seek such training. The reduction will be absorbed by terminating such high cost training contracts as the Solo Parent Program at San Diego and Roswell Training Centers and a reduction in over head cost at the Federal Employment Assistance Offices.

4. Maintaining Law and Order

Activity	F.Y. 1972 Amount Available	F.Y. 1973 Amount Available	F.Y. 1974 Estimate	Increase (+) or Decrease (-) 1974 compared with 1973
Maintaining Law and Order..	$7,226,681	$8,266,000	$8,266,000	---

Maintaining Law and Order: Fiscal year 1973, $8,266,000; fiscal year 1974, $8,266,000; no change.

Increase (+) or Decrease (-) Amount	Positions	Total Program	Total Positions	Explanation
-	30	$8,266,000		-
-	- 30	8,266,000	271	

Program of Work:

Provide criminal justice services to an Indian population of approximately 307,000 located on 87 reservations in 17 states where states and counties have not assumed civil and/or criminal jurisdiction. Criminal Justice Services include enforcement, judicial, detention, prevention and rehabilitation services.

Provide through Contract with Indian Organizations pre-release and after-release services to approximately 1,050 Indian offenders serving sentences in State and/or Federal penal institutions. Reduce recidivism of the approximate 450 offenders released per year by providing counseling and additional services in conjunction with the Department of Justice and other state and local agencies.

Provide, through contract, employment for approximately 100 community members on reservations in the States of North and South Dakota, Montana and Wyoming in a variety of fields that relate to reservation criminal justice system. This program was established in FY-1972 through a cooperative agreement with the Department's of Justice and Labor with provisions that the Bureau assume all costs in FY-1974.

Provide on-going training conducted by the Indian Police Academy for all BIA and Tribal employees involved in criminal justice services to Indian reservations. Training includes basic recruit, alcohol and drug abuse, detention operations and management, Fish and Game Management and Enforcement, criminal investigation and delinquency prevention, which is conducted at the Academy or through its outreach program on a regional basis.

Examples of Recent Accomplishments:

A total of 362 Bureau and tribal personnel were trained in Fiscal year 1972 in subjects ranging from recruit training to criminal investigation and delinquency prevention. Training conducted at the Indian Police Academy, Roswell, New Mexico or through regional outreach programs.

Two community service centers located at Crow and Colorado River Reservations have been provided with staff and training through contract. Individuals selected from the communities involved were trained to provide a full range of rehabilitative services including psychiatric, medical and counseling care for persons involved in alcohol and drug abuse. Complexes are also providing police, detention, and judicial services.

Through contract the Bureau provided rehabilitative services of 80 Indian youths from reservations located in the States of New Mexico, Arizona, Utah, Colorado and Nevada.

PERSONNEL SUMMARY

Education and Welfare Services

	1972 Actual	1973 Estimate	1974 Estimate
Total number of permanent positions	10,108	10,157	9,885
Full-time equivalent of other positions	1,211	1,211	1,186
Average number of all employees	10,360	10,394	10,100
Average GS grade	7.6	7.6	7.6
Average GS salary	11,422	11,565	11,680
Average salary of ungraded positions	9,005	9,545	10,500

ITEMIZATION OF ESTIMATE

Department of the Interior
Appropriation Title: Education and Welfare Services — Bureau of Indian Affairs

	Actual 1972	Estimate 1973	Estimate 1974	Increase (+) Decrease (-)
Program and Financing:				
Total obligations.....	$273,304,790	$304,784,808	$297,072,000	$-7,712,808
Contract authorization 58 Stat. 266.....	- 1,500,000	- 1,500,000	- 1,500,000	-
Applied to contract authorization 58 Stat. 266.....	+ 693,295	+ 271,192	+ 1,500,000	+1,228,808
Unobligated balance lapsing.....	1,288,915	-	-	-
Appropriation.....	273,787,000	303,556,000	297,072,000	-6,484,000
Obligations by Objects:				
11 Personnel compensation....	104,100,936	106,887,000	104,824,000	-2,063,000
12 Personnel benefits.....	9,995,857	10,421,000	10,682,000	+ 261,000
21 Travel and transportation of persons.....	6,500,090	7,103,000	7,093,000	- 10,000
22 Transportation of things.....	2,076,774	2,336,000	2,336,000	-
23 Rent, communications and utilities...	5,349,498	6,218,000	6,218,000	-
24 Printing and reproduction....	189,967	300,000	300,000	-
25 Other services...	63,175,984	73,393,000	74,393,000	+1,000,000
26 Supplies and materials.....	20,415,843	22,346,808	22,347,000	+ 192
31 Equipment.....	2,902,918	4,090,000	4,090,000	-
41 Grants, subsidies, and contributions	61,175,923	74,590,000	67,789,000	-6,801,000
Subtotal.....	275,883,790	307,684,808	300,072,000	-7,612,808
Deduct quarters and subsistence charges....	- 2,579,000	- 2,900,000	- 3,000,000	- 100,000
Total Obligations.....	273,304,790	304,784,808	297,072,000	-7,712,808

Mrs. HANSEN. You have discussed the $200,000 provided in last year's bill for a study of Indian school needs.

Mr. HAWKINS. Right. We are coming up with a substantial need, Madam Chairman.

INADEQUACY OF PUBLIC LAW 815 FUNDING

Mrs. HANSEN. When you determine the needs, are you going to be recommending the vehicle for funding? Is it going to be part of the construction budget of the BIA, or are you going to weight it proportionately so that you assign to the school districts that portion that is their responsibility? Will Public Law 815 also be a vehicle for funding?

Mr. HAWKINS. We have not yet come to any final conclusions, Madam Chairman. It seems quite clear Public Law 815 has not been a satisfactory vehicle.

Mrs. HANSEN. It hasn't been adequately funded.

Mr. HAWKINS. That is correct. Furthermore, the Indian people have to compete with the disaster areas and the impacted places where military reservations are in existence, and other Federal impacted school districts, so that even if it should be funded substantially—say $50 million a year—the Indian portion of that funding would be still fairly small in relationship to the need.

We are going to provide you with information which would indicate the bonding ability of school districts, the relationship of the number of Indian children in that school district, and the number of non-Indian children in that school district. We are going to suggest some alternatives to get at this—either through our budget, through new legislation, or a combination of new legislation, our budget, and Public Law 815.

FUNDING OF PUBLIC SCHOOL CONSTRUCTION IN BIA APPROPRIATIONS

Mrs. HANSEN. As you well know, many of these schools the committee has added in the past have been subject to a point of order.

Mr. HAWKINS. That is right.

Mrs. HANSEN. Of course the point of order has yet to be raised. Also, as you are well aware, the $25 million proposed for economic development bloc-grant program has not been authorized. It is now the 10th day of April and the committee will be marking up the bill in the not to distant future. The committee cannot appropriate funds which are unauthorized. I am sure the Indian people are not aware that the lag lies in the authorizing committee.

Mr. HAWKINS. Yes.

Mrs. HANSEN. Also, new legislation is probably going to be required for some of your school construction because Public Law 815 funding has not been adequate to meet the Indians' needs. The Indian school districts have not received an equitable share of Public Law 815 funds. My feeling is that the construction will probably have to come through the BIA.

SENATE BILL S. 1017

Mr. HAWKINS. You may recall in February, Senator Jackson introduced S. 1017, which has a portion of the bill addressing itself to the need for construction funds in public schools.

Mr. HANSEN. What does the bill propose?

Mr. HAWKINS. It proposes that the funds would be appropriated to the Secretary of the Interior for the construction.

RESCISSION OF INDIAN EDUCATION ACT FUNDS

Mrs. HANSEN. I think that is a sensible proposal. What was the role of the BIA in the administration's decision to recommend rescission of the $18 million provided in the 1973 supplemental for the Indian Education Act?

Mr. HAWKINS. Madam Chairman, to my knowledge—unless anyone else here has other information—we were not consulted in that decision.

EDUCATIONAL ASSISTANCE FACILITIES AND SERVICES REQUEST

Mrs. HANSEN. The amount available in 1972 for educational assistance, facilities, and services was $166,989,210; fiscal 1973, $187,326,000; in 1974 you are requesting $184,187,000. This is a reduction of $3,139,000 from fiscal year 1973. I cannot quite understand why you are requesting a reduction? Hasn't your school attendance increased? What is the school attendance?

Mr. HAWKINS. This is broken out somewhat differently. For boarding schools for 1973, the enrollment is 37,370, and for 1974, it is 37,770—up 400.

COST PER PUPIL

Mrs. HANSEN. What is the cost per pupil for those youngsters?

Mr. HAWKINS. The average cost per pupil in 1974 for board schools is $2,383.

Mrs. HANSEN. What is the average cost per pupil per day for the day schools?

Mr. HAWKINS. For the day schools, Madam Chairman, in 1974, it will be $1,663 per pupil per year, or $9.24 per day.

JOHNSON-O'MALLEY PROGRAM

Mrs. HANSEN. Please review for the committee the Johnson-O'Malley program. How many children will be served and what is the cost per pupil per day?

Mr. HAWKINS. Johnson-O'Malley funds which are being asked for are not regarded as an automatic entitlement—so much per child—because the Johnson-O'Malley funds are supplemental funds.

Mrs. HANSEN. These are funds going to the public school districts?

Mr. HAWKINS. That is right.

Mrs. HANSEN. Under the laws of that State, a child is entitled to whatever the State's costs are per pupil per day?

Mr. HAWKINS. Correct.

AVERAGE PER PUPIL COST OF PUBLIC SCHOOLS ENROLLING INDIANS

Mrs. HANSEN. What is the average?

Mr. HAWKINS. The average, countrywide, is right in the neighborhood of $1,100 to $1,200. It varies widely from State to State, Madam Chairman.

Mrs. HANSEN. That is per pupil?

Mr. HAWKINS. Per pupil.

Mrs. HANSEN. For the year's attendance?

Mr. HAWKINS. That is right.

Mrs. HANSEN. It would be per pupil per year?

Mr. HAWKINS. That is right.

FUNDS FOR SPECIAL NEEDS OF INDIAN STUDENTS

Mrs. HANSEN. The Johnson-O'Malley moneys, are to meet the special needs of the Indian child in the public schools?

Mr. HAWKINS. That is right.

Mrs. HANSEN. What does this amount to? Do you contract with the States?

Mr. HAWKINS. Yes, for the most part we have contracted with the State departments of education. In four States we have contracted with Indian organizations.

Mrs. HANSEN. What are the four States?

Mr. HAWKINS. New Mexico, North Dakota, South Dakota, and Nebraska.

PER PUPIL COSTS IN CERTAIN STATES

Mrs. HANSEN. What is the average per pupil cost under Johnson-O'Malley?

Mr. HAWKINS. Lete me give it to you on a State-by-State basis, since it varies so widely, Madam Chairman. Nebraska is $400 per pupil, North Dakota $506 per pupil, South Dakota is $298, and New Mexico, $163.

Mrs. HANSEN. On what basis do they ask for these supplementals? You have testified the average per pupil cost is about $1,100. So if Nebraska is spending $1,100 per pupil per year, then an additional $400 would be provided for each Indian youngster.

Mr. HAWKINS. That is right.

Mrs. HANSEN. That would bring the total to $1,500.

REASONS FOR VARYING JOHNSON-O'MALLEY PER-PUPIL COST BY STATES

Mr. HAWKINS. The problem is, Madam Chairman, each school district in Nebraska might be different in and of itself, since it has a different taxing base and may raise differing amounts. The Johnson-O'Malley contracts are based on the perceived needs for Indian children in that particular school district. In one district it may be that the needs are determined to be what we call parental costs, where Indian parents who cannot afford gym shoes, laboratory fees, the kinds of things that most parents pay for, the Johnson-O'Malley funds can pay for. In another school district perhaps there are no kindergartens

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at all, but Indian children are provided with a kindergarten through Johnson-O'Malley funds. It does not show the whole picture just to say that for the State of Nebraska every Indian child gets an additional $400.

Mrs. HANSEN. That is why I asked you the question because I wanted the committee to understand the depth of this problem. The committee receives letters from all over the Nation saying Johnson-O'Malley funds are not sufficient. Who determines the sufficiency? Does the State of Nebraska call in the varying school district and determine what the need is in x number of districts, and then ask for a specified amount that they determine is that difference between a better education and one that is not?

Mr. HAWKINS. The State Department or the contracting tribal group, as the case may be, asks each of the school districts to submit a plan for the utilization of Johnson-O'Malley money for the next year. They then review that plan with a parental committee. A parental committee has to pass on that plan in the school district before it goes forward to the State department of education. After that plan has reached the State department of education, it is compiled on a statewide basis, and then depending on the determination as to whether or not our allocation is going to be up, down, or even, a planning allowance given to the State, and the State may have to adjust the request from the school districts within some planning allowance which we give them, but eventually all of the districts are compiled together and submitted to the Bureau as a proposal for funding.

INELIGIBILITY OF URBAN AREAS FOR JOHNSON-O'MALLEY FUNDS

Mrs. HANSEN. Are the urban areas eligible for assistance?

Mr. HAWKINS. The urban areas are not eligible for Johnson-O'Malley funding.

Mr. MCKAY. Do I understand correctly that the State Department determines the criteria by which Johnson-O'Malley funds are needed, or do you determine it?

JOHNSON-O'MALLEY ELIGIBILITY REGULATIONS AND GUIDELINES

Mr. HAWKINS. No, sir. We have regulations which are published, which give the State Department and the school district the guidelines by which they may apply.

Mr. MCKAY. You provide the standard?

Mr. HAWKINS. That is right, but within a rather broad range of programs, the school district and the parental committee can determine what the priority needs of their children are.

Mrs. HANSEN. What are your broad standards?

Mr. HAWKINS. The board standards are that a school district must be affected by the presence of tax-free Indian land to begin with, so this eliminates urban areas. There must be a substantial number of Indian children in the public school district, and there must be a parental committee formed.

Mrs. HANSEN. Do you have a definition of substantial? Does it have to be 25 percent, 50 percent?

Mr. HAWKINS. We have not ever given a categorical answer to that question. We, of course, give a higher priority to those school districts with large numbers such as above 50 percent Indian children. Then we give a series of categories or kinds of programs that can be asked for, kindergarten programs, special library programs, teacher aides who speak the language of the children. There used to be a fairly substantial amount going for hot lunches, but the Agriculture Department has now taken over most of that responsibility. Special text books for Indian kids, curriculum development, teacher training, these sorts of things. Within these categories then the State and the parental committee puts together the program and presents it to us for consideration, approval, and then funding.

Mrs. HANSEN. Insert in the record at this point the amounts granted to the States.

[The information follows:]

JOHNSON-O'MALLEY FUNDING PER PUPIL DISTRIBUTION BY STATE, FISCAL YEAR 1973

Area and State	Total funding	Amount per pupil
Aberdeen:		
Nebraska	$673,000	$400
North Dakota	750,000	506
South Dakota	1,650,000	298
Albuquerque:		
Colorado	286,081	318
New Mexico	1,487,919	
Anadarko: Kansas	80,000	340
Billings:		
Montana	1,080,000	149
Wyoming	135,000	129
Juneau: Alaska	4,859,000	610
Minneapolis:		
Minnesota	1,350,000	443
Wisconsin	460,000	295
Iowa	150,000	684
Michigan	120,000	207
Muskogee:		
Oklahoma	$2,125,000	$158
Mississippi	10,000	434
Navajo:		
New Mexico	2,000,000	163
Peripheral	2,105,000	
Phoenix:		
Arizona	3,835,000	204
Nevada	245,000	78
Utah	10,000	200
Portland:		
Idaho	485,000	273
Washington	1,025,000	175
Oregon	71,000	81
Sacramento: California	350,000	151
Southeast: Florida	10,000	76
Total	25,352,000	259

Mrs. HANSEN. An interesting thing is what is spent for schools in various areas. I have an article entitled "Area Schools." The District of Columbia, Montgomery, Prince Georges, and Alexandria Counties all spend approximately an average of $1,200 per pupil per year. So the Indian schools fall within the same range except they receive in addition Johnson-O'Malley funds.

Mr. HAWKINS. Yes; that is correct for the public schools.

IMPACT OF TITLE IV OF THE HIGHER EDUCATION ACT

Mrs. HANSEN. What impact will the Indian Education Act have? Dr. Ottina made the statement before the subcommittee that the funding provided in the Indian Education Act would be duplicative of other ongoing programs, such as Johnson-O'Malley. Has any analysis been made as to how much of that will be provided for what activities, and how much of it was intended to reach those areas where they do not receive Johnson-O'Malley funds? Do you have any idea?

Mr. HAWKINS. We only have a very rough idea, Madam Chairman, because of the fact that OE has not yet issued guidelines and regula-

tions for the utilization of those funds. It is our opinion from an analysis of the law that part A, I believe, of title IV of the Higher Education Act does tend to overlap with Johnson-O'Malley.

We have a solution to that problem, and that is that if that act is funded, we would propose that we would continue to accommodate, through Johnson-O'Malley, the school districts which have large numbers of Indian kids from tax free Indian land, in other words, the present school districts, and that part A of title IV would be available to off reservation and urban public schools educating large numbers of Indian children, although it is entirely possible that OE could take over the entire Johnson-O'Malley program, if it were decided to go in that direction.

JOHNSON-O'MALLEY FUNDS FOR THE QUINALT INDIANS

Mrs. HANSEN. Yesterday I received a letter from the Quinalt Tribe in which they stated that Johnson-O'Malley funds were insufficient. They urged that no rescission be made on the $18 million. The letter states:

> The neglect of Indians in the funding of special educational programs is a major concern of the Quinalt Tribe. The Quinalt tribal council and school board have worked jointly to upgrade the educational standards of the Quinalt Indian students. The efforts of the tribal people and school board are beginning to show what can be accomplished through our own self-determination and the small amounts of Federal assistance we have received in the past, in the 92d Congress. The Emergency School Aid Act has been funded. Guidelines have been developed in such a way the schools must be committed to desegregation involving busing of children between schools to reduce the proportion of students from the minority groups. A school cannot be eligible for funding under ESSA without formal action by the school board committing the school to eventually reduce the enrollment to not more than 50 percent minority group students.

I assume the Indian schools will not receive any more funds under that act? Is this correct?

Mr. HAWKINS. That could possibly be correct.

Mrs. HANSEN. It goes on to say:

> Obviously this excludes most schools on Indian reservations including Tuhola for classroom integration is not feasible or in the children's best interests. Still such schools do need supplementary funding in order to provide education, with proper regard for local educational needs and the special problems of geographic isolation. Apparently it was expected that title IV of the Indian Education Act would provide for this need.

They go on and say, she is quoting the Commissioner of Education:

> BIA funding is sufficient for Indian education that the Indian Education Act is superfluous. Actually Johnson-O'Malley funding while extremely useful and important has not been sufficient. Furthermore, our State office has been notified that there will be a 15-percent cutback in Johnson-O'Malley funding for the next school year. Considered along with the 5-percent inflationary increase in program costs, this means that next year's Johnson-O'Malley funding will support roughly 20 percent less program than this year, and this year's was not enough.

May I ask you why you propose a 15 percent cutback in Johnson-O'Malley funding?

Mr. HAWKINS. I believe that this information is incorrect, Madam Chairman. The funding for Washington State, on page 5, is indicated in your book, and it is exactly the same next year, $1,025,000, so there is no cutback. It will remain the same.

Mrs. HANSEN. Except for the inflation factor.
Mr. HAWKINS. That is correct.
Mr. MCDADE. It is the same for all States, is it not?
Mr. HAWKINS. Yes; it is roughly the same for all States.

COORDINATION WITH HEW

Mrs. HANSEN. Do you think that the BIA and HEW could work out an arrangement to minimize what HEW called the layer of duplication, and make a viable school program out of it?

Mr. HAWKINS. Yes; I have been in fairly close contact with the U.S. Office of Education during this past year on a number of items, including the Indian education item, and I am certain that as the U.S. Office of Education goes forward in their development of programs for American Indians, that we will be working hand-in-glove. I think it is absolutely necessary that we do this to avoid duplication, and to make certain that the Indian kids are getting the most out of the money available from both sources.

Mrs. HANSEN. I believe the intention of the Indian Education Act was that some of this money would be for urban areas that are not now presently assisted by Johnson O'Malley funding. Is this correct?

Mr. HAWKINS. That is right.

JOHNSON-O'MALLEY FUNDING REQUEST

Mrs. HANSEN. You are requesting the same level of funding for Johnson-O'Malley as last year, $23,247,000. Why are you requesting the same level of funding with the average school cost increasing and with your enrollment increasing?

Mr. HAWKINS. In line with our consideration of the needs of the States, it does seem that the $23,247,000 is meeting a very definite need.

Mrs. HANSEN. What is the planned enrollment for 1974?

Mr. HAWKINS. The enrollment for Johnson O'Malley I believe is going to be roughly the same next year as it is this year.

Mrs. HANSEN. There won't be any change?

Mr. HAWKINS. Almost no change at all.

Mrs. HANSEN. The only net reduction then will be the result of inflation.

Mr. HAWKINS. That is correct.

Mrs. HANSEN. But isn't the inflation in costs usually between 5 and 10 percent per year?

Mr. HAWKINS. It has been in the past, Madam Chairman.

BOARDING SCHOOL PROGRAM

Mrs. HANSEN. Do you anticipate a decrease in your boarding school attendance?

Mr. HAWKINS. It is still perhaps a little too early to say. The projections for next year's attendance at boarding schools or enrollment in boarding schools are not in yet. At this point I would say that we are anticipating the number of boarding students to be very roughly

the same, perhaps a few more than this year. We forecast an increase of 400, as you notice here.

Mrs. HANSEN. But you are requesting the same amount of funding, $95,234,000, as last year. Your boarding schools are going to reflect more cost increases than your public schools or your day schools, because built into your boarding schools are the increased costs of fuel oil, the increased costs of food, and the increased cost of generally doing business. Isn't that correct?

Mr. HAWKINS. That is correct.

Mrs. HANSEN. It is actually a reduction.

Mr. HAWKINS. But we anticipate that we are going to be able to accommodate that reduction through adjustments elsewhere.

Mrs. HANSEN. Such as?

Mr. HAWKINS. I think we are going to be able to reduce the numbers of employees at area offices. Certainly in my own office I am going to be reducing the overhead.

Mrs. HANSEN. So this will not reduce the teaching personnel?

Mr. HAWKINS. It should not reduce the teaching personnel.

Mrs. HANSEN. It will not lessen the quality or quantity of food?

Mr. HAWKINS. It should not do that.

Mrs. HANSEN. It better not.

Mr. HAWKINS. No; it will not do that.

Mrs. HANSEN. I don't know where you are buying your beef, but the cost has gone up sizably since last year's budget.

Mr. HAWKINS. That is right.

Mrs. HANSEN. You can't save on fuel?

Mr. HAWKINS. No. I would say through economies of operation.

Mrs. HANSEN. I am concerned about this situation. I have seen some of your economies and some of them aren't very good. I visited some of your schools where you didn't have enough counselors. Your disciplinary problems which arise would probably never arise with sufficient counseling. You have needed people in your dormitories to solve the problems in some of the schools. I am concerned that you have proposed a budget which is identical with last year's, in spite of rising costs.

BUDGET REQUEST FOR MANY FARMS HIGH SCHOOL

What is the total cost of running Many Farms per year?

Mr. HAWKINS. Not a per pupil basis but total cost? I believe Many Farms boarding school is running at about $1,626,000.

Mrs. HANSEN. How many schools in the Navajo area do you have that are similar to Many Farms?

Mr. HAWKINS. We have two additional ones.

Mrs. HANSEN. They all have approximately the same costs?

Mr. HAWKINS. Yes.

Mrs. HANSEN. Are you saying that the 10 percent cost of inflation will be absorbed by the area office employees?

Mr. HAWKINS. I think in terms of both the Washington office and the area office, a great many economies can be made.

Mrs. HANSEN. Insert in the record a list of the proposed economies. I think it is a very poor time to cut down on educational programs.

[The information follows:]

ECONOMIES PROPOSED IN FISCAL YEAR 1974 OPERATIONS

Some examples of anticipated economies next year include the following:
Elimination of ninth grade at Intermountain School.
Transfer of training activities to other accounts.
Reduce costs of teacher recruitment.
Reduction in film product costs.
Reduction of administrative costs.
Reduction in plant operating costs.
Reduction in research and development contracts.

GAO REPORT

Mrs. HANSEN. Maybe you have seen the GAO report, "Opportunity To Improve Indian Education in Schools Operated by the Bureau of Indian Affairs."

Mr. HAWKINS. Yes, ma'am.

Mrs. HANSEN. They suggest that you:

Develop a comprehensive educational program which is designed specifically to overcome the factors which impede progress in meeting the goal and which is flexible enough to meet the needs of students in all BIA schools. Establish periodic milestones, such as the amount of improvement in the academics achievement level. Develop a management information system providing:

(1) Meaningful and comprehensive information on the academic aptitude and achievement levels of students in the BIA school system.

(2) Program-oriented financial management reports geared toward the management needs of BIA education program officials.

The committee has received many suggestions on academic progress, which would cost a great deal to implement.

Mr. HAWKINS. Madam Chairman, I think we have moved substantially in accomplishing a number of those recommendations since the report was made last year. I think Mr. Sykes will agree that we are developing a financial management information system. We have moved very substantially to be able to determine where our money is going, which is going to help us put it more effectively into places where it is going to help kids next year than we perhaps have done in the past.

Mrs. HANSEN. But built into the success or failure of your boarding-school system are the ingredients such as adequate counseling personnel.

Mr. HAWKINS. That is right.

NEED FOR ADDITIONAL SCHOOL GUIDANCE COUNSELORS

Mrs. HANSEN. How many of your schools do you feel have an adequate number of counselors?

Mr. HAWKINS. I would say in very few of our schools do we have a completely adequate number of counselors.

Mrs. HANSEN. What is the reason for this lag in counselors?

Mr. HAWKINS. The lag is primarily the training of Indian people to become counselors, Madam Chairman. I really don't think that in terms of effective work with Indian kids that non-Indians understand nearly as well as Indian people. Our hope is that through our higher education program and in-service training programs, we are going to produce more Indian counselors to take their places in these schools. I really regard that as the key.

Mrs. HANSEN. Some of your boarding schools are not in the best of condition. Mr. Steed informed me that at Riverside you would be safer in a hay barn. In these particular schools you must have counselors; if you don't, a disaster could very easily occur. I visited Fort Wyngate and some of your other schools. In some of these schools you did not have enough counselors in the daytime, but particularly at night.

Mr. HAWKINS. I believe that no dormitory is not covered at night.

Mrs. HANSEN. No, but one person to 100 children isn't a very good percentage.

Mr. HAWKINS. That is correct.

Mrs. HANSEN. Particularly in some of these old dormitory facilities, where you have the problem of fire. Then added to the problem of fire you have the problem of the child who goes home for the weekend and brings back a gallon of alcohol which he is going to distribute to the other children in the dormitory. The BIA schools have been singularly free of the drug problem, but you won't remain free if you don't have adequate counseling. It has also become more difficult to get people to donate their services.

Mr. HAWKINS. That is right.

Mrs. HANSEN. Therefore, I don't really see how you are going to meet that obligation.

REDUCTION IN CENTRAL OFFICE PERSONNEL

Mr. MCKAY. Madam Chairman, in connection with your cutback, proposed reductions, it has been my experience with other agencies although they talk about taking them out of the "upper echelons," leaving the staff people in the classrooms, run lunch counters and counseling, in fact when they get through with the civil service operation, when you take one person out of your office, that leaves a vacancy which all the ones down the line are pushing to get in and the net effect is that you don't leave that vacant.

Is that true?

Mr. HAWKINS. That won't be true in this particular case, Mr. McKay, because as soon as we have a vacancy in my office we are going to abolish that position. There won't be any opportunity for someone to make an application for it.

Mrs. HANSEN. You will abolish the position?

Mr. HAWKINS. Yes, ma'am.

Mrs. HANSEN. I would be interested in how many positions are going to be abolished in order to accommodate the net cutback.

Mr. MCKAY. Madam Chairman, when you don't raise the funds to meet the need there, you get the cutback under inflation.

Mrs. HANSEN. The boarding schools particularly concern the committee, because of the very nature of the items that are involved. You can't cut the cost of electricity and fuel which are increasing.

The lunches now are a good adequate diet that is well planned. You have increased immeasurably your purchasing standards. These have improved tremendously, but after all, there is just so much managerial improvement that can be accomplished. It doesn't matter how many hours I stand in line comparing prices on boxes of cornflakes. When I get through the cornflakes are going to cost more.

HIGHER EDUCATION PROGRAM REDUCTION

You are requesting a reduction of $1 million for higher education. I can't understand the justification for this reduction.

Mr. HAWKINS. Madam Chairman, that came about because of the supplemental appropriation we got last year, the $2.5 million.

Mrs. HANSEN. Last year when you testified before us at the regular hearings, I understand you were planning and programing for every applicant who could be possibly considered for Indian scholarship or a grant to go to college.

It wasn't many months until you returned with a supplemental for increased grants. More students were attending school, and you couldn't accommodate them under the program. Isn't that correct?

Mr. HAWKINS. I don't believe, Madam Chairman, if you will review the record, that I said we were going to be able to take care of every kid who made an application, because I was aware last year that we weren't going to be able to take care of them all.

Mrs. HANSEN. You said you were going to be able to select all those who were eligible.

Mr. HAWKINS. If I said that I should not have said it.

Mrs. HANSEN. Mr. McDade questioned you at great length on this subject. The Congress increased the funding for this program.

Mr. HAWKINS. That is right.

NUMBER OF SCHOLARSHIP GRANTS AVAILABLE IN FISCAL YEAR 1974

Mrs. HANSEN. Because we are particularly interested in assisting those young people who want to go into engineering, law, medicine, et cetera. Yet you are requesting a $1 million reduction. Even with the $1 million less you will accommodate 13,500 students?

Mr. HAWKINS. Yes, Madam Chairman.

Mrs. HANSEN. Are those all the applications you have received?

Mr. HAWKINS. No, Madam Chairman, it was not.

Mrs. HANSEN. How many applications will you receive?

Mr. HAWKINS. We anticipate there will be probably somewhere between 18,000 and 19,000 applications next September.

Mrs. HANSEN. Are all those applications valid?

Mr. HAWKINS. We anticipate that all of those will be accepted by colleges, if they are funded.

Mrs. HANSEN. Then you are saying between 5,000 and 6,000 young Indian people who want to attend college will not be able to attend?

Mr. HAWKINS. No, I am not saying that.

Mrs. HANSEN. They won't be able to attend on an Indian scholarship.

Mr. HAWKINS. They can't go on a total BIA scholarship, that is right. We are still anticipating that the funding for the Higher Education Act is going to assist this next year. I am unable at this point, because of the inability of HEW to tell us how much each youngster is going to be eligible for, to tell you whether or not the amount of money we are asking for is adequate.

Mrs. HANSEN. Last year I understand the freshmen and sophomores weren't able to receive grants out of regular higher education channels. Only the juniors and seniors were eligible. I have more than one young person write a letter to our office on this subject.

How many of your young Indian students do you think are going to be eligible for scholarships? Their fathers don't have the money or the credit. You are trying to educate them so they will have an opportunity.

Mr. HAWKINS. That is right.

Mrs. HANSEN. Instead, you are depriving some youngster of a chance to go into the mainstream of this world.

NUMBER ONE EDUCATIONAL PRIORITY

Mr. HAWKINS. There is no question in my mind but what opportunities for young Indian people to go to college is the number one priority. We have got to get them into college and professionally educated.

Mrs. HANSEN. The welfare load of the Navajo is between 40 and 60 percent. In comparison to welfare costs a college education is reasonably small. I think the BIA is very shortsighted not to raise the education quotient, in the anticipation that you will lower unemployment.

Mr. HAWKINS. Yes, I think that is really going to be the answer to many Indian problems.

Mrs. HANSEN. I am sure you understand that unless HEW gives us a solid commitment of how much money they could expect to be available for Indian college grants, the committee will not accept this $1 million reduction.

Mr. HAWKINS. No.

Mrs. HANSEN. There are many other areas in the U.S. Government that can absorb a $1 million cut better than the BIA.

Mr. HAWKINS. I hear what you are saying, Madam Chairman.

Mrs. HANSEN. Insert in the record some realistic figures on the number of estimated applications you anticipate receiving.

[The information follows:]

The number of applications for scholarships in fiscal year 1974 is presently estimated at between 18,000 and 19,000 based on a study made recently. We would add that the potential applications based upon the target universe is about 20,000; however, we cannot state categorically, at this time, that all will apply.

IMPACT OF REDUCED FUNDING

Mrs. HANSEN. What will be the impact of this reduction on the number of students already supported under this program? Will there be any diminution in their grants?

Mr. HAWKINS. The diminution of grants should only occur in the event that those students who are already in college are eligible for more money through the BEOG from the U.S. Office of Education. If they are eligible for a basic education opportunity grant of more than what they are getting now, then ours should be reduced.

FUNDING OF MARRIED STUDENTS

Mrs. HANSEN. You say in the justification: "In fiscal year 1972 the majority of married students were funded based on single amounts." Will you explain that statement?

Mr. HAWKINS. Yes, Madam Chairman. In spite of the fact that this committee and the Senate were generous, we still were unable to provide additional funding for married students commensurate with their needs. As a result, they were funded on single student standards.

OTHER FEDERAL FINANCIAL RESOURCES

Mrs. HANSEN. $2,712,000 is allocated for "Other Federal programs", which include EOG, work study, loans and college scholarships.

Mr. HAWKINS. May I correct this? The amount that shows for 1974, the $2,712,000, was arrived at before any clear signals were received from the U.S. Office of Education regarding the amount available to Indians from the basic education opportunity grant. We still don't have an absolutely clear showing from them.

Mrs. HANSEN. Does anybody?

Mr. HAWKINS. It seems to me that the amount available from them will be in excess of this amount that is shown here. As quickly as I can get it, I will send you the information.

Mrs. HANSEN. Please do.

[The information follows:]

The amount of other Federal resources primarily provided by HEW is expected to be about $4 million in fiscal year 1974, or about $1 million more than the fiscal year 1973 estimate.

Mrs. HANSEN. $648,000 is allocated for tribal scholarships. Are these funds supplementary to your funds?

Mr. HAWKINS. These are supplementary also.

NON-FEDERAL FINANCIAL RESOURCES

Mrs. HANSEN. How many tribes provide scholarships?

Mr. HAWKINS. I don't know how many tribes provide scholarships.

Mrs. HANSEN. $2.4 million is allocated in fiscal year 1974 for State, private, and foundation scholarships. Are these partial or full scholarships?

Mr. HAWKINS. These tend to be again only partial scholarships. For instance, there will be a tuition scholarship from a college which will provide tuition-free attendance, but somebody else has to provide living expenses for the young person. So for the most part those are not full scholarships either.

REDUCTION IN PROGRAM DIRECTION BUDGET

Mrs. HANSEN. You are requesting a reduction of $1,439,000 and 172 positions for Federal facilities. What factors enable you to decrease this amount while maintaining about the same level of student facilities?

Mr. HAWKINS. This amount, Madam Chairman, is reduction of positions primarily in the central office as a result of the realinement and reorganization about which Mr. Franklin spoke yesterday. This reduction will primarily affect the central office, but will also to some extent affect the area officers. There will be no effect of this reduction in the schools themselves.

CONTRACTS WITH INDIAN GROUPS TO OPERATE FEDERAL SCHOOLS

Mrs. HANSEN. What is the number of Indian contract schools?

Mr. HAWKINS. There are currently 12, Madam Chairman.

Mrs. HANSEN. Please insert in the record the location of those schools.

Mr. HAWKINS. Yes.

Mrs. HANSEN. Are these all elementary schools?

Mr. HAWKINS. No; there are some elementary, some secondary.

[The information follows:]

LOCATION OF INDIAN CONTRACT SCHOOLS

Name	*Location*
Wind River	Ethete, Wyo.
Busby	Busby, Mont.
Miccosukee	Frog City, Fla.
Ramah Navajo	Ramah, N. Mex.
Rock Point	Rock Point, Ariz.
Borrego Pass	Borrego Pass, N. Mex.
Rough Rock	Rough Rock, Ariz.
Blackwater	Coolidge, Ariz.
Stephan	Fort Thompson, S. Dak.
St. Michaels	St. Michael, N. Dak.
Mandaree	Mandaree, N. Dak.
Bismarck Training Center	Bismarck, N. Dak.

CONTRACT BOARDING SCHOOLS

Mrs. HANSEN. Are these day schools?

Mr. HAWKINS. No. some of these are actually boarding schools.

Mrs. HANSEN. Insert in the record the type of schools involved.

Mr. HAWKINS. All right.

[The information follows:]

TYPES OF SCHOOLS UNDER CONTRACT—BOARDING OR DAY

Name	*Type of school*
Wind River	Day.
Busby	Boarding and day.
Miccosukee	Day.
Ramah Navajo	Do.
Rock Point	Boarding.
Borrego Pass	Do.
Rough Rock	Boarding and day.
Blackwater	Day.
Stephan	Boarding and day.
St. Michaels	Day.
Mandaree	Do.
Bismarck Training Center	Do.

COST OF INDIAN CONTRACT SCHOOLS

Mrs. HANSEN. Does the cost remain about the same when you contract?

Mr. HAWKINS. We have endeavored to keep it about the same, although the administrative costs have tended—we funded them for administrative costs that ordinarily would be taken care of by the area office or the central office, and as a result——

Mrs. HANSEN. Did you allow for the administrative costs in your contracts?

Mr. HAWKINS. We allowed for those in our contract, so the total amount increased slightly to take care of those administrative costs.

Mrs. HANSEN. But you didn't diminish the program?

Mr. HAWKINS. No, we did not diminish. That is correct.

NUMBER OF STUDENTS IN CONTRACT SCHOOLS

Mrs. HANSEN. How many students are there——

Mr. HAWKINS. About 2,200 at the moment.

Mrs. HANSEN. I notice in your justifications the fact that you are gradually moving into the public school category. I think this is along the perimeters of many of your reservations.

Mr. HAWKINS. Right.

Mrs. HANSEN. Can you tell us what proportion is involved annually?

Mr. HAWKINS. I think I would have to dig that information out for you but it is available, Madam Chairman.

BOARDING SCHOOL FUNDING

Mrs. HANSEN. The request for your boarding school is the same as last year, $95,234,000. Has the attendance increased?

Mr. HAWKINS. There is a slight increase in the public schools, Madam Chairman.

Mrs. HANSEN. You did make the statement in your justifications that as you moved children into the public schools that you had less people attending the boarding schools, and yet we see an increase, or at least the same number of students attending boarding schools.

My assumption is there must be an increasing number of children attending the schools. Is this correct?

Mr. HAWKINS. That is correct, but most of the increase is in the public school sector, that is right.

Mrs. HANSEN. This is going to require a greater amount of financing in the future and that is why your school report is so important, because some of the facilities obviously are not going to accommodate the ever-increasing numbers of youngsters.

Mr. HAWKINS. That is correct, Madam Chairman.

SUMMER PROGRAMS

Mrs. HANSEN. $1,400,000 is requested for summer programs. This is the same level of funding as last year. I think you are well aware that your summer programs are probably one of your most popular programs.

Hasn't OEO participated in the program?

Mr. HAWKINS. Yes; there have been——

Mrs. HANSEN. I assume they will not be participating in fiscal year 1974?

Mr. HAWKINS. That is right.

Mrs. HANSEN. So you actually are diminishing your summer programs?

Mr. HAWKINS. I believe the OEO summer programs for Indian children will be transferred to HEW.

Mrs. HANSEN. Have you been notified as to their plans so you can integrate your work?

Mr. HAWKINS. We haven't been notified yet of what their plans are, but we will be talking with them about the summer programs.

Mrs. HANSEN. Can you provide a statement for the record on their plans?

Mr. HAWKINS. Yes.

[The information follows:]

OEO SUMMER PROGRAM TRANSFER TO HEW

OEO participation in summer program activities for Indian students has been decreasing in the past couple of years. We have not been encouraged that transfer of these activities to HEW will measurably increase the funding.

DIMINUTION OF OEO SUMMER PROGRAM FUNDING

Mr. FRANKLIN. Madam Chairman, I think you did to us just about what the public does, when you said OEO perhaps would be withdrawn, and we diminished the efforts to the Indian children.

Mrs. HANSEN. My fear was that the total money would be less because the $1,400,000 is obviously not going to take care of the total summer program needs.

Mr. HAWKINS. That is the point I want to make. The Bureau evidently assumes certain obligations to provide services and along comes some agency—let's say a church or anybody else—and they provide these services and then they withdraw. We haven't diminished our program, but total programs for Indians are diminished.

Mrs. HANSEN. The relativity of my question is perhaps the summer programs belong entirely with the BIA and perhaps your funding should reflect the total.

BIA AS ADVOCATE FOR FEDERAL PROGRAMS

Mr. FRANKLIN. In your discussion this morning, you expounded the same philosophy that I have expounded for years and that is, the Bureau of Indian Affairs should be the total advocate for the American Indian in Government because we fractionalize our services from the Government viewpoint to the American Indian and so much of the appropriation has been eaten up in the overhead portion.

Mrs. HANSEN. Supposing HEW doesn't come forward with any money?

HEW isn't going to get the blame; BIA is going to get the blame. This is why I wanted to make sure what the total funding would be. For example, I don't know how much they spent last year and do not know what they plan for fiscal year 1974. Some place along the line it should be reflected what the total program involves.

I think Congress should at least know what the total program entails. There should be a notation to the committee, HEW will spend on this account so much. I think this would give us a better way of understanding what the total funding is.

Mr. MCKAY. We have had a fractionation and the criticism comes to the BIA, but it also comes from the public in the fact that they feel that the Indians are getting so much money; it is flooding in from food stamps, OEO, and everywhere else, and why isn't more happening. When exactly what you say is happening, they are eating it up in administrative programs which appear to be putting money in, but in fact haven't the cost effectiveness at the local level. Is that correct?

Mr. FRANKLIN. That is correct.

I am delighted to have attended this hearing and to hear your views. Especially now that I have this invitation to discuss the Indian program.

Mrs. HANSEN. Mr. McDade has been on the committee for a long time and I think he, like myself, is rather startled sometimes by the lack of coordination between Federal agencies.

Mr. EVANS. Madam Chairman, may I ask a question? I am a little confused. I listen to you talk about the importance of BIA being the representative of the Indians in America, and I hear Mr. Franklin say "Amen," and agree with your statement. However, when we get into a conversation about the difficulty of finding out what all Government agencies are doing with the Indians, we don't have set forth in the BIA budget what HEW is doing and I am sure the HEW subcommittee hasn't the vaguest idea what BIA is doing; that is reflected in HEW's budget presentation.

Yet I recall our colloquy earlier this morning in relation to OEO and EDA and it was your statement that you welcomed their participation, that you hoped they came in, for it opened up new doors of experience to Indian people. If the BIA is going to be the Indian spokesman, how do you reconcile this statement and this philosophy with what you said earlier this morning, that you thought it was good for the Indians to become acquainted with HEW, OEO, and EDA? Maybe I am misinterpreting it.

Mr. FRANKLIN. Not at all. You are in good shape.

Mr. EVANS. I am a newcomer on this committee, Mr. Franklin, and I need help.

Mr. FRANKLIN. That puts us both on the same ground, doesn't it?

On the program side of it, there is the input from the development of new ideas, new ways of approaching the problems for people in general and many of these, of course, as you know, are developed on a nationwide basis, and not specifically for the Indian, but they are administered on a nationwide basis, including the Indian.

I believe in those new programs, as I mentioned this morning, but I also believe if the Bureau of Indian Affairs is going to have the responsibility and accountability, whether in fact or belief, then it should be the true advocate for the American Indian at the reservation level.

Now, does that confuse you?

Mr. EVANS. Well, let's take up the question of the future with that type of program with the Indians.

ECONOMIC DEVELOPMENT PROGRAMS

You say EDA should turn moneys over to BIA and BIA then administer them or what?

Mr. FRANKLIN. You ask a very good question and I would be delighted to answer it.

In the field of economic development where the administration and the Department of Commerce had several million dollars, they selected upon their own specialized reservations where they were going to do public works-type situations and build industrial development sites, and did, without consultation with the Bureau of Indian Affairs, which has an industrial development program to fill up these sites, and we now have on Indian reservations many millions of dollars invested in vacant land developed for an industrial site without the slightest potential of putting an industry on there.

That is the type of thing where I say we have wasted at a particular time a tremendous investment awaiting further programing through the Bureau of Indian Affairs to provide the economic base that was intended for that area.

Mr. EVANS. How do you suggest we overcome this difficulty?

Mr. FRANKLIN. I suggest we overcome it in this way: I certainly think that different agencies of Government should be entitled to develop programs on a nationwide scale, but if it is to affect the Indian people at the reservation level, then it should be done through the Bureau of Indian Affairs which should be the advocate and the accountable agency for services to the American Indian.

Mr. EVANS. In other words, EDA could come on the reservation and do things for the economic development of a particular reservation?

Mr. FRANKLIN. In conjunction with, not in competition with.

Mrs. HANSEN. It would be helpful to the committee to know what is actually being spent.

WELFARE CASELOAD

Mr. MCDADE. On that point, Mr. Franklin, I am not sure that I totally agree with you. For example, I used to have a kind of a shoot-out with BIA which always came up with a supplemental request for welfare in the last couple of years, particularly on the Navajo Reservation. The caseload kept going up and up and up and it turned out the reason for that was there was a group of Indian workers on the Navajo Reservation funded by OEO over BIA's resistance, at least at some point, and it took those OEO-funded people to get the Navajo people to apply for welfare. BIA hadn't broken through. The BIA, although a spokesman, was really not able to communicate and the Indians weren't taking advantage of their rights as American citizens, in effect telling the BIA people "We just won't apply" and I think that is kind of an accurate history until some of those other groups came in and began organizing. Isn't that right?

Mr. BUTLER. Yes, sir; that is correct.

Mr. MCDADE. The people I have had the privilege of dealing with over the years in BIA have been most dedicated people, but it took a catalyst from out of BIA to get the Navajo to go down and apply for what he was entitled to as an American citizen.

Mr. FRANKLIN. He is entitled to welfare.

Mr. MCDADE. And to food stamps and other things that he would be entitled to. They simply chose not to until this catalyst appeared on the reservation, which was the OEO worker telling them it was their right to apply for food stamps and welfare and there was an addition of caseloads of people who had been eligible but who had not applied.

BIA wasn't able under those circumstances to communicate what their rights were. It was an outside agency that came in under those circumstances to make them aware of their rights and caused them to exercise them.

We had a huge increase in supplementals here for some years in that account because the BIA just wasn't able to penetrate the community.

I like your idea from the standpoint of coordination. I think it is essential. I am not so sure it is a completely valid generalization based on what we saw on the welfare cases.

MOBILE LEARNING UNITS FOR THE NORTHERN CHEYENNE RESERVATION

Mrs. HANSEN. I have received a letter from Mr. Hawkins regarding mobile learning units on the Northern Cheyenne Reservation.

[The following letter was read:]

U.S. DEPARTMENT OF THE INTERIOR,
BUREAU OF INDIAN AFFAIRS,
Washington, D.C., February 20, 1973.

Hon. JULIA BUTLER HANSEN,
House of Representatives,
Washington, D.C.

DEAR MRS. HANSEN: We indicated in our earlier letter that we hoped to respond sooner to your inquiry concerning the acquisition of mobile learning units for the Northern Cheyenne Reservation. Unfortunately we have not been able to do so until now.

Obviously some misunderstandings have arisen regarding funding with which to acquire the four mobile learning units. The initial discussion of this matter took place in the office of the Bureau's Division of School Facilities in Albuquerque on October 11. We have been informed that those who participated were representatives of: The Northern Cheyenne program of Headstart, Follow Through, Bilingual Education, and Remedial Reading; a business firm, Educational Program and Equipment Corp.; and members of the Division of School Facilities staff.

We have been informed, however, that there was no actual commitment made to the group to purchase these four mobile units with Bureau funds. We understand that an attempt was made to stress the need for involving others on the reservation who would be concerned with the total local educational planning effort. Particular reference was made to the Busby School Board since funds have been appropriated for planning of additional elementary facilities at the Busby School. Also the Follow Through program is in operation at Busby, as is a Headstart unit. The emphasis on the further involvement of the Busby School Board is certainly advisable since they are presently responsible for operating the Busby School under our contract with the Northern Cheyenne Tribal Council.

Generally, it can be said that an effort was made during the discussion to emphasize the need to establish priorities for the educational facilities requirements. Some decisions would then have to be made locally during the overall planning process. The decision, it was pointed out, might provide for the inclusion of mobile kinds of learning units as well as permanent facilities. The group was advised that it would be at least fiscal year 1975 or 1976 before the units could be acquired through the regular budget process should their acquisition be a part of the total facilities plan formulated at the agency level. When there was some discussion of the possibility of working through the congressional delegates to attempt to secure earlier funding, the group was advised the Bureau could support the needs expressed.

We might point out here that the four different programs for which the units are requested, although federally funded, do not receive any direct support from funds appropriated to this Bureau. That part of the follow through program which is operating at Busby School receives some support from Elementary and Secondary Education Act, title I funds made available to the Bureau by HEW, Office of Education. Regardless of the source of funds which presently enable these programs to operate, there is strong local support for the continued operation, and evidence that they have made some significant contributions to the children involved.

We are in agreement regarding the need for additional space. As a further indication of space requirements, you may recall that the Lame Deer Public Elementary School has requested a direct appropriation from Congress in order to finance the construction of additional classrooms. To date the efforts of the school board to secure funds have not been successful. As an additional point of information, there is an education committee composed of the local reservation residents who are very actively carrying out planning activities in relation to the construction of a new high school at Lame Deer.

Estimates of the cost of mobile units similar to those being proposed are said to vary from $12,000 to as much as $32,000 per unit, depending on the amount and kind of equipment desired. We have not been provided a definite figure as to the cost of these four particular units, however.

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It is regrettable that the members of the Northern Cheyenne group who discussed their needs in the Albuquerque meeting felt that a commitment had been made on behalf of the Bureau to provide funds. It is understandable under the circumstances since the discussion touched broadly on the issue of planning of facilities.

We have been advised that Bureau fiscal year 1973 funds are not available for assisting in the acquisition of these units. In view of the rather severe restraints placed on our fiscal year 1974 program planning amounts, it is not likely that we will be able to support other than the regularly funded programs. We will be glad to assist in exploring other sources of finance for immediate acquisition of the units, but are not at all optimistic of this approach.

Sincerely yours,

JAMES E. HAWKINS,
Director of Education Programs.

Do you want to summarize this situation for us?

Mr. CARMODY. We had a representative from the Northern Cheyenne Reservation along with representatives from the mobile units out of Louisiana. They stopped in to see what the possibility would be and we only had funds to add on facilities at the Busby location and funds for planning a high school in Northern Cheyenne, and at the present time we had no money to buy any mobile units and we weren't sure in what part this took place because they had a representative, I think, from OEO, Headstart, or another program that was not a part of any ongoing program on the reservation as far as the Bureau of Indian Affairs was concerned.

Mrs. HANSEN. It says:

It is regrettable members of the Northern Cheyenne group who discussed their needs at the Albuquerque meeting felt a commitment had been made on behalf of the Bureau to provide funds.

It is understandable under the circumstances since the discussion touched broadly on the issue of planning of facilities.

Mr. CARMODY. We had asked them to work with Busby & Lampere to see what part it played in the program; that he had no decision-making as a need and they should work with the local community——

Mrs. HANSEN. Also with the local school boards?

Mr. CARMODY. Yes, and if it was a part of the program and it was needed, we would support it wholeheartedly and have it a part of the program. We didn't care at that time whether it was a permanent facility or a mobile unit, but that should be decided locally.

NAVAJO COMMUNITY COLLEGE FUNDING

Mrs. HANSEN. I have received another letter in regard to the Navajo Community College.

It says:

We are therefore urgently requesting that we receive from the Bureau of Indian Affairs operational funds in the amount of $2 million for the fiscal year 1974. If we only receive the $1.4 million we face these kinds of choices: First, we would have to limit our enrollment . . . restrict the scope and content of college offerings . . . cut back existing programs.

Do you want to comment on that statement, Mr. Hawkins?

Mr. HAWKINS. Yes, Madam Chairman.

The amount funded for the Navajo Community College in this current fiscal year is $1,400,000. With the constrained budget which we are presenting this year, the amount which we would anticipate next year is the same amount. I can't justify taking money from scholarships to give to Navajo Community College.

Mrs. HANSEN. In the past the committee has added funds for Navajo scholarships, I didn't notice any funds for this program in your budget.

Mr. HAWKINS. No, ma'am.

Mrs. HANSEN. We will have to add funds again to provide for those scholarships?

Mr. HAWKINS. On page 8 we do mention that within the $19.9 million for higher education there is an amount of $1.4 million for Navajo Community College, which is the operational funding for it.

Now, it is true that——

Mrs. HANSEN. Is that scholarship money?

Mr. HAWKINS. That is higher education money.

Mrs. HANSEN. Do these funds go directly to the students? We have always placed in the budget *x* number of dollars directly for the Navajo students.

Mr. HAWKINS. I see. We do not request an amount for that this year.

Mrs. HANSEN. You never have. The committee has always added the funds.

Mr. HAWKINS. That is correct. You may recall the authorizing bill for Navajo Community College does not permit them to charge for scholarships. I mean charge tuition. So we are funding an operational amount and they are moving to a new facility in September of this next year.

Mrs. HANSEN. Do they have to pay for their board and room?

Mr. HAWKINS. No, they actually don't pay for board and room either.

The intent was that the Bureau would fund the full operating cost of Navajo Community College.

Mrs. HANSEN. Will the $1.4 million be adequate based upon cost escalation?

Mr. HAWKINS. It will not do the job based on cost escalation.

Mrs. HANSEN. So it would be desirable to increase the operational money?

Mr. HAWKINS. If the committee desires, yes, ma'am.

DESIRABILITY OF NO-EXPENSE COLLEGE EDUCATION

Mr. MCKAY. Do you feel it advantageous, to the benefit of the student that he is required to pay nothing?

Mr. HAWKINS. I think, Mr. McKay, that the value of an education is not always directly related to the amount one has to pay. I think I did not—I valued the education I got because of the functions of the G.I. bill after I got out of World War II, even though it was a free ride for me. I hope I have put that education to good use. I think that so many Indian parents are so poor that there is just not much possibility of paying much at all.

Now, if you want to discuss the merits of us funding a student a scholarship to pay to Navajo Community College, so that he has some understanding of what it is costing for him to attend, that might be a good idea, but I think under any circumstances there just is not going to be much of a possibility of very many Indian parents funding very much of their children's college education.

Mrs. HANSEN. About 50 to 45 percent of the Navajo people are on welfare. Isn't that correct?

Mr. BUTLER. About 35 percent, Madam Chairman.

Mr. MCKAY. I don't question the fact there are some who couldn't pay anything, but to preclude the fact that none will pay any, regardless of the economic status, maybe the value of the education isn't enough and they are not really getting a value out of it because it is "easy come, easy go."

Mr. HAWKINS. You have a point there, Mr. McKay. The bill does provide for full funding of operational costs, including the cost of room and board by the Bureau of Indian Affairs.

ENROLLMENT OF NAVAJO COMMUNITY COLLEGE

Mrs. HANSEN. What is the current enrollment of the Navajo Community College?

Mr. HAWKINS. About 300 at the moment. They are building a facility now which will take care of I think about 500 on the campus and they are planning an additional 300 off-campus enrollments.

Mrs. HANSEN. These are not all Indian youngsters?

Mr. HAWKINS. Yes. And they do charge the non-Indian youngsters to attend. The non-Indians do not get a free ride.

Mr. EVANS. If the committee put in an additional $600,000 for the Navajo Community College, would you feel assured it would or could be well spent and should be well spent?

Mr. HAWKINS. Yes, sir.

ST. FRANCIS INDIAN SCHOOL IN SOUTH DAKOTA

Mrs. HANSEN. I have received another inquiry from St. Francis Indian School in South Dakota. It says:

> Last year when we negotiated a $40,000 contract with the BIA to provide certain educational services for Sioux Indian children, we were repeatedly assured that for fiscal year 1974 we could count on adequate funding. You will find enclosed a letter from BIA confirming this fact, and our "slim" chance of actually getting more funding without congressional help. * * * Due to this situation, we have had to operate a "makeshift" education program that is causing another generation of Indian people to be unprepared to meet the demands of living in two worlds, in two cultures. * * *

Can you explain this situation?

Mr. HAWKINS. Yes, Madam Chairman. This is one of those unfortunate circumstances where a school which was formerly a parochial school operated by the Roman Catholic Church, and turned over to Indians for—as an Indian school board—has come to us for funding. Now, this is the case where they wished to contract with us for the operation of essentially a new school, a school that had not been funded by the Bureau previously.

This would add about 500 students to the contract school population and about $500,000 is the estimated amount they will require to operate for a year. These have not been formerly BIA-funded students. If they are in a BIA school now we could just contract for the operation of that school and the money would just pass over, and would be part of our regular budget. St. Francis represents an added expense which is not in our budget.

Mrs. HANSEN. Where would these students attend school if they didn't attend the St. Francis Indian School?

Mr. HAWKINS. They would either go to public schools or to BIA schools.

Mrs. HANSEN. Is there a public school available in the vicinity?
Mr. HAWKINS. I can't answer the question.
Mrs. HANSEN. Insert the information in the record.
[The information follows:]

SITUATION AT ST. FRANCIS, SOUTH DAKOTA SCHOOL

The nearest high school is Todd County High School located at Mission, S. Dak., a distance of from 23 to 37 miles from student homes. The Todd County High School could absorb only 50 of the 500 students at St. Francis. Donations are decreasing and the present debt is about $175,000. The source of volunteer teachers is rapidly diminishing. About $500,000 is required to provide an adequate educational opportunity for the 500 students in fiscal year 1974.

Mr. HAWKINS. Is that St. Francis?
Mrs. HANSEN. Yes. You have some expenses at St. Francis, haven't you?
Mr. HAWKINS. Yes, Madam Chairman. I do believe, however, they have been able to continue operating this year at least under continued funding from the church. Next year I am not sure what the situation will be.

LETTER FROM LAC COURTE OREILLES TRIBAL GOVERNING BOARD

Mrs. HANSEN. I have received another letter from the Lac Courte Oreilles. This was sent to Congressman Obey, formerly a member of this subcommittee. It says in part:

Federal dollars available through 874.8910, and other entitlements available to school districts in the State of Wisconsin made consolidation in the city of Hayward a very attractive project. This consolidation meant that these Federal dollars were channeled to Hayward and left our community unable to pursue an educational process that has direct and important relevance to our tribal community.

Mr. HAWKINS. Yes, ma'am.
Mrs. HANSEN. Will you explain this situation?
Mr. HAWKINS. The Lac Courte Oreilles Indian Tribe in Wisconsin, for I don't know how many years, have had their children go to public schools. It is the Hayward School District in Wisconsin. I was formerly the area director in Minneapolis and I know this particular situation fairly well.

The Hayward public schools are not especially sympathetic toward Indians and fairly recently the Indian people at Lac Courte Oreilles have desired to operate their own school under a contract with the Bureau. Because of the State law permitting and, in fact, encouraging consolidation, the local school has been closed on the reservation and the children are bused into Hayward to go to school at the consolidated school. This has caused problems with dropouts and the Indian people at Lac Courte Oreilles would like to contract for the operation of their own school.

OPERATING COST OF PROPOSED SCHOOL AT LAC COURTE OREILLES

Mrs. HANSEN. How much would that cost?
Mr. HAWKINS. This would cost in the neighborhood of $350,000, I believe, Madam Chairman.
Mrs. HANSEN. How does the Hayward public schools feel about this situation?
Mr. HAWKINS. Hayward public schools feel they are providing an adequate educational program for those children who attend.

Mrs. HANSEN. What is your thinking?

Mr. HAWKINS. I personally feel much more can be done by the Bureau to increase the sensitivity of the Hayward schools to Indian young people.

We have been working on it, but it has not yet been successful. Completely so, at least.

Mrs. HANSEN. Would you prepare for the record some figures on the dropout rate? These are the tragic things that happen with this public school problem.

[The information follows:]

DROPOUT RATE IN HAYWARD, WIS., PUBLIC SCHOOL DISTRICT

1971–72, 10%.
1972–73, 15%.

Two items should be brought to the attention of the committee. Past Bureau policy has focused on the transfer of responsibility for Indian education to public school districts where possible and to assist public schools in the satisfactory fulfillment of this responsibility through the Johnson-O'Malley program. Retrocession of this responsibility by a public school district would establish a precedent. Second, should a tribally contracted school be established at Lac Courte Oreilles, construction funds of about $772,000 would need to be appropriated because of the infeasibility of renovating and adding onto the present inadequate structure. This amount would provide an adequate physical plant.

LETTER FROM ROCKY BOY, MONTANA, SCHOOL BOARD

Mrs. HANSEN. I have a copy of a letter written to Mr. Franklin by the Rocky Boy school board. They enclose materials on the history of the school system and progress made in 2 short years, since the Indian people have been in control and conducting the operation of the school system.

They want school buses, equipment, materials, and staff salary for the 1973–74 term. Do you have a comment?

Mr. HAWKINS. The Rocky Boy school system is a public system, as you know. It is entirely Indian controlled and they have done a marvelous job. There is no question about it. They have a fine program. More children are staying in school.

They do deserve consideration and within whatever limits I can make within the budget, I hope to help them out.

Mrs. HANSEN. What is the total cost for what they need?

Mr. HAWKINS. I would have to get that for you. I don't have it immediately in mind.

Mrs. HANSEN. Please do.

[The information follows:]

ADDITIONAL FINANCIAL NEEDS AT ROCKEY BOY PUBLIC SCHOOL DISTRICT NO. 87, BOX ELDER, MONT.

The total cost of the needs at Rocky Boy is $354,000 in fiscal year 1974. The amount is broken down as follows:

Construction of bus garage and purchase of 3 buses	$150,000
Maintenance and operation of buses	14,000
Vehicle insurance	6,000
Furnishings and equipment	25,000
Transportation salaries	20,000
Instructional and clerical salaries	139,000
Total	354,000

SIOUX COMMUNITY COLLEGES

Mrs. HANSEN. I have received another letter from Congressman James Abdnor relative to the Lacota Higher Education Center funding level.

In my State of South Dakota there are just two community colleges serving Pine Ridge and Rosebud Reservations. These two colleges represent the Lacota Higher Education Center. BIA funds these schools and has $225,000 obligated in the 1974 budget. Why has BIA requested such a small sum? Is not education an important part in developing Indian self-determination? Would an increased appropriation to these colleges help avert future Wounded Knees?

Mr. HAWKINS. The two community college centers at Pine Ridge and Rosebud have developed with the assistance of the Bureau and we have been funding them for the past year and will plan to fund them next year at the rate of $225,000 each. There is no question in my mind but what they are doing good work; they are providing an education for people who otherwise would not be——

Mrs. HANSEN. What is their enrollment?

Mr. HAWKINS. Their enrollment is about 575. They have some part-time students and some full-time students. For instance, they are training teacher aides through the first 2 years of college. They are accredited through the Black Hills State College, which is part of the university system of South Dakota. The schools would like to expand and it was our hope they would be eligible for and receive some funding from the Higher Education Act, which passed in the last session of Congress.

If that act is funded, it will help. I am not sure the administration has asked for assistance to developing institutions under which these two colleges would come.

Mrs. HANSEN. He goes on to say: "These colleges do not want new buildings, more organization or reorganization. They want to teach and provide." They need an additional $400,000, which I assume is $200,000 apiece.

Mr. HAWKINS. That is correct.

Mrs. HANSEN. Is that a fair evaluation of their needs?

Mr. HAWKINS. I believe so.

Mrs. HANSEN. What would this provide?

Mr. HAWKINS. This would provide assistance in the upgrading of student services, including counseling and remedial work. It would expand instructional offerings, particularly in the vocational technical area and such areas as Indian studies, the arts, and natural sciences. The need for student services and vocational instruction is especially great.

ADULT EDUCATION AND COMMUNITY DEVELOPMENT

Mrs. HANSEN. You are requesting a reduction of $700,000 and 42 positions for adult education and community development. What does this involve?

Mr. HAWKINS. Madam Chairman, this past year we have separated adult education from community development. I administer the adult education program of the Bureau but the community development program is administered in community services, and the total reduction is coming out of community development.

May I defer the question to Mr. Butler?

Mr. BUTLER. The $700,000 reduction in community development is brought about by a proposal that we have for administering three separate programs which have essentially the same conceptualization now. The Government program and tribal management program, combining the three, which will give us approximately $1.5 million with the three programs together. We feel that through this combination and through the application and formula procedures for the tribes, that we can manage with the reduction.

Mr. EVANS. Madam Chairman, may I ask a question?

Mrs. HANSEN. Yes.

Mr. EVANS. Was this just a transfer on your books from the one category of adult education and community development to this category you are talking about where it will be a combination of three undertakings, or is this striking of 700,000 and 42 positions from the whole BIA picture?

Mr. BUTLER. It is not a transfer. It is a net reduction.

ADULTS SERVED IN ADULT EDUCATION

Mrs. HANSEN. How many Indian adults does this program provide work for?

Mr. HAWKINS. This goes back to the adult education program, Madam Chairman. The total number who are enrolled in learning situations are 7,830. In addition, or part of that——

Mrs. HANSEN. You say learning situations. Can you give us a couple of examples?

Mr. HAWKINS. High school equivalency program, for instance, which will provide adults with a high school equivalency diploma; 1,272, for instance.

We have a considerable number enrolled in adult basic education programs. That is literacy training essentially, 1,662. So that these are the kinds of things we are involved in.

As a result of this program 133 were employed. Those who were already employed, but who got promotions because of this program were 119—I am sorry. The number unemployed who secured employment was 211 and 133 went on to higher education as a result of getting——

HEALTH EDUCATION CURRICULUM DEVELOPMENT

Mrs. HANSEN. The committee has discussed with the Indian Health Service many times the insufficiency of knowledge on the part of many of the mothers in fields of nutrition, sanitation, et cetera. In many instances a child returns home from the hospital and in the next several months becomes ill due to the lack of knowledge about child care, child nutrition, et cetera. What are you doing in this very practical field?

Mr. HAWKINS. Not nearly enough, Madam Chairman, but we have embarked on the development of a comprehensive health education curriculum development program including not just in-school but out-of-school health education and nutrition education assistance.

I am very hopeful that this next year we are going to make major progress in this area.

Mrs. HANSEN. It is a matter of household safety, household management, household budgeting, first aid, nutrition, and the ordinary routine training in proper purchasing of goods.

Mr. HAWKINS. These are the kind of things we are focusing on. A number of the programs do indeed focus on many aspects, consumer affairs in particular, and how to buy adequately. This is a part of the many adult eduaction programs.

WELFARE SERVICES

Mrs. HANSEN. You are requesting an increase of $4,878,000 for general welfare assistance. Do you want to explain the reasons for the increase in the caseload?

Mr. BUTLER. The increased caseload will take place throughout Indian country. We would anticipate probably the largest amount would occur on Navajo.

Mrs. HANSEN. Why?

Mr. BUTLER. Several things have taken place, as mentioned earlier. The cost of food is going up. We are increasing housing facilities for Indian people; Indian people who have heretofore not had to pay for utilities are now having to pay for utilities in homes and improvements in living standards.

When you do this, Madam Chairman, the caseload rises because of people who do not have sufficient income to meet these increased costs. It does not necessarily mean that they are receiving total welfare. It may well be supplemental to some of their earnings.

Mrs. HANSEN. You say the caseload unit cost per month per person is $49.70. Is this the average?

Mr. BUTLER. That is the monthly average, yes.

Mrs. HANSEN. What is the average income of the people on general assistance?

Mr. BUTLER. The study we did 2 years ago revealed we were providing supplemental assistance to about 15 percent of the caseload.

Mrs. HANSEN. Including the supplemental assistance, what is the average income of these people on welfare?

Mr. BUTLER. It brings it up to the level of the State standards of assistance.

Mrs. HANSEN. Give the committee the State standards in which you are participating in welfare. How many States participate?

Mr. BUTLER. Fourteen States.

Mrs. HANSEN. Insert in the record the standards for those 14 States.

Mr. BUTLER. Yes, I will do that.

[The information follows:]

STATE SCHEDULES FOR BASIC ALLOWANCES AID TO FAMILIES WITH DEPENDENT CHILDREN (AFDC)

The attached schedule indicates the approximate grant payable to a family of five persons under the State AFDC programs in those States where this Bureau administers a general assistance program.

The actual amount paid to a family by a given State is often subject to a number of qualifying variable factors such as age of children, actual cost of rent or shelter, special needs of recipients (health, education, etc.).

	Alaska	Arizona	Idaho	Minnesota	Mississippi	Montana	Nebraska	Nevada	New Mexico	N. Carolina	N. Dakota	Oklahoma	S. Dakota	Wyoming
Food		126			129.00	98.00	126		169	94.00		143		127.10
Clothing		50			42.00		42			24.00		24		
Personal needs		21			41.10	62.50	50			2.40		10		88.70
Household supplies		17			19.40		12			1.20		5	20	
Utiiities		21	39		11.70	25.00	47		8			13	30	25.50
Fuel					14.00				11					
Shelter		87	76	75	60.00	58.00	75	115.00	47	72.00		40	100	75.00
Medicine										1.40		19		
Household maintenance						7.50		5.00		4.40				
Education										10.50				
Combination—flat grant	450		231	243				307.50			340		200	
Other						25.00			8					
Total	450	322	346	318	317.20	276.00	352	427.50	243	209.90	340	254	350	316.30

Mr. McKay. In the light of the question Mr. McDade had earlier about the OEO moving in, is that a part of this increase? Is that brought about by their activities, or is it just costs—you indicated costs are building up.

I felt at the time he asked the question you had a couple of comments you wanted to make, Mr. Franklin. If you have any, we would like to hear them, on or off the record.

EFFECT OF POPULATION INCREASE ON WELFARE CASELOAD

Mr. Franklin. I had no comments, but this does include a 6,000 increase in load and I don't think that is commensurate with the increase in population.

Mr. Butler. That is a part of it.

Mr. Franklin. But only a part of it.

Mrs. Hansen. What relation does it have to the increase in population.

Mr. Butler. Of the increased caseload?

Mr. Hansen. What percent increase do you have populationwise and what effect is this increase having on the welfare caseload?

Mr. Franklin. With those figures you can then figure out what is different and identify it. I am sure that statistic is not available, but we will try to find it.

[The information follows:]

Population Growth and Increase in General Assistance Caseload

During the period 1968–71 the population increase on Federal Indian reservations was approximately 3 percent per year. During this same period this Bureau's general assistance caseload increased by over 160 percent. A significant reason for this general assistance caseload increase was the dramatic 6,000 percent caseload increase on the Navajo Reservation during the period 1968–71. If the Navajo portion of the caseload is discounted, the remaining balance results in a 30 percent general assistance caseload increase.

Mrs. Hansen. The BIA has appeared before the committee requesting supplemental funds time after time in this regard.

Mr. Franklin. I hope I never get involved in those supplementals because you seem to remember the details on them.

Mr. Butler. We are pleased, Madam Chairman, this year I don't think we will be up for a supplemental.

Mrs. Hansen. What are the 14 States?

Mr. Butler. We have Alaska, Idaho, Montana, Wyoming, North Dakota, South Dakota, Nebraska, Red Lake in Minnesota; we have Arizona, Nevada, Oklahoma, Mississippi, and North Carolina.

WELFARE CASES IN OTHER STATES

Mrs. Hansen. You do not have welfare cases in the State of Washington. Isn't this correct?

Mr. Butler. No, we do not.

Mrs. Hansen. Why? Because the State of Washington has assumed its obligation for every citizen regardless of whether they are Indian or white?

Mr. Butler. That is correct.

Mrs. HANSEN. Shouldn't this have been the policy in the other States?

Mr. BUTLER. I had the pleasure, Madam Chairman, of working on the Yakima for a number of years, and I might also add the State of Washington not only recognizes the Indian citizens there on the same basis, they also provide the same standards for the Indian people as they do the other people in the State.

I would suggest the reason for this, Madam Chairman, in other States is because in some States there are large acreages of trust status land—I draw particular attention to the State of South Dakota where, on Pine Ridge and Rosebud you have complete counties who have a very, very small taxable base upon which to support such a community services program as a welfare program.

Mrs. HANSEN. You're well aware a major part of the welfare dollar comes from the Federal Government.

Mr. BUTLER. This is just Bureau welfare, the Public Assistance Title Programs—the Indian people are receiving those. I might comment, Madam Chairman, it was 14 years after the passage of the Social Security Act before we finally convinced all the States that Indian people were eligible for those programs.

Mr. MCKAY. Did I hear you indicate there were BIA funds going into there in addition to States where that existed?

Mr. BUTLER. No.

Mr. MCKAY. What other States are in the same condition as her State?

Mr. BUTLER. Oregon, California, the rest of Minnesota, other than Red Lake; Michigan, New York, Kansas, Wisconsin.

Mr. MCKAY. This is based on the fact they are Federal lands, or BIA lands?

Mr. BUTLER. In these other States?

Mr. MCKAY. Yes.

Mr. BUTLER. There are considerable Indian lands in the State of Washington. I would suggest the State of Washington is perhaps one of the leaders in terms of the acreage of trust lands that are nontaxable. There are smaller amounts. Kansas has a very small percentage of trust lands. Minnesota. The Lower Sioux Reservations are very small.

I think, too, Madam Chairman, there is also a distinct difference that can be generalized here, and that is in the States of Washington, for example, and Oregon: These general assistance programs are financed at the State level whereas in other locations, such as South Dakota and Nebraska, they are largely financed percentagewise from local county funds, which does create a different tax structure.

Mr. MCKAY. How much do you give to the Navajos, for example, in the State of Utah?

Mr. BUTLER. The State of Utah, sir, is like the State of Washington. They provide the assistance for those people there.

Mrs. HANSEN. As well as the State of Colorado.

Mr. BUTLER. That is right. We provide no welfare assistance to those Indians residing in Colorado.

Mr. MCKAY. There is considerable land in the State of Utah which was made nontaxable. About 70 percent of the State is nontaxable.

Mrs. HANSEN. Do you mean to say there is no additional need in child welfare, or miscellaneous assistance?

Mr. BUTLER. No, Madam Chairman, at present there is no indication of additional needs in child welfare, largely because of the ASDC foster care program of HEW. They have picked up the increase, so it is sort of balanced.

SOCIAL SERVICE PROGRAM

Mrs. HANSEN. Social services is in the same category. Is this the same kind of explanation?

Mr. BUTLER. Yes, ma'am. We have found no real need. The social services line item of the budget is largely the salaries and administrative costs of the social service staff that administer all of the other three programs. If you will note, we do have a decrease of two positions there, Madam Chairman. One of those is the Quinault contract, which we have now. They have employed their own social worker. That will be a decrease. The other is the contractual arrangement with the Seminole Tribe.

Mrs. HANSEN. Is the social worker's salary within the terms of the contract?

Mr. BUTLER. Within the terms of the contract, yes, ma'am.

FURTHER DISCUSSION OF JOHNSON-O'MALLEY

Mr. VEYSEY. I would like to get back to Johnson-O'Malley. I am disturbed by what I think I see here with regard to the Johnson-O'Malley program, again for this year. I have been struck with the inequity in that program and the deficiency of the program in dealing with the needs of Indian education, and particularly the strange ways the funds seem to be distributed with respect to the several States.

Now, I thought we had understood from earlier conversations that a funny thing happened in California a few years ago, which sort of wiped out our Johnson-O'Malley basis. It has been built back a little bit, and I see it is in for the same amount, $350,000—am I reading the figures correctly?

Mr. HAWKINS. That is correct, sir.

Mr. VEYSEY. Can you explain why that is the fact?

JOHNSON-O'MALLEY FUNDING IN CALIFORNIA

Mr. HAWKINS. Yes, sir. The request for Johnson-O'Malley, in the constrained budget we are asking for this fiscal year 1974, is exactly the same as it was for fiscal year 1973. And the needs which are reflected by the requests of the various States, all show increases.

In our judgment, we don't feel that we can take away from one State to give California an increase. If there are other increases in the future, I would anticipate California would get a disproportionate share of increases in order to build back up to what California ought to have.

I would also point out that we do have to modify our regulations to permit the inclusion of California Indian children without regard to the presence of tax-free Indian land in the school district, which is now a problem in regard to California.

Mr. VEYSEY. Now, the Johnson-O'Malley law is very broad, very flexible. It gives you almost entire authority to do that program any way you want to, doesn't it?

Mr. HAWKINS. The law itself does; yes, sir.

JOHNSON-O'MALLEY REGULATIONS

Mr. VEYSEY. It is solely the regulations that brings about the discriminatory treatment, it seems to me, of some classes of Indian children. And unfortunately, some of those fall in California. We get, really, a very inadequate funding under that program.

Mrs. HANSEN. Why is this true, Mr. Hawkins?

Mr. HAWKINS. I think it harks back, Madam Chairman, to the fact that the Johnson-O'Malley regulations were drafted—the ones we are operating on at the present time—were drafted at a time in the early fifties when termination fever was at its height.

Mrs. HANSEN. Well, it isn't any more.

Mr. HAWKINS. No; it isn't. We are in the process of modifying those regulations, but one of the problems with modification of the regulations is to remove the necessity for tax-free Indian land, as a necessary qualifying factor for Johnson-O'Malley funds is the fact that if we keep the funds the same, we are going to have to have some kind of grandfather clause, if you will, in those regulations. We find that many tribal groups are very much against any change in the regulations if they see a diminution of the Johnson-O'Malley funds coming into their school district.

Mrs. HANSEN. You could increase the fund.

Mr. HAWKINS. I can't increase the funds.

Mrs. HANSEN. You could request an increase in the funds.

Mr. HAWKINS. That is a possibility.

Mr. VEYSEY. Let me get back to a letter I received from the State of California Department of Education in which they set forth the funding under the Johnson-O'Malley Act for the State of California since 1970. It is improved a bit, but he has projected for 1974, $385,000. He goes on further to say, "The California delegation, with support from Indian people, NEA, and other organizations, successfully procured supplemental appropriations of $1 million this year. It was a matter of considerable disappointment that California didn't receive a share of their funding"

INCREASED JOHNSON-O'MALLEY FUNDING IN FISCAL YEAR 1973 FOR CALIFORNIA

Mr. HAWKINS. It did receive a share of that funding. They received $100,000 increase of that million that was an add-on appropriation. They received $100,000, 10 percent of the total, and they received a disproportionate share in that respect.

I sympathize and agree. However, there were other Senators and Representatives from other States, who also worked on this, and I could not in good conscience recommend to the then Commissioner Bruce that California receive, say, half of it, even though California could well have used half of it.

Mr. VEYSEY. What percentage of the Indian children are in California? How do we do this? How do you decide the increase should be $100,000?

Mr. HAWKINS. The decision was made on the basis of the backlog of requests from the various States, rather than on a straight per capita basis. Again we have the problem these are supplemental funds

for special needs of Indian kids; and, as a result, since they are not an entitlement, we are not making an across-the-board distribution of so much per Indian child.

Mr. VEYSEY. I understand it is very irregular.

Mr. HAWKINS. That is correct. This is why it is so difficult.

Mr. VEYSEY. Madam Chairman, could I ask the BIA to submit for the record a table of the distribution of Johnson-O'Malley funds by State, the number of Indians in each of the States, and the per capita, per Indian distribution of the funds? Could you furnish that?

Mr. HAWKINS. On the basis of the present children?

Mr. VEYSEY. Yes; I suppose that would be the best way.

Mr. HAWKINS. All right.

[The information follows:]

JOHNSON-O'MALLEY FUNDING PER PUPIL, DISTRIBUTION BY STATE, FISCAL YEAR 1973

Area and State	Total funding	Number of students	Amount per pupil
Aberdeen:			
Nebraska	$673,000	1,683	$400
North Dakota	750,000	1,482	506
South Dakota	1,650,000	5,537	298
Albuquerque:			
Colorado	286,081	900	318
New Mexico	1,487,919	----------	----------
Anadarko: Kansas	80,000	235	340
Billings:			
Montana	1,080,000	7,248	149
Wyoming	135,000	1,047	129
Juneau: Alaska	4,859,000	7,919	610
Minneapolis:			
Minnesota	1,350,000	3,047	443
Wisconsin	460,000	1,559	295
Iowa	150,000	219	684
Michigan	120,000	580	207
Muskogee:			
Oklahoma	$2,125,000	12,269	$158
Mississippi	10,000	24	434
Navajo:			
New Mexico	2,000,000	12,270	163
Peripheral	2,105,000	----------	----------
Phoenix:			
Arizona	3,835,000	17,799	204
Nevada	245,000	3,141	78
Utah	10,000	50	200
Portland:			
Idaho	485,000	1,777	273
Washington	1,025,000	11,654	175
Oregon	71,000	877	81
Sacramento:			
California	350,000	2,318	151
Southeast: Florida	10,000	132	76
Total	25,352,000	93,767	259

Mr. VEYSEY. I think that would be very enlightening information to judge the nature of these sort of traditional distributions that have gotten into the system. It doesn't seem to me they are correct or right in any way.

Mrs. HANSEN. I was hoping there would be some way to have the Indian Education Act equalize it.

INDIAN EDUCATION ACT AS POSSIBLE REPLACEMENT FOR JOHNSON-O'MALLEY

Mr. VEYSEY. Unfortunately, the Indian Education Act wasn't drawn up that way. That does bring up a question as to whether the Indian Education Act could properly in the future replace the Johnson-O'Malley program, and we could wipe this out of BIA and put it elsewhere, and fund more fully the Indian Education Act. Would that accomplish your purposes?

Mr. HAWKINS. That would be one way of accomplishing it; yes, sir.

Mr. VEYSEY. Would that accomplish it in a better way?

Mr. HAWKINS. I don't know that I am prepared to say that. I think that you could——

Mrs. HANSEN. Please insert in the record a chart showing how many it would reach if the Indian Education Act replaced the Johnson-

O'Malley program; what is proposed in Indian Education Act and the Johnson-O'Malley funds as currently distributed.

[The information follows:]

JOHNSON-O'MALLEY FUNDING UNDER 3 ASSUMPTIONS

	Number eligible students	Amount distributed	Distribution per student
A. Johnson-O'Malley funds as distributed presently	93,767	$25,352,000	$259
B. If Indian Education Act replaces Johnson-O'M iley in fiscal year 1973	200,000	25,352,000	127
C. What is proposed in fiscal year 1974 for Indian Education Act and if it replaces Johnson-O'Mallhy in fiscal year 1974	210,000	25,352,000	121

REVISION OF JOHNSON-O'MALLEY REGULATIONS

Mr. VEYSEY. Did I understand you to say you are preparing new regulations for Johnson-O'Malley?

Mr. HAWKINS. Yes.

Mr. VEYSEY. When will those be available?

Mr. HAWKINS. They should be before Mr. Franklin for his review within the next 2 weeks. Depending upon his reaction to those proposed regulations, they could go into effect within the next 60 days, I would guess. They have to be published in the Federal Register for comment first.

Mr. VEYSEY. And these too, address themselves to the many inequities of the Johnson-O'Malley program as pointed out in the Senate report?

Mr. HAWKINS. Yes, sir. We would have modified the Johnson-O'Malley regulations much before now except with the passage of the Indian Education part of the Higher Education Act of last year and the seeming replacement of the Johnson-O'Malley program by that part A of that chapter, we felt we should wait and see what regulations OE would come out with and perhaps the whole business could be transferred over to OE. However, it appears they are not now going to request funding for it.

Mr. VEYSEY. They requested rescission of the $18 million that was appropriated last year. Office of Education requested it.

Mr. HAWKINS. Until something happens on that side, we think we are going to go ahead. I think we should go ahead and revise our own Johnson-O'Malley regulations and wait for that aspect to clarify itself.

Mrs. HANSEN. I would suspect there would have to be a discussion between the BIA and HEW on all the facets of Indian education act. What is intended to be supplemental to your Bureau schools, supplemental to the public schools, supplemental to construction of the public schools based on your studies, et cetera, before the matter will be very workable. Is that not correct?

Mr. HAWKINS. That is correct, Madam Chairman.

DIFFERENCES AMONG STATES IN PER PUPIL DISTRIBUTION OF JOHNSON-O'MALLEY FUNDS

Mr. VEYSEY. The Senate report underscored a lot of these problems. Alaska received $690 per pupil; Oklahoma $37 per pupil, according to these figures; Arizona $236 per pupil.

It just doesn't seem there is any visible way of really explaining these differences.

Mr. HAWKINS. Yes, sir; I think there is. Whether it is reasonable or not, there is an explanation. The explanation is that some of these States got out and hustled in the early years.

Mr. VEYSEY. Yes, they did, and I will tell you, they hustled you.

When I went on tour, working on the Indian Education Act years ago, we found that it appeared to us that many schools—say in Arizona, New Mexico and maybe other places, were definitely not abiding by the regulations in that they were using this Indian money not for the education of Indian children, but for the general support of the school system. That is and has been all along, I think, a violation of the law.

Mr. HAWKINS. We are very much aware of this and are having discussions with the State Department of Education in Arizona at the moment.

Mr. VEYSEY. I think you should have very serious discussions with them about money. They can put it where it belongs.

The school dropout rate of the Indian children is outrageous.

Mr. HAWKINS. I wouldn't place all of that blame on Johnson-O'Malley, but I would agree the performance under Johnson-O'Malley has not been the best record in the world at all.

Mr. VEYSEY. At least Johnson-O'Malley is not coping with the problem; has not coped with it.

Mrs. HANSEN. The committee will reconvene this hearing on May 14, 1973. Thank you.

MONDAY, MAY 14, 1973.

Mrs. HANSEN. The committee will come to order.

We will return to our discussion of your education program, Mr. Hawkins.

SCHOOL FUNDING REQUESTS

The committee has received numerous letters and numerous people have appeared before the committee in regard to increasing the BIA budget. We have received requests from many Montana people relative to school construction.

The Montana requests are as follows: Rocky Boy, $554,320; Lodge Grass, planning and design, $160,000; the Edgar School, $100,000; the Pryor School varies from $350,000 to $408,000; and the Busby School, $140,000.

The committee is confronted with these requests. This is just school requests in Montana. The whole Oklahoma delegation is interested in $500,000 for design of the Chilocco School and the Riverside School reconstruction, $7,506,000.

We have received a request for the St. Francis Indian School in South Dakota of $160,000. This is apparently for operations.

Mr. HAWKINS. Operations; yes, ma'am.

Mrs. HANSEN. In addition, we have received the following requests: computer-assisted education for the Pueblo Council, $377,281; Standing Rock Sioux in North Dakota, construction, $6,689,000; the Ramah Navajo School, construction, $4,720,000; and two schools on the Papago Reservation which totals about $13 million in construction funds.

The Chemawa people are interested in the immediate reconstruction of their facility due to the fact that a connecting link on the highway is being built. Mrs. Covington of the Colville Tribe appeared and did not want to reconstruct Chemawa at Chemawa but to move it to the Colville Indian Reservation.

We have received a request of $857,000 for the Cherokee High School which Senator Ervin has expressed an interest in.

We have also received a request for the community colleges, on the Pine Ridge and Rosebud Reservations, South Dakota, of $400,000. Mrs. Covington also wanted us to rebuild the St. Mary's School in Colville. I told her that it was unconstitutional in our State to build a parochial school. She said it was in the position of being transferred and I replied that it had to be completely transferred before our State could participate.

As you are well aware our State does provide construction funds for public schools regardless of where they are located. We had a request of $700,000 for Indian higher education. As I recall, this is for counseling in the college.

Mr. HAWKINS. That is right.

Mrs. HANSEN. To prevent dropouts.

We had a request for additional funds for the operation of the Navajo College, $600,000; a health facility, $750,000; and staff housing, $750,000.

We received a request from the Coalition of Indian Controlled School Boards to fund the Indian Education Act at the $70 million level.

As you are well aware, HEW requested no funds for this program in fiscal year 1974. Mr. Hawkins, this is kind of a summary of some of the requests the committee has received. I would like to have you comment on some of these proposals.

The Busby School has a $795,000 contract. According to my calculations that figures out to something like $2,652 per student for the 300 students who attend that school. They are asking for an additional $140,000. What is the cost per day per student in your boarding schools?

COSTS OF INDIAN SCHOOLS

Mr. HAWKINS. Could I answer that by giving you the cost per student per year. I think that would be a better yardstick.

Mrs. HANSEN. Yes.

Mr. HAWKINS. The average cost per student per year in our boarding schools is about $2,400 per student.

Mrs. HANSEN. What is the cost per day per pupil for the average public school in the United States?

Mr. HAWKINS. The average cost per year rather than per day for the average public school would be in the neighborhood of $900 to $1,000.

Mrs. HANSEN. What is the average cost per year per student for Indian day schools?

Mr. HAWKINS. In our Indian day schools it is about $1,600 per year per student.

BUSBY, MONT., SCHOOL REQUEST

Mrs. HANSEN. Please explain the $2,652 per student for the Busby school?

Mr. HAWKINS. Busby is a boarding school.

Mrs. HANSEN. I thought they said it was a day school.

Mr. HAWKINS. It is a boarding school. They have some day students from the immediate vicinity but it is also a boarding school. We have three rather substantial dormitories there.

Mrs. HANSEN. The Busby people want three additional teaching positions which totals $31,161.

They want increased benefits over the 1973 projection, provisions for substitute teachers and aides, nonprofessional bureau staff increases, and inservice training increases.

That item totals $64,834.

They want additional funds to support a breakfast program, $14,000.

If it is a boarding school why do you have a breakfast program?

Mr. HAWKINS. It must be for day students.

Mrs. HANSEN. Don't you participate in——

Mr. HAWKINS. Yes, indeed; we participate with the U.S. Department of Agriculture and their programs.

Mrs. HANSEN. They also want $200 for text materials in secondary vocational, and an additional $300 for expansion of vocational curriculum; part-time dish room help, $3,467; travel for parent coordinator $500; school board operational expenses $2,500; art teacher, $8,330; PE teacher, $10,294; and a bus driver/steward, $5,170.

Mr. HAWKINS. It is very difficult to comment on those details, Mrs. Hansen, without more complete knowledge of that particular school.

Mrs. HANSEN. We are giving you the same knowledge that the committee has.

Mr. HAWKINS. I would like to suggest a possibility, Mrs. Hansen. If you would care to share copies of these requests we would be glad to make an analysis of each one of them and get it back to you as quickly as possible.

ROCKY BOY SCHOOL REQUEST

Mrs. HANSEN. Has the planning and design been completed for that Is the Rocky Boy School on a reservation?

Mr. HAWKINS. Right. That is in Montana.

Mrs. HANSEN. Has the planning and design been completed for that school?

Mr. HAWKINS. Yes, ma'am.

In fact, the Rocky Boy School is virtually complete and will be ready for occupation in September; that is, the new addition. Now, in addition to that there are some——

Mrs. HANSEN. This is for housing?

Mr. HAWKINS. Housing and some shelters for buses that they also need.

Mrs. HANSEN. $554,000?

Mr. HAWKINS. That is the amount that has been represented to me.

Mrs. HANSEN. Why didn't you include this amount in your budget?

Mr. HAWKINS. Because first of all it is a public school. It is not a BIA school and we have not been permitted to request funds for public school construction in our budget.

Mrs. HANSEN. But you have to face this issue sooner or later. I talked to Congressman Smith who is on the HEW Subcommittee about Public Law 815 funding. Of course, as you are well aware, Public Law 815 has not been funded so that the priorities go to the Indian reservations.

A great deal of the funds probably goes to the military facilities.

Mr. HAWKINS. And disaster reconstruction.

Mrs. HANSEN. And disaster.

So I think you are going to have to face the fact that the BIA is looked to for funding of public school construction. If this type of funding is to be provided, a budget amendment should be requested. I think we are reaching the time when you have to face this situation.

It has to be faced in one way, shape, or manner, either through Public Law 815 or through the BIA.

CHILOCCO SCHOOL

How many students do they have at Chilocco?

Mr. HAWKINS. At Chilocco this year they have had enrolled about 350 to 400, Mrs. Hansen.

Mrs. HANSEN. Is the school located in central Oklahoma?

Mr. HAWKINS. North-central Oklahoma?

Mrs. HANSEN. I am told the school facility is in a very poor condition.

Mr. HAWKINS. It is an old school and it does need reconstruction; yes, ma'am.

Mrs. HANSEN. But there is nothing in your budget for this facility?

Mr. HAWKINS. Not at this point. The main reason there has not been is that we have not until very recently made decisions regarding the future of Chilocco and this also had to be participated in by the school board.

Now we are firm on this as is the school board and we are prepared now to go ahead.

Mrs. HANSEN. What is going to be the total cost of construction?

Mr. HAWKINS. For 500 students what is the total cost? Approximately $11 million. This would be phased, of course.

Mrs. HANSEN. They are requesting $500,000 for design costs. Do you need that much to design the school?

Mr. HAWKINS. Yes; for a school of that size $500,000. This is about the cost, it is not, John?

Mr. CARMODY. Yes.

Mrs. HANSEN. Do you consider this a high priority item?

Mr. HAWKINS. Yes, ma'am, I do consider it a high priority item.

Mrs. HANSEN. Then why didn't you request funds for this facility in your budget?

Mr. HAWKINS. Because it has only become a high priority item since about the first of the year.

Mrs. HANSEN. Why did it only become a high priority item the first of the year?

Mr. HAWKINS. Because at this point the decisions were made regarding the future enrollment and the future shape of the program. Up until then we didn't know really nor did the school board what the future of Chilocco would be.

Mrs. HANSEN. There are no reservations in Oklahoma?

Mr. HAWKINS. That is right.

Mrs. HANSEN. Is this a public school?

Mr. HAWKINS. No; this is a BIA boarding school, a so-called off-reservation boarding school, although because it is in an Indian area I have never regarded it as a true offreservation school.

Mrs. HANSEN. Where do your students come from? Are they all Oklahomans?

Mr. HAWKINS. No; about two-thirds are Oklahomans and the others are primarily from Montana, Wyoming, and some of the Northern States.

Mrs. HANSEN. Do you have any from the Far West?

Mr. HAWKINS. I think Chilocco may have two or three from the Northwest at the moment.

ALLOCATING STUDENTS TO BOARDING SCHOOLS

Mrs. HANSEN. What is your rationale for allocating students to your various boarding schools?

Mr. HAWKINS. In the past we have generally left it to the area offices to determine where the best opportunities for the children that they had who needed boarding care might be. I am in the process of recommending areas for each of the boarding schools with the idea that we confine attendance to primarily the local area.

Mrs. HANSEN. I think it makes sense from the standpoint of costs in transportation as well as the necessity for the youngsters to have some kind of rapport with their home.

Mr. HAWKINS. That is right.

Mrs. HANSEN. It doesn't make sense to send somebody from the Makah Tribe to Oklahoma when actually you have some boarding facilities in Montana or Arizona.

Mr. HAWKINS. That is right. The primary reason, the historical reason, why this occurred was during the great press during the 1950's to get all the Navajo kids in school. You remember that Chemawa one time was almost completely Navajo.

Mrs. HANSEN. Yes.

Mr. HAWKINS. At that time we sent Navajo kids to Oklahoma and to many other places, too. Now that they have built facilities on the Navajo Reservation the kids have been drawn back and this has permitted other children to fill some of these spaces. No one has ever really taken a look at where the kids are coming from until just this past winter. Now that we find a fair amount is being spent for transportation and a number are attending out of their home areas——

Mrs. HANSEN. This committee for the past 10 years to my knowledge has been reminding you of the transportation costs. You have had the boarding school problem since I have been a member of this committee.

Mr. HAWKINS. That is correct.

Mrs. HANSEN. I assume you had the same problem long before I became a member of this committee.

Mr. HAWKINS. I think that only fairly recently, within the last year or so, have facilities opened up in the ways that would permit us—for instance with the Alaskan kids returning to Alaska there shouldn't be any reason for any kids leaving the Northwest. They should go to Chemawa, of course.

ROCKY BOY SCHOOL

Mrs. HANSEN. How high on the priority list is the Rocky Boy school?

Mr. HAWKINS. Rocky Boy is a public school.

Mrs. HANSEN. You tell those people one thing and then you tell the committee another.

Mr. HAWKINS. No. In terms of providing for the operation of Rocky Boy and since they received the add-on for the extra rooms, I would guess in terms of priorities if they are going to operate the school they are going to have to have some teacher housing and I would guess it would be a pretty high priority.

Mr. SYKES. That is in the $554,000 add-on.

Mr. HAWKINS. That is right.

Mr. SYKES. Which will be released in July and will give them the teacher housing they request.

Mrs. HANSEN. So there will be some funds released?

Mr. SYKES. Yes, ma'am.

Mr. HAWKINS. The committee has already appropriated.

Mrs. HANSEN. I was aware of that but the committee doesn't seem to have much jurisdiction with the Office of Management and Budget.

LODGE GRASS SCHOOL

Mr. HAWKINS. I prefer not to comment on that.

Mrs. HANSEN. You don't have to comment. The committee can comment.

We have received a request of $160,000 for planning and design for the Lodge Grass School. This will eventually lead to construction costs of $2.2 million. Is this about correct?

Mr. HAWKINS. Lodge Grass is a public school and I don't know what the details of either the design or the construction might be.

It has 75-percent Indian enrollment. The present facilities are in very poor condition and the plan is for kindergarten through 12th grade for 400 elementary and 150 high school kids for a total of 550 children. Again this is a public school and we are in the process, as you know, of developing criteria for you which will be available by the end of June as a result of the study which you authorized.

Mrs. HANSEN. Why couldn't this be available by the 1st of June?

Mr. HAWKINS. The contractor didn't think he could make it by then. We will push him on it, Madam Chairman.

MONTANA PUBLIC SCHOOL CONSTRUCTION REQUESTS

Mrs. HANSEN. You have listed Box Elder, Browning, Edgar, Elmo, Frazer, Heart Butte, Lodge Grass and Pryor. These are all Montana public school districts with high impact.

Mr. HAWKINS. That is right.

Mrs. HANSEN. What is your solution going to be in regard to the fundings of these schools?

Mr. HAWKINS. I think, Madam Chairman, the solution is going to have to be inevitably some special legislation, perhaps something like the bill introduced by Senator Jackson which provides for a construction authorization to the Secretary of the Interior for public schools enrolling large numbers of Indian kids.

Mrs. HANSEN. That doesn't solve the current problem.

Mr. HAWKINS. No, ma'am, it does not.

Mrs. HANSEN. They say they have an inadequate tax base, which I assume is because this is on the reservation.

Mr. HAWKINS. That is right.

Mrs. HANSEN. I don't think there is even a sales tax, levied on the reservation?

Mr. HAWKINS. I believe that is correct.

Mrs. HANSEN. So there is no tax base for construction. I discovered that the State of Montana only allows 5 percent, I think, for bonding. Isn't that correct, 5 percent of assessed value?

Mr. HAWKINS. Yes, that is correct. I can supply the assessed value for the record.

[The information follows:]

The assessed valuation for Lame Deer School District 6 is as follows:

Assessed evaluation	$872,221
Taxable evaluation	194,993
Outstanding bonded indebtedness as of May 1973	0
Bonding capacity	43,611

Mrs. HANSEN. Apparently the State of Montana has no overall school construction funds like most States.

Mr. HAWKINS. Right.

Yes, I believe that is correct.

Mrs. HANSEN. What is your priority for the Lodge Grass School?

Mr. HAWKINS. Without making an analysis of all of the requests that you have had, Madam Chairman, I certainly couldn't give you a priority off the top of my head.

Mrs. HANSEN. Well, you have in your own report Lodge Grass, "when needed" and it says "now."

Mr. HAWKINS. That is right. It is an old facility. The trouble is there are a lot of other old facilities, too.

EDGAR, MONT., PUBLIC SCHOOL

Mrs. HANSEN. I discovered you must have nothing but old facilities.

The Edgar School in Montana is requesting $100,000 for planning.

Mr. HAWKINS. That is right. Edgar is a smaller school than Lodge Grass and they have been in contact with us during the past year. They have come in and discussed their problems.

Mrs. HANSEN. Is it as high priority as Lodge Grass?

Mr. HAWKINS. John, would you care to comment?

Mr. CARMODY. As far as we know according to the area it is not as high a priority as Lodge Grass.

Mrs. HANSEN. Why?

Mr. HAWKINS. The facility apparently is smaller so it doesn't affect as many children and it is in somewhat better shape than the Lodge Grass School.

Mrs. HANSEN. The main high school at Edgar is over 50 years old and built of wood. The main floor is a half flight up from the ground, et cetera.

Mr. HAWKINS. One point we would like to make on Edgar, which is different from Lodge Grass, is that it is not directly on the reservation. It is on the edge of the reservation and it does have——

Mrs. HANSEN. It is on the western edge of the reservation.

Mr. HAWKINS. Yes; and it does have some assessed valuation which has not yet been used up for construction whereas Lodge Grass is on the reservation and does not have assessed valuation.

Mrs. HANSEN [reading]:

The total assessed valuation of the high school district is $3,433,560 in 1973. The taxable valuation of the same school district is $1,016,609 in 1973.

Your Pryor area students apparently go to high school in Edgar.

Mr. HAWKINS. I believe that is correct, yes.

Mrs. HANSEN. They are in different counties and different school districts.

POSSIBLE CONSOLIDATION OF EDGAR AND PRYOR SCHOOL DISTRICTS

Mr. HAWKINS. Yes. One of the things that has been suggested is a possible consolidation of those two school districts which would give them a higher assessed valuation and an opportunity to perhaps achieve a more effective program.

Mrs. HANSEN. Their statement states:

Even if Edgar and Pryor joined in a single school district there would still be insufficient bonding capacity to fund a new high school building. This condition exists because of the almost totally nontaxable land lying within the Crow Indian Reservation boundaries. The only State source of funds for building school buildings in the State of Montana is through a tax levy on local property. It would require approximately $1,300,000 for land acquisition, site development, architect's fees, and constructing and furnishing a modern high school building of the size required.

Total bonding capacity for school districts in the State of Montana is 5 percent of the assessed value of property in that school district. If the electors of the Edgar High School District were to vote to raise the full legal amount, they could raise only $171,678 toward a new building. The taxable valuation of Edgar High School District No. 4 is such that it would require approximately an additional (20) mills per year, on local property, for 20 years to repay even $171,678.

You say they have not used any of their assessed valuation?

Mr. HAWKINS. No; I don't say they haven't used any of theirs but the area office has told us that they feel that they have not yet finished pursuing all of the avenues open to them.

I would not deny that Edgar needs a new school and alone cannot build it. It is going to have to have some help when the time comes.

BROCKTON, MONT., PUBLIC SCHOOL

Mrs. HANSEN. Brockton School on the Fort Peck Reservation in Montana is requesting $1.3 million which I assume must be construction.

Mr. HAWKINS. I am certain it must be. Yes.

Mrs. HANSEN. Is the planning complete?

Mr. HAWKINS. No, the planning has not been done.

Mrs. HANSEN. No planning or design?

Mr. HAWKINS. No.

Mrs. HANSEN. What would be the amount for planning and design?

Mr. HAWKINS. The amount needed for that, from the information we have, indicates $70,000. This is a much smaller school. It is 100——

Mrs. HANSEN. This is a day school?

Mr. HAWKINS. Day school and it is 165 elementary to 8——

Mrs. HANSEN. How old is their present school?

Mr. HAWKINS. I don't have the information, Madam Chairman.

Mrs. HANSEN. One of their statements was that it was hard to attract teachers into this area.

Mr. HAWKINS. That, Madam Chairman, I think, if I remember correctly, there was $70,000 added in the last appropriation and that, too, has not yet been released. It has been deferred until the first of July. So that the money will be available——

Mrs. HANSEN. So that actually this money could not be spent until the planning and design is complete?

Mr. HAWKINS. That is correct.

LAME DEER, MONT., PUBLIC ELEMENTARY SCHOOL

Mrs. HANSEN. The committee has received a request of $500,000 for the Lame Deer School to improve the present educational facility.

Mr. HAWKINS. Lame Deer again is a public school.

Mrs. HANSEN. They want to construct nine additional classrooms, complete kitchen and cafeteria facilities, playground improvement, and four additional teachers.

Mr. HAWKINS. That is the elementary school which is the public school. You may recall that an item was justified in the last or maybe the appropriation before the last one for the design of a high school for Northern Cheyenne which has not yet been started primarily because the people of Northern Cheyenne had not yet decided where the high school should go.

But the elementary school is overcrowded and they do need additional facilities.

Mrs. HANSEN. Is the design complete?

Mr. HAWKINS. It will take care of the design and the construction. It is a package deal.

Mrs. HANSEN. $500,000?

Mr. HAWKINS. Yes, ma'am. Actually not much design has to go in since all they are doing is adding the teacherages and classrooms.

Mrs. HANSEN. How high on the priority list is the Lame Deer School?

Mr. HAWKINS. Considering the overcrowding at that particular location I would have to give it a high mark again, Madam Chairman.

Mrs. HANSEN. It isn't on your Montana list as a major Indian impact district.

Mr. HAWKINS. It certainly should have been.

Mrs. HANSEN. But it is not on this list.

Mr. HAWKINS. Is it listed under something else?

Mr. CARMODY. No; it should be Lame Deer.

Mr. HAWKINS. We will have to look that up, Madam Chairman.

[The information follows:]

LAME DEER ELEMENTARY PUBLIC SCHOOL MAJOR IMPACT DISTRICT STATUS

The Lame Deer Elementary Public School had not submitted information in time to be a part of the planning report. It will be a part of the final report.

Mr. CARMODY. There were a few of them that didn't get their reports in in time for this preliminary report, I think five or six that didn't get them in.

Mr. HAWKINS. Maybe that is the reason.

Mr. SYKES. I was just reminding Jim that Lame Deer was an attempted add-on of $320,000 last year on the Senate side but it was knocked out in conference. It didn't survive the conference.

Mrs. HANSEN. I am well aware of that. The committee received a preponderance of request from Montana last year. How many students attend the Lame Deer School?

Mr. HAWKINS. I believe the total elementary population at that particular school is in the neighborhood of 500 but I will have to check that out to make certain, Madam Chairman.

[The information follows:]

Lame Deer Elementary Public School enrollment school year 1972–73

Indian	296
Non-Indian	62
Total number of students	358

BUSBY SCHOOL

Mrs. HANSEN. As I stated earlier the Busby school is requesting $140,000 for those items I listed earlier. Are those items of as high priority as the planning and design and construction of these other schools?

Mr. HAWKINS. No, Madam Chairman, I can't give them as high a priority. I feel that while there may be some needed changes at Busby——

Mrs. HANSEN. Such as?

Mr. HAWKINS. Well, some of the things they indicate they need they may well need but I am not convinced that within their present budget there is not some room for adjustment at that level of funding per student.

Mrs. HANSEN. Couldn't they rethink their present budget?

Mr. HAWKINS. Yes, ma'am, they have every opportunity to do that.

Mrs. HANSEN. They say they need another junior high teacher, an art teacher, a bilinguist teacher, plus the fringe benefits. They also want one girls' physical education teacher. I would think it would be possible to combine the girls' physical education with one of the other teachers. Isn't that possible?

Mr. HAWKINS. I would think that that would certainly be possible.

Mrs. HANSEN. And you said they have a breakfast program——

Mr. HAWKINS. I believe they do. I will certainly check that out and make certain that they do.

[The information follows:]

BREAKFAST PROGRAM AT BUSBY, MONT., CONTRACT SCHOOL

The school at Busby enrolls both day and boarding students. There are boarding facilities to accommodate up to 120 students. The balance are attending as day students. Presently, the kindergarten through third grade day pupils are provided a nutritious breakfast through funding from the Follow Through program. The 4th through 12th grade day students are provided breakfast through program savings where possible. It is intended to provide full funding in fiscal year 1974 for the approximately 200 to 250 day students on a regular basis. This would cost an estimated $14,000.

EDUCATIONAL COORDINATOR PROGRAM

Mrs. HANSEN. What is your comment on the travel for a parent coordinator?

Mr. HAWKINS. Well, you will recall that this commitee appropriated something like $750,000 two years ago for home-school coordinators.

Mrs. HANSEN. That is correct.

Mr. HAWKINS. And this person is being paid out of those funds on a continuing year-to-year basis. My understanding is that out of a total amount allocated to the Billings area for this purpose that they would be willing to consider requests for the Billings area for adjustment within the total amount appropriated for this purpose.

I think there is no question but what the home-school coordinator——

Mrs. HANSEN. This item is still in your budget for this year?

Mr. HAWKINS. Yes.

Mrs. HANSEN. It has been very useful.

Mr. HAWKINS. A very useful thing. It has done a marvelous job in my estimation.

Mrs. HANSEN. Wouldn't it be better instead of allocating to this one district, if it were necessary to have additional funds, to allocate to the overall budget and provide total adjustment within the areas?

Mr. HAWKINS. Yes I would certainly urge that, Madam Chairman.

INDIAN SCHOOL BOARD TRAINING FUNDS

Mrs. HANSEN. How much is in the budget this year for school board training programs?

Mr. HAWKINS. This is an item which is taken care of at the area level as well as the national level and I can't give you a total amount. My best estimate would be that for school board training the total for the Bureau for this year would be in the neighborhood of $100,000.

Mrs. HANSEN. Why would this one school board request operational expenses?

ADMINISTRATIVE COSTS

Many of the Indian groups have informed me that when you let a contract with the Indian people, be it a school or whatever, that you are not providing the same overhead as is provided in the BIA budget.

That may be part of the problem. Will you please discuss this matter?

Mr. HAWKINS. Yes, Madam Chairman.

I think there is no question but when a school is contracted for, and in fact even a BIA operated school such as Chemawa which has a school board to function with, that funds must be provided to assist them in operations.

Mrs. HANSEN. I don't think it is particularly fair to approve a contract and expect them to do the same kind of supervision and assume the same type of responsibility when the operating costs aren't provided.

Mr. HAWKINS. That is right and I think, Madam Chairman, that if you review the before and after costs of each one of the contract schools you will find that every one of them is higher than when the BIA operated them and in part this high cost is due to administrative cost.

Mrs. HANSEN. I understand at Busby you are operating a school and that they are having difficulties.

Mr. HAWKINS. That is entirely correct. They have justified additional money for this purpose.

Mrs. HANSEN. You could do that within——

Mr. HAWKINS. Indeed we could.

AUDITS OF INDIAN CONTRACT SCHOOL OPERATIONS

Mrs. HANSEN. Can you tell me if you have audited these funds to see what their school board operation expenses are at Busby?

Mr. HAWKINS. No, we have not audited them per se. We have done a program evaluation.

[Discussion off the record.]

Mrs. HANSEN. When I ask you about your school board operational expenses I want to know, if this amount is included in your contracts?

Mr. HAWKINS. Yes, ma'am, it is included as a specific line item.

Mrs. HANSEN. Why do they need additional funds?

Mr. HAWKINS. I don't really feel that very many of the school boards need more unless there are exceptional reasons and I am not aware of any at Busby.

Mrs. HANSEN. So you don't think that the Busby School needs——

Mr. HAWKINS. I think that within the total program and the funds that are available for the Billings area adjustments can be made.

Mrs. HANSEN. But it would be better to increase the counselor relationship overall and distribute it rather than doing it on that basis?

Mr. HAWKINS. Yes, ma'am.

CHEROKEE HIGH SCHOOL

Mrs. HANSEN. We have received a request of $857,000 for the Cherokee High School in North Carolina.

This is to complete the interior facilities, including the athletic fields, play areas, and paved parking lots.

Mr. HAWKINS. There is no question but what that is a high priority.

Mrs. HANSEN. Why didn't you include this item in your budget?

Mr. HAWKINS. Because the school is only now being constructed and I believe at the time we came in with the budget we weren't sure of how much additional money would be required to finish it up.

Mrs. HANSEN. Is this the correct amount?

Mr. HAWKINS. That is the correct amount; yes, Madam Chairman.

Mrs. HANSEN. What would this provide?

Mr. CARMODY. Parking lots, football, baseball, athletic fields, all outside, and finish up the landscaping around the building itself.

Mrs. HANSEN. When will the construction be finished on that school?

Mr. HAWKINS. The nearest estimate seems to indicate that construction will be finished next December. I believe that is correct.

Mr. CARMODY. Yes.

Mrs. HANSEN. So actually you wouldn't be in a position to do this work until after the completion of construction. Is this correct?

Mr. CARMODY. Some of it could be done concurrently.

Mrs. HANSEN. How much?

Mr. CARMODY. I would guess at least half of it would be done concurrently, the construction of the athletic field, for instance, could be done at the same time.

Certainly the final landscaping and probably the paving of the parking areas would have to wait.

Mrs. HANSEN. There is no use having construction equipment going over these areas.

Mr. CARMODY. No.

RIVERSIDE, OKLA., SCHOOL CONSTRUCTION REQUEST

Mrs. HANSEN. We also have a request of $7,506,000 for the Riverside School which is in Oklahoma. Congressman Steed is very interested in this facility. How many students attend Riverside and what is the condition of the school?

Mr. HAWKINS. The Riverside School is a BIA boarding school at Anadarko, Okla. It is a school which enrolls about 400 to 500 Indian children, half of whom come from Oklahoma and about half from outside.

Mrs. HANSEN. Where do these students come from?

Mr. HAWKINS. Some from the Navajo, the Southwest, and——

Mrs. HANSEN. Are you developing sufficient schools in the Navajo area to take care of all the Navajos?

Mr. HAWKINS. Yes, Madam Chairman, we are.

Mrs. HANSEN. Then what will you use these 200 spaces for?

Mr. HAWKINS. That space would not be used unless there was a need shown from within Oklahoma. Our hope is that this school and the schools in Oklahoma can take care of the children within that general geographic area.

Mrs. HANSEN. Do your Oklahoma children attend schools anyplace else at the present time?

Mr. HAWKINS. At the present time no, unless they are going to post-secondary schools like Haskell.

Mrs. HANSEN. Will there be a continuing need for a 400-student school?

Mr. HAWKINS. We feel that this will need analysis and this is not a high-priority item at the present time for us. There are currently 350 students from Oklahoma in the school and we don't really envision a school much larger than that in the future for Riverside but our analysis has not yet been completed.

Mrs. HANSEN. Do you foresee that Riverside will continue its operations indefinitely?

Mr. HAWKINS. I would not want to predict that, Madam Chairman.

FUTURE OF BOARDING SCHOOLS IN OKLAHOMA

Mrs. HANSEN. What are you going to propose?

Mr. HAWKINS. I don't know the answer to that yet but we have not yet decided about what ought to happen to all of the schools in Oklahoma.

Mrs. HANSEN. But you do admit Chilocco will be operated in the future?

Mr. HAWKINS. Yes, Chilocco will be a school in the future.

Mrs. HANSEN. What do you propose to do with the Riverside school?

Mr. HAWKINS. I think that depends on the total need for Indian children in that area, Madam Chairman.

Mrs. HANSEN. This is a boarding school?

Mr. HAWKINS. That is right and we have not yet completed our needs assessment for Oklahoma.

Mrs. HANSEN. The committee has received this statement:

The Riverside Indian School in attempting to meet the wide and diversified needs of its population has saturated its buildings and curriculum to the point that no further addition of program or student body is possible.

We are in dire need of two new 128-pupil dormitories to replace Kiowa Lodge as soon as possible.

They have accused the BIA of wanting to place all the school facilities in Oklahoma City.

Mr. HAWKINS. No, ma'am, we have no plans for any school facilities in Oklahoma City but the area office just does not have Riverside as a high priority in its planning.

CONDITION OF RIVERSIDE SCHOOL DORMITORIES

Mrs. HANSEN. I am sure you know the problem that faces the committee. How old are the Riverside dormitories?

Mr. HAWKINS. They vary in age, Madam Chairman. Some are 30 and 40 years old and there are some cottage-type dormitories that are considerably newer than that, but the ones that they wish to replace, there is no question, but what they are old dormitories.

Mrs. HANSEN. Will the 200 students that are occupying these dormitories be moved out this year?

Mr. HAWKINS. No, ma'am, they will not. I would guess they will probably be phased out over the next 5 years as facilities become available in their home areas.

Mrs. HANSEN. They claim that these dormitories are fire hazards.

Mr. CARMODY. They meet the safety standards. They are just old.

Mr. EVANS. You said the age of these buildings was what?

Mr. HAWKINS. Thirty to forty years old.

Mr. EVANS. What are they made of?

Mr. HAWKINS. They are made of stone, local stone.

Mr. EVANS. And they are only lasting 30 or 40 years?

Mr. HAWKINS. Well, of course, in that period of time they have gotten a lot of use.

LEVEL OF SCHOOL MAINTENANCE

Mrs. HANSEN. Maintenance hasn't always been adequate through the years. This is what I have warned the BIA about over the years. If you don't provide adequate maintenance funds and defer maintenance you eventually have to construct a new facility which is a lot more expensive than providing maintenance each year.

Mr. HAWKINS. That is correct.

Mrs. HANSEN. If you are going to have a facility that is going to last 50 years you have to take care of it and you can't provide a makeshift type of maintenance program that has been prevalent through the Government in many of the agencies for years.

Mr. HAWKINS. That is right.

Mrs. HANSEN. It is pennywise and pound foolish.

Mr. YATES. Why do you do it? No funds?

Mr. HAWKINS. That is a major problem. When you get into a funding squeeze between the operation of a facility and the maintenance of it the operation almost always supersedes the maintenance. The rationale is we can always defer the maintenance 1 more year.

Mrs. HANSEN. Isn't maintenance an integral part of an operation?

Mr. HAWKINS. It should be, Madam Chairman.

Mrs. HANSEN. There is one agency which hasn't painted their buildings and now they find themselves with the necessity of reconstruction. They would not have had this reconstruction cost if they had properly maintained their buildings.

Mr. HAWKINS. I am sure that is correct.

Mrs. HANSEN. So a few thousand dollars a year for maintenance would have saved a major construction cost, particularly at a time when construction costs have escalated.

Please provide for the record a summary of the time frame for these Navajo youngsters returning to Navajo schools.

Mr. HAWKINS. All right.

Mrs. HANSEN. Also the other tribes.

Mr. HAWKINS. And other tribes also.

[The information follows:]

NAVAJO AND OTHER OUT-OF-STATE TRIBAL STUDENTS IN OKLAHOMA BOARDING SCHOOLS

Year	Navajo students	Other out-of-State students	Total out-of-State
1960	770	347	1,117
1964	683	551	1,234
1968	484	1,099	1,583
1972	34	782	816
1974	0	782	782

Mrs. HANSEN. How many other tribes do you have at Riverside?

Mr. HAWKINS. I think there must be a dozen or more, Madam Chairman. Some from, as I said, in Chilocco from Montana, from the Dakotas, a very few from the Northwest. I think we may even have a couple of Alaskans down there still.

Mrs. HANSEN. Why don't you have all the Alaskan students together at Chemawa?

Mr. HAWKINS. Again, this is a hangover from the days when Chemawa couldn't take all the Alaskans.

Mrs. HANSEN. But the BIA has been told for the last 6 years to reduce these excessive transportation costs and to place your students in the nearest possible schools.

Mr. HAWKINS. We have been doing that in a phased period and I think the last two Alaskans are seniors now and will graduate this June.

Mr. MCKAY. Madam Chairman, will you yield?

Mrs. HANSEN. Surely.

Mr. MCKAY. You indicate the program is to take the kids from the boarding schools, move them back closer to the reservation or to their people. You are speaking strictly of primary and secondary schools?

Mr. HAWKINS. That is correct.

SOUTH DAKOTA COMMUNITY COLLEGES

Mrs. HANSEN. The committee has received another request of $400,000 for community colleges at Pine Ridge and Rosebud Reservations, S. Dak. Congressman Abdnor has written in this regard. He states:

> As you may well know, in my State of South Dakota there exists two community colleges serving Pine Ridge and Rosebud Reservations. The BIA funds these schools and has $225,000 obligated in the 1974 budget. Why has the BIA requested such a small sum? Have the colleges failed? Has enrollment dropped over the years? Is not education an important part of developing Indian self-determination? Would an increased appropriation to these two colleges help avert future Wounded Knees? I strongly believe that without an additional $400,000 these two community colleges will not be able to upgrade their student services, such as counseling and remedial work and expanding structural offering.

Would you kindly explain to me has the enrollment dropped?

Mr. HAWKINS. No, ma'am.

Mrs. HANSEN. Has it increased?

Mr. HAWKINS. It will increase. I am sure they will have more applications than they can take care of this next year.

Mrs. HANSEN. Why didn't you reflect a larger——

Mr. HAWKINS. Within the limited funding we did not feel that we could take funds from student scholarships to put into the operation of these particular colleges, until we know the amount of money that may be available from the U.S. Office of Education for these basic educational opportunity grants.

Mrs. HANSEN. Would the U.S. Office of Education's Indian education program be able to participate in this program?

Mr. HAWKINS. No, ma'am.

Mrs. HANSEN. How do you expect the Office of Education then to assist you?

BASIC OPPORTUNITY GRANTS FOR HIGHER EDUCATION

Mr. HAWKINS. The way I expect the U.S. Office of Education to help is through their higher education program to make basic education opportunity grants available for all Indian children as well as other needy children, that is based on need. Almost all of our students would qualify for this basic educational opportunity.

Mrs. HANSEN. How much is available?

Mr. HAWKINS. The best information that we have at this point seems to indicate that a relatively small amount has been appropriated, and that somewhat between $100 and $150 per student will be available, which is not enough to take care of the need.

Mrs. HANSEN. I would guess not. Then you will have these BIA supported community colleges.

Mr. HAWKINS. That is right.

Mrs. HANSEN. Does anybody else participate in their funding?

Mr. HAWKINS. At this point there may be some money or funding from the Department of Labor or for some manpower training programs, but apart from that there is not.

Mr. SYKES. Jim, wasn't the original agreement that when we helped them with their planning money that they would seek other funds. There would be other sources of funding that they could get to do this because these are not BIA schools obviously?

Mr. HAWKINS. That is right.

Mr. SYKES. We went through the process of getting actual legislation to help the Navajo community colleges?

ACCREDITATION OF SIOUX COMMUNITY COLLEGES

Mrs. HANSEN. These are two community colleges under the direct jurisdiction of the State of South Dakota. Is that correct?

Mr. HAWKINS. Yes. They are accredited through Black Hills State College.

Mrs. HANSEN. So it is actually a matter of the State of South Dakota providing funds for their own college facilities. Is this correct?

Mr. HAWKINS. I guess you could think of it that way since they are affiliated with Black Hills State. My understanding is they are not officially a part of the State university or college system.

Mrs. HANSEN. Why?

Mr. HAWKINS. I don't know whether they have not made application or whether they don't qualify for this.

Mr. YATES. What is the $150 per pupil for?

Mr. HAWKINS. The $150 has nothing to do directly with these two community colleges. This is a basic opportunity grant for all needy students who go to school anywhere in the United States, black, white, red, or whatever. This was part of that massive education provision passed in the last session of Congress. The amount of money that has been appropriated is fairly small for that purpose for this next year. The legislation provided for a maximum of $1,400 per student, or one-half of the costs of going to the college of his choice, whichever was less. It was estimated that something like $1,200,000 would be required for that total $1,400 per student.

The amount requested by the administration would have provided about $800 per student. As I recall, it was a $900 million request that the administration made. The amount that was appropriated for this purpose was in the neighborhood of $150 million.

Mr. YATES. Appropriated out of the Department of Health, Education, and Welfare funds?

Mr. HAWKINS. Yes, sir.

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BIA COLLEGE SCHOLARSHIPS

Mrs. HANSEN. What is your total budget this year for BIA scholarships?

Mr. HAWKINS. $19,950,000, Madam Chairman.

Mrs. HANSEN. How many scholarships will that furnish?

Mr. HAWKINS. 13,500 scholarships.

Mrs. HANSEN. Actually proportionately the BIA program is a far better program?

Mr. HAWKINS. Yes, ma'am. Our average grant is about $1,400.

ASSISTANCE TO SIOUX COMMUNITY COLLEGES

Mrs. HANSEN. What do you recommend to Congressman Abdnor on these community colleges? How much do you pay per student? Do you pay anything per student for the Indians attending these two colleges?

Mr. HAWKINS. We have paid, if you prorate it, we have done it in this way. We have paid $200,000 as a direct contract with each of the community colleges for operating purposes, and we provide $25,000 for each one as scholarship assistance to the students who go there.

Mrs. HANSEN. What does the State of South Dakota provide?

Mr. HAWKINS. I don't know, Madam Chairman.

Mrs. HANSEN. Do you want to insert in the record a complete summary of this situation?

Mr. HAWKINS. All right.

[The information follows:]

SITUATION AT THE ROSEBUD COMMUNITY COLLEGE

No financial aid is being received from the State of South Dakota on a regular basis. OEO has provided $27,500 for the past 2 years but no funds are anticipated in fiscal year 1974 from this source, and the college is not counting on any students receiving basic opportunity grants.

Enrollment has increased from 154 part-time students in the spring of 1971 to 456 students presently which includes 150 in graduate programs. In fiscal year 1974, the expected enrollment would be about 350 undergraduates with the graduate program being dropped.

The college received a $78,000 grant from the Ford Foundation to deve'op a library over a 2-year period ending this year. Without additional funding, this program is in jeopardy.

The college offers an associate of arts degree in five areas: Business, education, general studies, human services, and Lakota studies. There are no counselors and no financial aids office because of the lack of funds. Staff salaries have been reduced by 5 percent with no raise projected for next year. There is a need for staff in student services and the development office as well as in administration. Funds are needed for training and operating costs of the board of directors.

The college did receive $9,000 from the State of South Dakota to carry out its adult education program presently serving 380 adults geared only to the GED program. There is a need for a vocational education department if funds could be found.

Lakota studies should be a college strong point; however, there is presently a dearth of tapes, books, and other teaching materials and equipment for the Lakota studies. Also needed are more bilingual people on the Lakota studies staff. There is a need for funding in the information office.

The education department should be another strong point. Presently, the shortage of staff is critical. The mental health and special education components are in need of instructors.

Another critical need is for space and facilities in the various communities that can be identified as community learning centers or branches of the college, so to speak.

SITUATION AT THE PINE RIDGE COMMUNITY COLLEGE

The Bureau of Indian Affairs has fallen short of its expected funding goals over the past 2 years and, despite intentions to the contrary, the funding in fiscal year 1974 is projected to remain at the same level as the current year. Currently the total income amounts to $355,000 of which $225,000 is provided by the Bureau's higher education program, $70,000 from manpower programs, $30,000 from OEO and $30,000 from other sources. This funding provides for an enrollment of 535 of which 150 are GED students.

In fiscal year 1974, expected revenues total only $275,000 which includes $225,000 from BIA and $50,000 from foundations. The enrollment is expected to increase to 650 students including the GED students.

In the present 1972–73 academic year, the college has only two counselors for 535 enrollees.

Only approximately $20,000 exists to cover rent, utilities, and equipment. No full-time math and science teachers exist, and there is only one person for the language course. Furthermore, in spite of the needs for vocational programs on the reservation, the college has only one vocational instructor and must expand the vocational education department to meet the demand.

Other indications that the college is being stretched too thin in its capacity is evidenced in the adult education program with most of the adult education geared to GED only. In addition, with students prepared to graduate next year, there is no job placement office. We believe that the above is some indication of our present inadequate funding. In spite of the present funding level, the picture for next year looks worse. To date, the college has been very dependent on manpower subcontracts and OEO money. These programs are being phased out or taking severe cuts and as a result, the present anticipated budget is $80,000 less than this year. In spite of this fact, we expect an enrollment increase of at least 115 students. Unless additional money is made available, it is felt that the college will be unable to continue to provide the services expected. For this reason, the college requests a minimal additional funding appropriation of $200,000 to increase the per capita expenditure to $730. One of the critical needs is in student personnel services and financial aid personnel.

ST. FRANCIS INDIAN SCHOOL

Mrs. HANSEN. The St. Francis Indian School is requesting $160,000. Please discuss the situation at St. Francis.

Mr. HAWKINS. Yes, ma'am. St. Francis Indian School is a school which has been operated by one of the Roman Catholic orders in the past, and it has been undergoing a change from operation by that order to an Indian school board, and a proposal for operation as a contract school with the Bureau. It has never been either a public school or a BIA school.

Mrs. HANSEN. What is going to be its status? You might have somewhat of a constitutional problem.

Mr. HAWKINS. Yes. You have a problem depending on who is in control of the school. We are satisfied at the moment that it is an Indian school board that controls the school. Its status this year is $40,000 of supplemental funds have come from the BIA, and an amount I believe in the neighborhood of $300,000 has come from the Roman Catholic Church to help operate it. My understanding is that that basic amount is being cut this next year.

Mrs. HANSEN. You mean the Catholic Church?

Mr. HAWKINS. The Catholic Church amount.

Mrs. HANSEN. Why?

Mr. HAWKINS. Because of the lack of income apparently. They have made a proposal to us last year for the operation of that school

in the amount of $550,000. Our Aberdeen area office tells us that it was a good proposal and that everything else being equal, they would fund it, but this represents an addition to our budget, some 500 children and $550,000 that was not represented anywhere before.

Mrs. HANSEN. They are asking for $160,000.

Mr. HAWKINS. Apparently they figure that that is an amount which will see them through this next year with the contributions being made by the church.

LETTER FROM ST. FRANCIS SCHOOL BOARD

Mrs. HANSEN. They say:

The Indian controlled school board for St. Francis Indian School in South Dakota incorporated in 1970 after serving some years as an advisory committee. The reason for this move was to operate the school.

Mr. HAWKINS. Right.

Mrs. HANSEN [reading]:

It was not until the latter part of 1971, however, that the school board learned of the contract management procedure in the Bureau of Indian Affairs. This procedure would allow 500 Indian students to rightfully claim governmental educational services because of their status as tribal members. It is ironic that Rosebud Sioux tribal members who attended St. Francis Indian school since 1936 were eligible under the law for Federal Government educational benefits, and did not know it.

In 1972 the Bureau of Indian Affairs cooperated with the school board by providing a $40,000 educational services contract for the current fiscal year as a stepping stone to adequate funding for the coming fiscal year. When the BIA prepared its initial 1974 budget it assured us then, as it did last year, that the school board would be included for a full educational management contract. Later the BIA told us that it was ordered not to go beyond the spending level of the current fiscal year, leaving our school board with only $40,000 and no kind of increase—not even cost of living.

They go on:

The school's status changed on July 1, 1972, when the school board with consent of the Rosebud Sioux Tribal Council, assumed complete control of the school in a contractual management with St. Francis mission. The mission is controlled by a Jesuit corporation called the Rosebud Society, Inc. The school board then asked the mission to be responsible for the moral and religious training previously provided by the school. The board served its parochial affiliation.

If St. Francis School were to shut down, the Federal Government would then have to assume the responsibility for the education of 500 Indian students on the Rosebud Sioux Indian Reservation. The school board has been told by the public school district that it can accommodate only 50 more students. It has been told that the school district would have to build a new junior high school in the mission area and a new elementary school in the St. Francis area, to handle the overflow, at an estimated cost of at least $1.2 million in Federal funds.

In its first year of operation, the letter explains as you did, that the Catholic Church supplied $300,000, but now in the coming year the school board faces a financial crisis because it was depending on the BIA to provide an increased educational services contract.

The letter continues:

The school board has realized everyone is being caught in a financial squeeze. It has scrutinized its original budget of more than $500,000 several times and made drastic cuts in order to keep the school going for another year.

The school board believes that it can operate a school less expensively for the coming fiscal year than the public school district in our area if it has to assume the responsibility of educating 500 more students with the aid of Federal moneys and new construction.

They have asked for $160,000.

Mr. EVANS. May I ask a question, Madam Chairman?

Has a lease been issued by the church to the tribe for the premises?

Mr. HAWKINS. I don't know that for a fact, Mr. Congressman. I would assume so, but I can't say of my personal knowledge that it has.

Mr. EVANS. Is the school now totally operated by the tribe?

SCHOOL BOARD RESPONSIBILITY

Mr. HAWKINS. The school is not totally operated by the tribe. Everything except for some release time for religious instruction is the responsibility of the school board. That is my understanding of the program.

Mr. EVANS. Is there any requirement of release time for religious instruction?

Mr. HAWKINS. There is no requirement to my knowledge.

Mr. EVANS. What I am getting at is in your opinion whether or not any constitutional impediments exist to further funding?

Mr. HAWKINS. We have been assured by our area office that no constitutional impediments do exist. I must admit, however, that as we have gotten indications of more parochial schools converting to tribal operations——

Mrs. HANSEN. St. Mary's is in the same category.

Mr. HAWKINS. I have been troubled that this might be a way of getting Federal funding for religious education. I think we have to be very careful about this.

Mrs. HANSEN. I wonder if you would have the Solicitor provide an opinion for the committee as promptly as he can.

Mr. EVANS. Madam Chairman, not only on this one, but other schools similar to it.

Mr. MCKAY. How many parochial schools do we have?

Mrs. HANSEN. You have some on the Navajo Reservation.

Mr. HAWKINS. Something like 8,000 Indian kids are in mission schools of various kinds. I think it is about 8,000 kids.

Mr. MCKAY. Out of a total of how many?

Mr. HAWKINS. Out of a total on the reservations of about 140,000.

Mrs. HANSEN. In the case of St. Mary's, the State of Washington does have a constitutional limitation on the expenditure of public funds for such a school. It is an outright constitutional prohibition.

Mr. HAWKINS. Let me get the Solicitor's opinion for you Madam Chairman.

[The information follows:]

The Solicitor's opinion was stated in a memorandum to the Commissioner, dated March 27, 1972. The memorandum is reproduced below:

MARCH 17, 1972.

MEMORANDUM

To: Commissioner of Indian Affairs.
Attention: Education program.
From: Assistant Solicitor, Division of Indian Affairs.
Subject: Contracting with Indian tribe with respect to operation of former sectarian school.

This responds to your recent request that we advise you whether section 278a of title 25, United States Code prohibits the Bureau from contracting with an Indian tribe or group in connection with the tribe's or group's operation of a school turned over to it by a sectarian organization.

As the situation has been explained to us, there are a number of sectarian schools which are proposed to be transferred to an Indian tribe or group for operation if the tribe or group can contract with the Bureau in regard to the operation of the school. While the teaching staffs of such schools apparently would remain the same under the Indian operation as they had been before they were transferred to Indian control, we understand that it is proposed actual control of a school would pass from the sectarian body to the Indians.

Section 278a of title 25, United States Code is a codification of the act of March 30, 1968, 82 statute 71, which repealed former section 278. The repealed section declared it to be the settled policy of the Government to make no appropriation whatever out of the Treasury of the United States for education of Indian children in any sectarian school.

The history and effect of section 278 are discussed in a memorandum dated January 11, 1966 from Assistant Solicitor Soller. A copy of his memorandum is attached for your convenience. You will note his memorandum concludes that it is the control, whether exercised or not, which a sectarian body has over the educational institution discussed in the memorandum which made it a sectarian school even though as a practical matter the institution may have been nonsectarian in its operation.

Section 278a in repealing section 278 retained the prohibition against the use of Federal funds for the education of Indian children in elementary and secondary education programs in sectarian schools but permits the use of such funds for the education of Indians in accredited institutions of higher education and in other accredited schools offering vocational and technical training. Since it does not appear the prohibition against the use of Federal funds contained in the repealed section 278 had been changed by section 278a, except with respect to the education of Indians in accredited institutions of higher education and other accredited schools offering vocational and technical training, the test of whether Federal funds may be used for elementary and secondary programs for Indian children still is as explained in Assistant Solicitor Soller's memorandum; namely, is the school subject to the control of a sectarian body?

Therefore, in order for the Bureau to contract with any elementary or secondary school under Indian operation which formerly was operated as a sectarian school, the Bureau will have to satisfy itself that, in fact, the school no longer remains subject to the control of its former sectarian governing body. If such former sectarian school is now actually free of its previous control and is operated on a nonsectarian basis by the Indians, we believe there is no prohibition because of section 278a of title 25, United States Code to the Bureau's contracting with the Indian tribe or group with respect to the operation of such school.

We have necessarily had to reply in quite general terms since the question has been presented in such terms. If more specific advice is needed, we will be glad to furnish it upon being informed of the specific nature of the matter on which the advice is desired.

(Signed) DUARD R. BARNES.

COMPUTER-ASSISTED EDUCATION

Mrs. HANSEN. We have also received a request of $377,281 for computer-assisted education. This was received from the all Indian Pueblo Council represented by Mr. Valentino Cordova. They are convinced this is a major answer to the Pueblo problems. Are these Pueblo schools all public schools?

Mr. HAWKINS. No, ma'am, they are BIA schools. They are a combination.

Mrs. HANSEN. The schools are located on that strip from Taos to Albuquerque.

Mr. HAWKINS. Right. Some are BIA and some are public schools, Madam Chairman, but the one about which you are speaking is, I believe, a BIA school.

Mrs. HANSEN. What is your comment on this proposal?

Mr. HAWKINS. The present computer-assisted instructional program was begun several years ago as an elementary and secondary education title I project. We have reviewed it.

Mrs. HANSEN. Then this program hasn't been funded by the BIA?

Mr. HAWKINS. No, ma'am. It has been funded through funds coming to us from HEW.

Mrs. HANSEN. Why isn't it possible to continue that funding?

Mr. HAWKINS. It is possible to continue it that way, Madam Chairman.

Mrs. HANSEN. Why are they requesting funds from the BIA?

Mr. HAWKINS. They are coming apparently for an increase rather than just continuation; are they not?

Mrs. HANSEN. I know, but why ask the BIA for the increase? Why not ask HEW?

Mr. HAWKINS. They come to us because the money comes through us from HEW.

Mr. EVANS. Madam Chairman, don't we also have the serious question of whether or not that loan is going to continue or whether you are going to get into special revenue sharing of one kind or another?

Mr. HAWKINS. That is another problem. It is a good problem, however.

Mrs. HANSEN. I understand, but that is not the problem.

Mr. HAWKINS. In this particular one I believe that the program can be expanded under our present funding from HEW.

Mrs. HANSEN. Would you contact HEW and send the committee a report on the program.

Mr. HAWKINS. All right.

[The information follows:]

ISLETA COMPUTER-ASSISTED INSTRUCTIONAL PROGRAM

The computer-assisted instructional program at Isleta Elementary School is utilized for elementary math and the teaching of English. Currently, the program is funded by a National Science Foundation grant ($40,000 to $45,000) to Stanford University. Objective evaluation data of student post testing is not presently available. Subjective evaluation of the project appears good in terms of student motivation, effectiveness, etc. Computer instruction could also be utilized in an adult education program.

Stanford University will not have the same amount of funding next year and has asked the BIA to contribute $16,500. We will not be able to do this and the project will terminate at the close of this school year.

COSTS OF BIA SCHOOLS

Mr. YATES. What is the average cost per pupil in primary and secondary schools under the BIA authority?

Mr. HAWKINS. The BIA day schools average about $1,600 per child per year. This is both elementary and secondary.

Mr. YATES. This is not a boarding school.

Mr. HAWKINS. BIA boarding schools average about $2,400 per student per year both secondary and elementary. The average for the United States, and this ranges from the low in the South of some $500 to a high in some New York counties in the neighborhood of $1,800 to $2,000, but the average for the U.S. public school students is about between $900 and $1,000.

Mr. YATES. Do you have trouble finding teachers?

Mr. HAWKINS. No, sir. Our pay scale, with the exception of Alaska, is the highest in the Nation, in any State that we are in. The Federal civil service pay scales exceed the minimum pay scale of most States.

Mrs. HANSEN. Will you place in the record the teacher pay scale for the Western United States and Alaska and compare it with the pay scale for the civil service teachers.

Mr. HAWKINS. Yes.

[The information follows:]

PAY SCALE FOR BUREAU OF INDIAN AFFAIRS TEACHERS

	GS-5	GS-7	GS-9
1st Year (depending on experience and education)	$7,694	$9,520	$11,614
2d Year (GS-5's are promoted to GS-7 or terminated)		9,837	12,001
3d Year		10,154	12,388
4th Year		10,471	12,775
Maximum (17th Year)		12,373	15,097

Average annual salaries of instructional staff for Western States, school year 1971–72

Alaska	$14,584	Montana	$8,931
Arizona	10,050	Nebraska	8,746
Arkansas	7,217	North Dakota	7,620
California	12,090	New Mexico	8,450
Colorado	9,655	Nevada	10,600
Hawaii	10,898	Oklahoma	7,800
Idaho	7,621	Oregon	9,857
Iowa	9,933	South Dakota	7,900
Kansas	8,580	Texas	8,650
Louisiana	9,113	Utah	8,981
Minnesota	10,800	Washington	10,705
Missouri	9,156	Wyoming	9,611

Average for all 50 States and District of Columbia 10,146

Source: NEA Research Report 1972–R2. Economic Status of the Teaching Profession, 1971–72.

Mr. YATES. Do you also provide accommodations for the teachers?

Mr. HAWKINS. Some do and some don't. Alaska, for instance, in their public schools if they are in rural, remote areas, they do. Most public schools, however, do not provide accommodations.

Mrs. HANSEN. Isn't it true that as districts consolidate, this eliminates the so-called teacher shortage?

Mr. HAWKINS. That is correct.

Mrs. HANSEN. Mr. Wyatt.

EFFECT OF VACANCIES IN TOP LEVEL BIA POSITIONS

Mr. WYATT. Mr. Hawkins, to what extent if any has there been any handicap in reaching decisions on these schools by reason of vacancies in the higher echelon in the Bureau of Indian Affairs? You have gone over a number of instances where there has been a delay in reaching decisions, and this fact has resulted in no budgetary consideration. My question is particularly about the Office of the Commissioner of Indian Affairs and other vacancies in the agency.

Mr. HAWKINS. I would prefer to defer that question to Mr. Sykes. I am not aware of any problems reaching decisions in regard to our budgets, but I am not in the direct relationship that I could answer that question completely.

Mr. SYKES. I would say that there has been no delay in reaching the type of decisions that Jim has been talking about because of the delay in filling top positions. A lot of the decisions that were made on the 1974 budget, of course, were made long before we were without leadership.

Mr. WYATT. You can appreciate the necessity for these types of decisions for this region. Thank you, Madam Chairman.

STANDING ROCK SIOUX SCHOOL

Mrs. HANSEN. We have received a proposal of $6,689,000 for construction and $715,000 for planning for the elementary and secondary schools at Standing Rock Sioux, in North Dakota. What is your comment on this proposal?

Mr. HAWKINS. This is Standing Rock. The Standing Rock Sioux Tribe has gone further in comprehensive planning than almost any other tribal group. We have at the present time, Madam Chairman, both planning and design money appropriated for Standing Rock.

Mrs. HANSEN. Has it been spent?

Mr. CARMODY. We just finished working with the Standing Rock Tribe on meeting an agreement on the total enrollment of 600 for the academic classrooms and common facilities projected for 800. An architect has been selected by the tribe and we have asked him to set up a meeting this week or next week to change the design documents to meet the 600 enrollment. Then he should be into design within the next month or 2 months, whenever the agreements are arranged.

Mrs. HANSEN. You have the funds?

Mr. CARMODY. Yes.

Mrs. HANSEN. What is the total amount in the budget? I suppose you are waiting until July 1?

Mr. HAWKINS. I don't think that is involved.

Mr. CARMODY. $325,000 for design.

Mrs. HANSEN. But it will not be ready for construction this fiscal year?

Mr. CARMODY. No. That is going to take at least 12 months to design.

HIGHER EDUCATION COUNSELING

Mrs. HANSEN. We have received a proposal of $700,000 for Indian higher education. This request involves counseling service for Indian students in your colleges. I presume that most of these refer to those students who go from the BIA schools to the colleges, and have some difficulty adjusting. Has the dropout rate decreased among the Indian students in your colleges?

Mr. HAWKINS. Yes, Madam Chairman.

Mrs. HANSEN. How much?

Mr. HAWKINS. Four years ago the dropout rate was 19 percent per year. It has now decreased to 12 percent, which is still a high rate, 12 point something per year.

Mrs. HANSEN. What is the average dropout rate for a white student?

Mr. HAWKINS. I believe the average dropout rate for non-Indians in college is in the neighborhood of 8 to 10 percent per year.

Mrs. HANSEN. Would you know what the dropout rate is for the average black attending college?

Mr. HAWKINS. I don't know precisely, Madam Chairman. I would have to get the information.

[The information follows:]

COLLEGE DROPOUT RATES

The Office of Education does not keep statistics on rates by race. However, according to the latest national figures, 1,629,751 students entered college in 1968, 876,000 or 53 percent graduated in 1972. This would indicate a national dropout rate of 47 percent.

The dropout rate for students funded on BIA higher education grants is 48 percent. There are no separate figures for Indian students attending college on other grants or on their own.

The above figures are based on the number of students entering college in 1968 and the number who graduated in 1972.

Mr. MCKAY. Are these based on the first year, a 4-year program, or what?

Mr. HAWKINS. This is averaged over the 4 years.

Mr. MCKAY. But the first year is considerably higher.

Mr. HAWKINS. Is by far the highest.

Mr. MCKAY. Twenty-five to thirty percent?

Mr. HAWKINS. Yes, sir, that is exactly the case.

Mrs. HANSEN. It is the first year that they have difficulty with, and they suggest an appropriation of $700,000 for counseling services.

METHOD OF CALCULATING COLLEGE DROPOUT RATE

Mr. EVANS. How do you figure the drop out rate? If Mr. McKay and I in our recollections are correct that you suffer 25- to 30-percent normal attrition in the freshman year, and additional attrition in the following 3 years, how can you wind up with the national average for whites of what did you say, 8 percent?

Mr. HAWKINS. I believe 8 to 10 percent but I would like to provide that for the record if you don't mind, Mr. Congressman. I was not absolutely certain of this. What this means is that for Indian kids at the present time 48 percent do not finish college, 12 percent a year.

Mrs. HANSEN. Is the reason financial or is it the emotional adjustment?

Mr. HAWKINS. I think it is a combination, of course, of all of those, with probably the emotional or social adjustment to college being a very high factor at least in the first year.

HIGH SCHOOL DROPOUT RATES

Mrs. HANSEN. Can you relate for the record the Indian dropout rate between the Albuquerque public schools and BIA schools?

Mr. HAWKINS. I could do that for you.

[The information follows:]

DROPOUT RATE OF ALBUQUERQUE PUBLIC SCHOOLS VERSUS BIA HIGH SCHOOLS ON THE NAVAJO RESERVATION

During the 1971–72 school year, 12 percent of the students attending BIA high schools on the Najavo Reservation dropped out of school.

The Albuquerque public high schools do not report dropouts for Indians alone. The overall dropout rate for all students in the 1971–72 school year was 7.3 percent.

Mrs. HANSEN. Where do you assume that the greatest drop out rate occurs? Is it the boarding schools?

Mr. HAWKINS. No; I wouldn't be willing to assume that. I would guess it would be equal. I am not willing to say that at least some public schools are preparing our Indian kids any better than we are. In fact, I would say some are preparing them less well.

[Discussion off the record.]

Mrs. HANSEN. Would it be practical to provide within the scholarship fund a certain amount to experiment on this counseling?

Mr. HAWKINS. That would be certainly a very practical approach to the problem, Madam Chairman. The reason we haven't done that in the past has been that we have had such a demand for scholarships themselves that we haven't felt we could use the money for these purposes, although we have had many applications and many requests for this kind of assistance.

Mrs. HANSEN. You might do it on an experimental basis. Some of our better programs have come as a result of experimentation.

NAVAJO COMMUNITY COLLEGE OPERATIONAL COSTS

The Navajo Community College has requested an additional $600,000 for operational expenses. What would be your comment in this regard?

Mr. HAWKINS. My tendency would be to agree with that assessment, Madam Chairman. They are moving to a new facility in September, with added costs there. They are also planning to expand their enrollment, which is going to cost more, of course, and within our constrained budget we just could not, at the point we made up the budget, request more than what they received last year, but I would give that a very high priority personally.

Mrs. HANSEN. Was the staff housing for their health facility employees?

Mr. HAWKINS. No. That is for regular——

Mrs. HANSEN. Where is the staff housing going to be located?

Mr. HAWKINS. It is going to have to be right on the campus.

Mrs. HANSEN. Is there any provision in your budget for staff housing at the present time?

Mr. HAWKINS My understanding is that they are bringing in on a lease basis some 40 to 50 trailers which they will use for staff housing for this next year. We will send up the details on that.

[The information follows:]

NAVAJO COMMUNITY COLLEGE—STAFF HOUSING NEEDS

During the 1973–74 school year, Navajo Community College will have 50 units of housing for staff and faculty. This housing is provided by the college housing program of the Department of Housing and Urban Development. At present (May 1973) there are 100 full-time staff faculty and auxiliary employees at Navajo Community College. During the 1973–74 school year, there will be 120 full-time staff faculty and auxiliary at the college. Lack of staff and faculty housing will prevent the college from operating fully and effectively, thereby seriously jeopardizing the BIA, the Federal Government, the Navajo Tribe, as well as industry foundation investments in the institution.

The estimated cost of constructing an additional 65 units of housing at Navajo Community College is $2,229,152. A request for this number of units was submitted to the college housing program of the Department of Housing and Urban Development last September. College officials have been advised that not only are our projects frozen, but also, there are no longer any funds for the college housing program. The absence of staff and faculty housing presents the single greatest threat to the success of Navajo Community College.

Mrs. HANSEN. Is there any planning or design completed on the staff housing?

Mr. HAWKINS. I am sure there has been.

RAMAH NAVAJO CONTRACT SCHOOL

Mrs. HANSEN. The Ramah Navajo School has requested $4,720,000 for construction. Is the planning and design complete?

Mr. CARMODY. Design is in progress and will be completed.

Mrs. HANSEN. The committee added $750,000 for planning and design last year and $200,000 for water exploration for the Ramah Navajo School.

Mr. HAWKINS. That is right. We are asking in the present budget $2,700,000 for a first phase for construction.

Mrs. HANSEN. That first phase is all you can accomplish this year? The budget is adequate for once?

Mr. HAWKINS. We feel that it is, Madam Chairman.

SAN SIMON AND SANTA ROSA SCHOOLS

Mrs. HANSEN. The Papago Tribe has a request for two schools.

Mr. HAWKINS. San Simon and Santa Rosa.

Mrs. HANSEN. Is the planning and design complete?

Mr. HAWKINS. Yes.

Mr. CARMODY. They are in the process of completion and could use the money this next year.

Mrs. HANSEN. Is the planning and design complete on both schools?

Mr. CARMODY. It is in the process now, and we can use the money next year.

Mrs. HANSEN. How much can you reasonably spend in fiscal year 1974?

Mr. CARMODY. At the present time it is not being designed to phase it.

Mrs. HANSEN. So it cannot be constructed in phases?

Mr. CARMODY. Unless we go back and have the architects so indicate what part of it, Santa Rosa is designed as one building as are a lot of them now days for economic reasons.

Mrs. HANSEN. The budget of the United States makes us operate in this uneconomic fashion.

Mr. CARMODY. We are trying to get them designed to be economical, and a lot of them are in a one-building situation.

ENROLLMENT AT SANTA ROSA AND SAN SIMON

Mrs. HANSEN. How many youngsters does the San Simon school have?

Mr. HAWKINS 440 is planned for San Simon.

Mrs. HANSEN. You say the planning and design is all completed?

Mr. CARMODY. No, it is in the process.

Mrs. HANSEN. But it will be ready?

Mr. CARMODY. Yes.

Mrs. HANSEN. How many students attend the Santa Rosa school?

Mr. HAWKINS. 350.

Mrs. HANSEN. Are both the elementary and secondary schools together?

Mr. HAWKINS. Santa Rosa is elementary only and San Simon is elementary also.

Mrs. HANSEN. What condition are their schools in presently?

Mr. HAWKINS. Very inadequate.

Mrs. HANSEN. $17 million is a large amount of money in 1 year.

Mr. HAWKINS. Would you like us to provide for the record what could be possibly broken out, Madam Chairman?

Mrs. HANSEN. Please do.

Mr. HAWKINS. Plus some phasing that we might consider.

Mrs. HANSEN. That is correct.

[The information follows:]

The following is a listing of construction priorities for the San Simon and Santa Rosa schools as provided by the Phoenix area and Papago Tribal Chairman. The phasing for the projects is as follows:

Phase I—San Simon School, Ariz.:	
Classroom buildings	$2,875,000
Dormitory for 80 pupils	607,000
Employees' quarters (26)	738,000
Site work and utilities	500,000
Contingencies	125,000
Total, phase I	5,000,000
Phase II—Santa Rosa School, Ariz.:	
Classroom buildings, gym, pool	2,500,000
Kindergarten classrooms	200,000
Employees' quarters (36)	1,300,000
Site work and utilities	250,000
Contingencies	150,000
Supervision	100,000
Total, phase II	4,500,000

Phase III—San Simon School, Ariz.:

The future construction will provide the balance of the facilities comprised of an additional 80 pupil dormitory, 26 employee quarters, gymnasium, pool, plant management shop and site work.

Total, phase III, $3.500,000.

Phase IV—Santa Rosa School, Ariz.:

The future construction will provide the balance of the facilities comprised of a 160-pupil dormitory, 34 employees quarters, a plant management and storage building, and an addition and remodeling to the existing kitchen-dining building as well as site work.

Total, phase IV, $3 million.

Mrs. HANSEN. You have to increase your road programs or you are going to be confronted with some tremendous expenses. If you are going to have public schools and you are going to be involved with busing you will need to plan a brandnew operation.

Mr. HAWKINS. We are in the process of doing that for selected reservations at the present time.

PAPAGO RESERVATION SCHOOLS

Mrs. HANSEN. Does the Papago boarding school handle just Papago children?

Mr. HAWKINS. Yes, it handles just Papago children.

Mrs. HANSEN. Is that from the outer areas of the reservation?

Mr. HAWKINS. That is correct.

Mrs. HANSEN. Which have no accessibility?

Mr. HAWKINS. To roads, busing or whatever; yes. It is remotely located.

Mrs. HANSEN. What is the size of the Papago Reservation?

Mr. HAWKINS. Papago is a big reservation. It occupies most of the southern most edge of Arizona, as I recall. Santa Rosa, Madam Chairman, of the 350 students only 160 would be boarding.

Mrs. HANSEN. How many dormitories are you providing?

Mr. HAWKINS. I believe two, one for boys and one for girls.

PUBLIC SCHOOL CONSTRUCTION NEED SURVEY

Mrs. HANSEN. You have completed the public school construction survey?

Mr. HAWKINS. Yes, the summary survey is completed.

Mrs. HANSEN. Will you give us the highlights of that survey?

Mr. HAWKINS. Off the very top of my head, Madam Chairman, it indicates that there are a large number of public school districts which are major impact districts in regard to Indian children.

Mrs. HANSEN. You count that as 50 percent or more?

Mr. HAWKINS. Right. The backlog of construction for those districts is very substantial. I don't recall the exact amount.

Mrs. HANSEN. $116,450,506.

Mr. HAWKINS. Right. I don't know whether or not all of that should be funded by the Federal Government, my estimate is that all of it should not be. There should be a sharing depending on the percentage of Indian kids and the amount of taxable base within the school district, the amount of bonding authority that they may have. I think it certainly should be a shared thing.

Mrs. HANSEN. You have a number of districts in States reporting construction needs: Alaska, (one); Arizona, (eight); Montana, (three); Nebraska, (one); New Mexico, (two); North Dakota, (three); South Dakota, (one); and Washington, (one). These are needs in excess of $100 million. You have in Arizona alone State construction needs totaling $45 million, New Mexico, $34 million; Montana, $21 million; Washington, $2,640,000; South Dakota, $2,582,000; North Dakota, $2,538,000; Alaska, $2.5 million; Nebraska, $1.3 million; Minnesota, $1.5 million; Wyoming, $688,000; and Oklahoma, $675,000. You say you have no firm recommendations to make, but the requests are increasing year after year.

As you were well aware, every time the committee adds funds for one of these public schools, we are subject to a point of order. No one has raised it yet, but I presume that the day may be coming. I am just a little troubled. That list is becoming longer, and the school children need the funding. You list the State of Washington. They have a school construction fund. Why aren't they using it?

Mr. HAWKINS. I can't tell you, Madam Chairman. It must be that it is not sufficient for that particular school.

Mrs. HANSEN. Or else it is low on their priority list.

Mr. HAWKINS. That could be.

Mrs. HANSEN. What is going to be your recommendation? Obviously you can see that the committee is going to have to spend some money on planning and design certainly.

Mr. HAWKINS. I think our recommendation, Madam Chairman, is going to be special legislation for this purpose.

Mrs. HANSEN. That will not solve the current problem.

POSSIBLE USE OF JOHNSON-O'MALLEY AUTHORITY

Mr. HAWKINS. One of the things we are also looking at is whether or not there is the authority to do this under the present Johnson-O'Malley Act. I am not a lawyer, so my opinion really is not useful, although as I read the act it seems to me it is broad enough to provide for construction purposes, and we are looking at that. We would anticipate that applications would be made to the Bureau, which would then prioritize them for the committee, and an amount would be included in our budget which would provide for the construction of schools such as this, and that this would permit the committee not to then have to go through the business of considering the kinds of things you are now doing, but rather to defer them to the Bureau, which would then make the recommendations to you based on our analysis.

Mrs. HANSEN. I think this would be a wiser way to do it. If you could program so many million dollars each year for construction, a certain percentage for planning and design, you would have a better program.

Mr. HAWKINS. No question about it.

Mrs. HANSEN. Mr. Hawkins, this is becoming an exercise in futility. I am sure once these schools are funded there will be another group of schools equally as needy and determined.

Mr. HAWKINS. That is correct, Madam Chairman. One also needs to be aware that in funding a new facility, you are also in the process of creating other demands in terms of operating funds, because a new facility will require increased operating funds.

SELF-DETERMINATION GRANT PROGRAM

Mrs. HANSEN. I am well aware of it. That is why I am insistent that this problem be resolved. I think basically you have three mandatory programs for the Indian people. One is economic. Education and health are two basic programs that we certainly should be addressing ourselves to as high priority items. Health programs are not contained in your budget, but education is. I think you have to make some hard firm decisions before the committee marks up our bill. Also involved in the controversy, is something else that I feel the administration has to make a recommendation on. The Indian people have been the recipients of OEO and EDA grants. EDA is to be replaced by your self-determination grant fund of $25 million. The $25 million is a drop in the bucket, because the demands will far outstrip that level of funding.

We have carefully referred all the people who had requests relative to these development grants to go to the authorizing committee and request their support. If I were making a suggestion I would suggest that the authorizing committee increase the amount.

The CAP program and the Headstart program, have also been funded through OEO. These programs are going to, of necessity, demand the attention of the administration, I would think, in solving this dilemma. Is Headstart going to be funded by HEW? If it is, you would be eligible to secure Headstart funds. If not, then I am sure you are aware there is going to be an uproar for this type of a service throughout the Indian world. I think Headstart has been probably one of your most successful programs.

FUTURE OF HEADSTART AND CAP PROGRAMS

Mr. HAWKINS. Right.

Mrs. HANSEN. Do you know if the Headstart program is going to be continued?

Mr. HAWKINS. I would really like to defer that to someone. I believe that Headstart is going to continue to be funded at least this next year out of HEW.

Mrs. HANSEN. What about the CAP program? Will it continue?

Mr. HAWKINS. CAP disappears, as I understand it. It is part of special revenue sharing.

Mr. BUTLER. If I may, Madam Chairman, it is our understanding that the Indian OEO programs such as CAP, and we are under 221, are in the process of being transferred to HEW, that there is requested funding in HEW, and that HEW has established a new assistant secretaryship over there for Human Development Services.

NEVADA INTERTRIBAL COUNCIL REQUEST

Mrs. HANSEN. The tribal council of Nevada has requested $121,000 for a summer education program. That was formerly OEO funded. This is a young people program? Isn't that correct?

Mr. HAWKINS. Yes, it is.

TRIBAL DEVELOPMENT PROPOSALS

Mrs. HANSEN. Funds have been requested for tribal government development on the lower Sioux. Senator Mondale has written to the committee about this program. How has this program been funded prior to this year?

Mr. HAWKINS. That is the planning grant from EDA.

Mrs. HANSEN. That would come under the economic grant program? Isn't that correct?

Mr. SYKES. Yes.

Mrs. HANSEN. The same would hold true with the $100,000 requested for the fish processing plant for the Skokomish. Also the Quinaults are requesting $3,794,730 for economic development.

Mr. HAWKINS. It sounds very much as though these would be projects for the bloc grant program.

Mrs. HANSEN. Unless the development grant program is reported from committee and is enacted by the Congress you are going to have a never ending amount of difficulties.

OVERHEAD COSTS

Also the Navajo and other tribes have been concerned about overhead costs on BIA contracting.

Mr. Franklin, would you provide for the record what would be the result of transferring a part of these management funds from BIA to the contractor. You can supply a list of your contracts, for example, and then provide what your overhead cost is in the BIA.

[The information follows:]

The materials requested requires detailed input from the field offices, which necessitates additional time for development. The committee will be provided the complete detail information as it becomes available.

Mrs. HANSEN. What is the percentage?

Mr. SYKES. An across-the-board cost we have runs about 4.5 percent of our total budget. May I speak to that just a little bit now. I have been talking to the people from Navajo, the management consultant who has been working on this. In relation to the Navajo; that is, we haven't heard from the other tribes, but in relation to the Navajo the contracts that they have included in the report, the area director of the Navajo and his staff are working on those contracts now. You will find in many instances even though it isn't called overhead——

Mrs. HANSEN. That it is included?

Mr. SYKES. That is correct. You will find some direct cost that is included but each one of those contracts will have to be analyzed to pull that out.

Mrs. HANSEN. Provide the committee with the list, because this question will undoubtedly be discussed on the floor, and we would like to be able to have good, adequate answers.

Mr. SYKES. One point too, Madam Chairman, is some of the amounts they use like the very largest one that they were claiming, that $17 million tribal work experience program. They included the whole $17 million and a great deal of that money is just what we call passthrough money, and actually requires no overhead cost on it. The only reason I am bringing this up is that each one has to be analyzed.

Mrs. HANSEN. That is exactly why I am asking you for this information.

PAPAGO ECONOMIC DEVELOPMENT PROGRAM

The Papagos are asking for $5,629,900 for economic development. Will that be eligible for your bloc grant program? This is a summary of their needs. Tribal utility authority, $2,594,000; Papago tribal role, $100,000; Papago food commodity distribution, $35,000; community development, $400,000; a tribal government complex, $2,400,000; and the paving of Sells air strip, $100,000. The tribal government complex is broken down as follows: The municipal justice and rehabilitation building, $600,000; tribal council chambers, museum, and library for adult education, $600,000; community auditorium, classrooms, and community center, $600,000; and tribal government administration offices, $600,000.

Mr. ROGERS. Some of that $25 million might well go for some of that activity.

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Mrs. HANSEN. What type of financing would the preparation of tribal roles be funded under?

Mr. ROGERS. Tribal operations type of financing now.

Mr. SYKES. It comes out of BIA appropriated funds.

Mrs. HANSEN. What about the food commodity distribution program?

Mr. BUTLER. There are two ways in which the tribes are assisted with their local distribution costs, which I believe is what the Papagos are referring to here. The USDA has some funds which they make available for local distribution costs. For some of the other tribes who lack their own resources to do this, the Congress has appropriated money in the welfare budget and we do assist tribes with that.

Mrs. HANSEN. Where is this $35,000 going to come from?

Mr. BUTLER. If the USDA doesn't have it, it would be in the welfare.

Mrs. HANSEN. Does the committee have to provide language in the bill for you to provide these funds?

Mr. BUTLER. No, ma'am.

Mrs. HANSEN. You are sure?

Mr. BUTLER. We are sure of that. We have been doing it without that.

Mrs. HANSEN. $2,400,000 is requested for the tribal government complex. Do you usually provide such buildings from BIA funds?

Mr. BUTLER. To my knowledge, Madam Chairman, BIA itself has not gone into this area with the exception of some of the community centers that house the jail.

Mrs. HANSEN. That is a strange combination.

Mr. BUTLER. That is where we have put it. BIA has come in with some funding particularly with the industrial site complexes that have been developed.

Mr. SYKES. We call it rehabilitation when we do that.

Mrs. HANSEN. Please indicate which are the logical BIA functions.

SAFETY TRAINING

We have received a request of $393,191 for a national Indian safety program. My question to them was, What are the Indian schools doing in the way of safety training? Do you have driver education training? Do you have safety training for the home, and so forth?

Mr. HAWKINS. I would have to get a comprehensive review of this, Madam Chairman, but in almost all of our high schools we do have driver education. In most of the elementary schools there is a safety curriculum of various kinds, including firearm handling, safety at home, various other things. I believe you probably know that accidents are probably the single big cause of injuries.

Mrs. HANSEN. This is exactly what they were talking about.

Mr. HAWKINS. We are not unaware of this, and we are attempting through the schools to provide some help.

Mrs. HANSEN. Are there any more questions on schools?

SCHOOL CONSTRUCTION

Mr. MCKAY. How many new schools have been built in the last 5 years?

Mr. HAWKINS. Twenty.

Mr. MCKAY. How many of these are boarding schools?

Mr. HAWKINS. Six.

Mr. McKay. What was the cost of these schools?

Mr. Hawkins. $43 million in total, of which $20 million was for boarding schools.

Mr. McKay. How many more are contemplated?

Mr. Hawkins. Thirty-three.

Mr. McKay. How many of those contemplated will be boarding schools?

Mr. Hawkins. Twenty-one.

Mr. McKay. What will be the estimated cost of these schools?

Mr. Hawkins. $236 million.

INTERMOUNTAIN INDIAN SCHOOL

Mr. McKay. Recently, the BIA sent a task force to the Intermountain Indian School to investigate the feasibility of using the school for (*a*) a secondary school for Indian youths from tribal groups other than Navajo; (*b*) purposes other than elementary or secondary education for Navajos; and (*c*) something other than a BIA facility. How would you fund each of these alternative uses proposed?

Mr. Hawkins. If Intermountain continues to be a BIA educational facility, it would continue to be funded from the BIA education appropriation. If it continues to be a BIA facility but not an educational facility, the BIA would continue to fund it not from education funds, but from the corresponding appropriation. If Intermountain would become something other than a BIA facility, the BIA would not be involved in the funding.

Mr. McKay. What is the relationship of the Navajo Tribe to the Intermountain Indian School? Specifically, how much authority does the tribe have in determining the use of the school?

Mr. Hawkins. The Intermountain Indian School was established after World War II as a school to serve Navajo students. While the tribe has no authority concerning the use of the facility, it does have authority concerning Navajo children. Since 1962, it has been the expressed policy of the tribe, together with the BIA, that Navajo students should be educated close to their homes when this is possible and that off-reservation facilities should be used "as long as the need exists."

Mr. McKay. Was the Navajo Tribal Council consulted about the phase out and did they acquiesce?

Mr. Hawkins. The Navajo Tribal Council was consulted about the phase out and did acquiesce.

Mr. McKay. Who actually made the decision to phase out the school and who would be in a position to rescind this decision?

Mr. Hawkins. The Navajo area director made the decision to phase out the school as a facility serving Navajo students. The Secretary of the Interior and/or the Commissioner of the Bureau of Indian Affairs would be in a position to rescind this decision. In accordance with the policy of Indian self-determination, however, concurrence of the tribe would be desired.

Mr. McKay. What is the dropout rate of those students attending school on the reservation?

Mr. Hawkins. In the 1971–72 school year, 12 percent of the students attending high schools on the reservation dropped out of school.

Mr. McKay. What is the dropout rate among those students attending the Intermountain Indian School?

Mr. Hawkins. In the 1971–72 school year, 15 percent of the students attending Intermountain School dropped out.

Mr. McKay. What percentage of students from the Intermountain Indian School enter college?

Mr. Hawkins. Of the 1972 graduates from Intermountain School, 8 percent entered college.

Mr. McKay. What percentage of students from reservation schools enter college?

Mr. Hawkins. Of the 1972 graduates of on-reservation Navajo high schools, 38 percent entered college.

Mr. McKay. What plan have you developed for those employees whose jobs will be affected by the recent action? Will Indians and non-Indians working at the school be treated the same way?

Mr. Hawkins. All affected employees will be offered jobs on the reservation at the same grade level or as near to that level as possible. It is estimated that all these employees can be effectively utilized in reservation programs. Indians and non-Indians will have the same opportunities and will be treated alike.

Mr. McKay. What will be the cost of phasing out and transferring the current operations of the school?

Mr. Hawkins. If approximately 80 percent of the present employees accept transfers to positions on the reservation, moving costs would be approximately $725,000 over a 3-year period. Freight expenses for the transfer of usable equipment, books and other materials is estimated at $9,000.

Mr. McKay Please compare for the record the per pupil costs for the Intermountain School with other similar BIA facilities.

Mr. Hawkins. I will do that.

[The information follows:]

Average costs per year per pupil for Intermountain and other BIA schools based on audit report by the Office of Survey and Review in early 1973

School:	*Average cost per pupil*
Intermountain	$4,465
Many Farms High	2,667
Wingate High	3,161

Some reasons for the high per pupil cost at Intermountain School, compared with Fort Wingate and Many Farms on the reservation, are:

1. Transportation costs for students and materials, including food shipped from the Gallup Supply Center, are unavoidably high because of the distance involved.

2. The number and type of facilities at Intermountain are large compared to the needs of the school. There are a total of 201 buildings with a total square footage of 1,448,279. This is more than double the number of buildings and almost three times the square footage at either Many Farms or Fort Wingate.

3. Enrollment at Intermountain School has declined from a high of 2,150 to about 1,300 at present, which in itself raises the cost per pupil by $1,765 over what it would be the enrollment remained at the higher level.

4. Intermountain has a staff of 377 persons, not including temporary or title positions. This is 55 persons more than the total staff of 322 for both Fort Wingate and Many Farms.

Intermountain has an average daily enrollment of 1,303; Fort Wingate, 822 and Many Farms, 800.

Mrs. Hansen. The committee will adjourn until 1 p.m.

Afternoon Session

CHEMAWA INDIAN SCHOOL CONSTRUCTION

Mrs. Hansen. The committee will come to order.

This committee added $750,000 for the Chemawa Indian School last year for planning and design.

Mr. Hawkins. Yes, ma'am.

Mrs. Hansen. Has the planning and design been completed?

Mr. Hawkins. Planning and design has not been completed, Madam Chairman.

Mrs. Hansen. When will it be completed?

Mr. Hawkins. We would estimate that given the amount of time to complete a contract with an A and E firm and the average amount of time that A and E firm takes to design a structure of that size that probably it will not be complete until May or June of next year.

Mrs. Hansen. Next year? Has the money been released?

Mr. Hawkins. The money will be released as of the 1st of July, and we can't have a contract ready to go before then.

Mr. Sykes. That won't hold that up.

PROPOSED RELOCATION OF CHEMAWA SCHOOL

Mrs. Hansen. You are aware the Lummi Indians want the Chemawa School located at the Skagit Valley College and you are also aware that the Colvilles want it located on their reservation.

Mr. Hawkins. Yes, ma'am. I would say in response to that awareness that I would want three recommendations. I would like to have a recommendation from the school board, from the area office, and from the Northwest Affiliated Tribes in regard to a location if it is to be moved from where it is now.

Mrs. Hansen. The comment I made to Mrs. Covington was that it was my understanding it will be 3 years before the Alaskan youngsters are finally relocated.

Mr. Hawkins. That is right.

Mrs. Hansen. Before the Alaska schools are ready to provide service.

Mr. Hawkins. That is right.

Mrs. Hansen. So that precludes the shifting of any school population for at least 3 years.

Mr. Hawkins. That is correct. I would guess the construction will take probably 3 years, too. Now, one of the overriding considerations in this regard is that if the location is actually going to be moved, unless that decision were made like before the 1st of July, here again we can't let an A and E contract without knowing the site. We can't really do much designing until he knows the site on which the structure is going to be placed.

Mrs. Hansen. Have you had any appeals to the BIA from the Northwest Federated Tribes to move the Chemawa School?

Mr. Hawkins. No; we have not to my knowledge.

Mrs. Hansen. What is the Indian school population in Oregon?

Mr. Hawkins. Well, we have no BIA operated Indian schools——

POSSIBLE FUTURE ENROLLMENTS IN CHEMAWA SCHOOL

Mrs. HANSEN. No; but what is your Indian school population of youngsters that would be attending a BIA school?

Mr. HAWKINS. Yes, ma'am. There are in Oregon, we estimate, about 100 youngsters who would probably attend.

Mrs. HANSEN. What is the number that will attend in the State of Washington?

Mr. HAWKINS. About 300.

Mrs. HANSEN. What is the figure for the State of Idaho?

Mr. HAWKINS. About 100.

Mrs. HANSEN. Also what is your figure for Montana?

Mr. HAWKINS. Montana would be divided and I would say not more than 50 at the most in Montana.

[Discussion off the record.]

Mrs. HANSEN. Have you talked to any of the Northwest tribal leaders?

Mr. HAWKINS. Yes, we have. I personally was out there last September at an Education Subcommittee meeting of the Northwest Affiliated Tribes and at that time there was no hint of a move to move the school elsewhere.

ARTICLE IN PORTLAND OREGONIAN REGARDING CHEMAWA

Mrs. HANSEN. There was a disturbing article in the Oregonian regarding the Chemawa school. The committee is well aware that the location of the school has to be changed.

Mr. HAWKINS. Right.

Mrs. HANSEN. Because of your highway and your rail problems. I think you should talk to some of the Northwest tribal leaders in the meantime so there is some kind of understanding on this situation.

Mr. HAWKINS. Maybe we can get a resolution from the Northwest.

Mr. WYATT. Furthermore, the longer it is unsettled, the more controversial it gets.

Mrs. HANSEN. Yes.

Mr. WYATT. The sides will harden their positions I think, too.

Mrs. HANSEN. I would recommend that you have some meeting of the minds with the Northwest tribal leaders. Actually the major problem now is the release of the funds?

Mr. HAWKINS. Yes, and there is no problem because the contract can't be arrived at before the first of July now, anyway. I am sure that the funds will be available by the first of July.

Mr. SYKES. Mrs. Hansen has just raised another question. What you are saying is let us get the thing really settled before we proceed.

Mrs. HANSEN. Yes; you could well have five or six recommend locations. You had better spend the funds to determine a location where there isn't a controversy.

Mr. HAWKINS. Exactly.

Mrs. HANSEN. Please provide for the record a summary of the school population and the areas that this school population represents.

Mr. HAWKINS. All right.

[The information follows:]

TABLE OF CHEMAWA ENROLLMENTS BY TRIBES PRESENT VERSUS PROJECTED

Tribe	Enrollment Dec. 30, 1972	Enrollment 1976–77
Colville	51	90
Shoshone Bannock	5	25
Nez Perce	12	35
Kootenai	0	8
Kalispel	0	6
Coeur d'Alene	6	20
Spokane	4	20
Umitilla	6	50
Warm Springs	20	40
Burns Paiute	2	10
Small tribes of western Washington:		
On reservation	10	20
Off reservation	3	8
Suquamish	2	7
Lower Elwha	0	6
Tulalip	2	10
Swinomish	0	4
Skokomish	2	10
Puyallup	1	9
Port Gamble	2	12
Nooksack	1	11
Nisqually	1	8
Lummi	8	15
Muckleshoot	3	8
Makah	5	10
Hoh	1	5
Chehalis	2	5
Quinault	8	12
Quileute	17	20
Yakima	34	125
Alaska Natives	391	50
Total	599	659

Mrs. HANSEN. In a community like Neah Bay, the Makahs have their own school there. It is a public school. The Quinaults have an elementary school. I could go on down the list of the students from these tribes that are attending public schools in the State of Washington.

Mr. HAWKINS. Madam Chairman, I made a misstatement prior to lunch that I would like to correct.

I believe in talking about the Papagos I mentioned the Santa Rosa school was an old and dilapidated structure and we were replacing it. I was corrected over lunchtime. Santa Rosa is actually a fairly new structure. What we are planning to do is to add to it, which would provide for additional boarding facilities as well as day facilities and permit us to bring some of the elementary children back from some of the off-reservation boarding schools where they now attend.

Mrs. HANSEN. Provide for the record the details of the phased construction.

Mr. HAWKINS. Yes, we will.

[The information follows:]

SANTA ROSA SCHOOL CONSTRUCTION PHASING

The construction at Santa Rosa School could be accomplished in two phases. In the first phase, the classroom buildings, gym, pool site work and utilities would be provided at an estimated cost of $4,500,000.

The second phase would provide the balance of the facilities comprised of a 160-pupil dormitory, 34 employee quarters, and a plant and storage building. The kitchen-dining building would be remodeled and enlarged. Site work would be completed. Phase 2 would cost an estimated $3 million.

HOUSING IMPROVEMENT

Mrs.. HANSEN. You are requesting a reduction of $1,103,000 for "Housing Improvement." You show a 1973 to 1974 reduction from 530 to 475 new homes and 5,100 to 4,120 renovations. What is the rationale for this reduction?

Mr. BUTLER. That decrease is the add-on that the committee gave to us for the California housing.

Mrs. HANSEN. Is the California housing complete?

Mr. BUTLER. No, ma'am.

Mrs. HANSEN. Then why didn't you include these funds as part of your base?

Mr. BUTLER. It is not felt that we could make an add-on as part of our base.

Mr. SYKES. We gained within the tight budgetary restraints we have.

Mrs. HANSEN. This reduction is literally $1,103,000 from the California rural Indian housing program. Isn't that correct?

Mr. BUTLER. That is correct.

Mrs. HANSEN. How many houses remain to be constructed in this rural segment of California?

Mr. BUTLER. The estimate, Madam Chairman, to complete the job in California would be $84 million.

Mrs. HANSEN. So it is going to take you 84 years ?

Mr. BUTLER. Provided construction costs don't go up, and they are going up.

There is $450,000 of the regular program funds being allotted for California.

Mrs. HANSEN. How many new houses and how many renovations did the $1.1 million provide?

Mr. BUTLER. For California?

Mrs. HANSEN. Yes.

Mr. BUTLER. 385.

Mrs. HANSEN. 385 new houses?

Mr. BUTLER. It would be about 50–50 renovations and houses.

Mrs. HANSEN. Please insert in the record the areas in California where the work was performed.

Mr. BUTLER. Yes, ma'am, I will.

[The information follows:]

The enclosed is a list of communities within the State of California where the housing improvement program funds were or will be expended during fiscal year 1972 and fiscal year 1973. The enclosed listing also includes the housing improvement repairs by category. In order to further clarify the categories used, we have enclosed a copy of "Housing Improvement Criteria and Administration."

HOUSING IMPROVEMENT PROGRAM (HIP) CATEGORIES

FISCAL YEAR 1972

Location	Category I	Category II	Category IV	Category V	Total families served
CENTRAL CALIFORNIA AGENCY					
Alturas	4	1			5
Big Pine	20				20
Bishop	112	5			117
Cold Springs	12				12
Colusa				5	5
Dry Creek	2				2
Fort Bidwell	17	1			18
Cedarville	4				4
Fort Independence	4				4
Grindstone Creek	7				7
Latonville				1	1
Lone Pine	31	2			33
Manchester Point Arena	13			1	14
Middletown	5				5
Round Valley	59	5			64
Stewarts Point	9				9
Rumsey	1				1
Sulphur Bank				14	14
Susanville	13				13
Tuolumne	23		3		26
Tule River	50	1			51
Madera County	8				8
Mariposa				1	1
Plumas County				1	1
Shasta County	1				1
Stony Ford	2				2
West Point				4	4
Off reservation, Yuba County			1		1
Total	397	15	4	27	443
SOUTHERN CALIFORNIA AGENCY					
Barona	11			1	12
Campo	9		3		12
LaJolla	8				8
LosCoyotes	2			3	5
MesaGrande	17			0	17
Morongo	8				8
Old Campo	1			1	2
Pala	4				4
Pauma	5				5
Pechanga			1		1
Rincon	10	12			22
San Pasqual	2				2
Santa Rosa	8				8
Santa Ynez	14			1	15
Santa Ysabel				1	1
Soboba	12			1	13
Biejas	31	1		1	33
Total	142	13	4	9	168
HOOPA AGENCY					
Hoopa Reservation	41	1	4	2	48
Hoopa Reservation (other)	33		2	3	38
Hoopa Extension	25	1		5	31
Trinidad Rancheria	2	7	1	2	12
Siskiyou County (PD Allotment)	2	1		2	5
Del Norte County	1			2	3
Shasta County				1	1
Total	104	10	7	17	138

HOUSING IMPROVEMENT PROGRAM (HIP) CATEGORIES

FISCAL YEAR 1973

Location	Category I	Category II	Category IV	Category V	Total families served
CENTRAL CALIFORNIA AGENCY					
Alpuras		1			1
Big Pine	3	1			4
Bishop	4	3			7
Colusa		1		5	6
Dry Creek		2			2
Fort Bidwell		4			4
Fort Independence	1	4			5
Grindstone Creek				3	3
Laytonville			1		1
Lone Pine		1			1
Manchester Point Arena	1	11	2		14
Middletown	5				5
Round Valley		7	15		22
Rumsey				2	2
Santa Rosa			2		2
Stewarts Point			1	1	2
Susanville	1	7	1		9
Tuolumne	1	1	3		5
Tule River		8	10	1	19
West Point				8	8
North Fork, Madera County	1			1	2
Plumas				1	1
Off reservation (by county):					
Butte			1		1
Colusa		1	3		4
Glenn County			1		1
Placer County			1		1
Lassen County			1		1
Sonoma County	2	2	1		5
Tehama County			2		2
Tuolumne		1			1
Total	19	55	45	22	141
SOUTHERN CALIFORNIA AGENCY					
Barona	7	2			9
Cabazon	1		2		3
Campo	1		4		5
La Jolla	8		1		9
Morongo	12	6			18
Pala	9		2		11
Pechanda	1	4	9		14
San Ysabel	18	4	1		23
San Pasqual	11	2			13
San Ynez	6	9	1	1	17
Santa Rosa	8				8
Sycuan	1				1
Rincon	8				8
Soboba	6	2		6	14
Total	97	29	20	7	153
HOOPA AGENCY					
Hoopa Reservation	30	8	1	8	47
Hoopa Reservation (other)	3	2	6		11
Hoopa Extension	10	6	1	4	21
Trinty	1		1		2
Requa	1				1
Siskiyou County	1	2	1		4
Shasta County		2	3	1	6
Total	46	20	13	13	92

Housing Improvement Program

CRITERIA AND ADMINISTRATION

Introduction

The housing policy of the Bureau of Indian Affairs is in line with the declaration of national housing policy set out in the Housing Act of 1949; that is, the Bureau's policy is that every Indian should have (or should have the opportunity to obtain) decent, safe, and sanitary housing in a suitable environment. To the

extent that Indian families lack sufficient income and assets to enable them to achieve such housing, the primary sources of assistance in obtaining such housing are the Federal housing programs which are designed to meet needs of low-income families such as the conventional low-rent, mutual-help and turnkey III housing programs of the Department of Housing and Urban Development; the direct and insured loan programs of the Farmers Home Administration; and the below market interest rate loan, rent supplement programs and the home ownership and rental housing programs for lower income families of the Federal Housing Administration.

The primary purpose of the Bureau's housing assistance activity is to assist Indian communities and families to participate in Federal housing programs (in cooperation with Bureau's credit staff where appropriate) and to provide for the planning and implementation of the housing improvement program.

The Housing improvement program is intended to:

I. Provide repairs, renovations, and enlargements to improve existing substandard housing (see "Housing Standards" below) to make it more livable and less hazardous to live in until the families have the opportunity to obtain decent, safe, and sanitary housing;

II. Provide repairs, renovations, and enlargements to existing structurally sound but substandard or deteriorating housing which can economically be placed or maintained in decent, safe, and sanitary conditions by the performance of such work;

III. Provide newly constructed housing which constitutes improved or more adequate shelter (but which does not meet the standards for category V) for families living in unrepairable, grossly substandard housing until the families have the opportunity to obtain decent, safe, and sanitary housing;

IV. Provide grants to reduce the amounts of loans required to provide decent, safe, and sanitary housing under a tribal credit or Federal housing program (or other credit sources with low interest rates and standards for housing comparable to such a program) where the grant will enable families in substandard housing to obtain housing loans which would otherwise not be available to them because of their low incomes and limited financial resources; and

V. Provide newly constructed decent, safe, and sanitary housing for needy families for which there is no reasonable prospect of their having the opportunity to obtain such housing by any other means.

The above categories shall be used for HI program reporting purposes and are referred to herein by number.

Administration

The area directors are responsible for the administration of the HI program in their areas in a manner consistent with the provisions of this document and with policies, criteria, and guidelines hereafter provided by the Commissioner.

To the extent that area and agency housing assistance, plant management, or other staff is assigned or diverted to the HI program, the costs of such staff may be charged to the cost of the area's or agency's HI program. Where the services of the field technical office are requested, the cost of such services may be covered by a transfer of HI allocation and any necessary ceiling positions from the requesting area to the FTO.

Methods

To the extent that the area director deems it feasible to do so, preference should be given to contracting with tribal organizations and Indian or non-Indian private contractors, and to the making of grants to individuals (for example, by depositing funds in IIM accounts) to enable them to accomplish their own purchasing or contracting (with or without Bureau technical assistance). Performance of work by the Bureau may be accomplished where no other method is deemed feasible.

Every effort should be made to utilize HI program funds in conjunction with training or other programs where the result will be the accomplishment of a greater amount of housing improvement than would be possible with HI program funds alone. In such cases the HI funds might be limited to provision of materials and perhaps, to providing inspection and technical assistance inasmuch as the training program can be expected to include funds for labor (trainees) and skilled supervisors (instructors).

Projects may involve undertakings included in one or more of the categories listed above and described individually below.

Housing standards

Housing in standard condition means housing which is decent, safe and sanitary in that it meets the following minimum standards:

1. General construction will conform to appropriate building standards for the region. The structure will be in sound condition and deterioration, if any, will not be at a level to create a health, safety or comfort problem.

2. The heating system will have the capacity to maintain a minimum temperature of 70° in the dwelling during the coldest weather experienced in the area. The system shall be safe to operate and maintain, and shall deliver a uniform distribution of heat. The local adopted heating codes may be used as an alternative.

3. The plumbing system will include a properly installed system of piping and fixtures supplied with cold and hot water in adequate volume for cooking, bathing, and toilet purposes. Minimum fixtures will consist of a kitchen sink, and a partitioned bathroom with lavatory, toilet and bath or shower. The water supply, plumbing system and sewage disposal system will meet the Indian Health Service standards.

4. The electrical system will include wiring and equipment properly installed to safely supply electric energy for adequate lighting and for the operation of appliances. There will be a minimum of two circuits per dwelling and provision for at least one additional circuit for future use. The state or tribal electrical code may be used as an alternative.

5. Overcrowding will exist if the following is exceeded:

One bedroom dwelling: One to three persons (husband, wife and child up to 24 months).

Two bedroom dwelling: Up to six persons (husband, wife and child up to 24 months in one, and three children of same sex in other).

Three bedroom dwelling: Adequate for all but very largest families (the first bedroom will have 100 square feet and a minimum of 80 square feet for others).

Costs

As used here, the term "cost" refers only to costs charged to the HI program for construction supervision, procurement, contract inspection and supervision, labor, materials, and so forth, and does not include costs borne by the Indian Health Service or OEO-assisted training programs.

Variations from Criteria

Proposals for variations from the criteria contained herein should be submitted to the central office.

Reports

Reports for each category utilized are to be submitted by the area offices to the central office at the end of each quarter of the fiscal year in a format such as the following: (Show actual information for past quarters and estimated information for future quarters.)

	1st quarter	2d quarter	3d quarter	4th quarter
Number underway at start				
Number of starts during quarter				
Number of completions during quarter				
Number underway at end				
Cumulative completions				

For each category there shall be one form indicating area totals and separate forms for each reservation and agency involved. Each form should also state the estimated cost of the category undertaking and the estimated total number of man-years of temporary employment involved.

CATEGORY I

Definition

Category I includes undertakings to provide economical repairs, renovations, and enlargements to improve existing substandard housing to make it more

livable and less hazardous to live in until the families have the opportunity to obtain decent, safe, and sanitary housing. It should be noted that category II includes those cases where repairs, et cetera, result in existing housing being brought up to decent, safe, and sanitary condition and that the distinction between categories I and II is only for purposes of reporting.

Methods

Category I undertakings may be accomplished by contracting with tribal organizations or private contractors or by the making of grants to individuals (for example, by depositing the grant funds in IIM accounts) to enable them to accomplish their own purchasing or contracting. Where grants are made to individuals, the Bureau may provide assistance in obtaining reasonable prices and in determining the adequacy of contract specifications and will inspect to make reasonably certain that value is obtained by the use of the grant funds. The work may also be accomplished by Bureau purchasing materials, employing labor, and supervising the work.

Preference should be given to HI program undertakings in conjunction with OEO-assisted training and other programs where the result will be the accomplishment of a greater amount of housing improvement than would otherwise be possible with HI program funds alone.

Standards

In the case of category I undertakings, the standard to be used is improvement in the condition of the house although it may be obvious that such undertakings will not improve the housing involved to the extent that it could meet the "decent, safe, and sanitary" standard. As indicated in the definition, these undertakings should result in improving livability and reducing health and safety hazards and may involve weathertightening; reroofing; installing of electrical wiring; repairing chimneys, foundations, and so forth; installing heating and sanitary facilities; painting; providing additional living or sleeping space; adding kitchens or bathrooms in conjunction with Indian Health Service projects; and other similar items.

Cost limitations

Category I understakings should not involve an expenditure of HI program funds of over $3,500 for any one dwelling.

Eligibility and selection

Families and individuals eligible for category I benefits are those which would be eligible for continued occupancy in public housing and which the agency superintendent determines to be living in substandard housing and to have insufficient resources to accomplish the housing improvements themselves. Preference should be given to families with the greatest needs and in the most crowded conditions. In determining eligibility the tribes should be involved and the selection of families should be made by or concurred in by the tribal governing body or by an agency or committee of the tribe such as the tribal housing authority, unless the area director determines in a specific situation that selection by such methods is not feasible.

Miscellaneous

There shall be no requirement for transfer of title to housing improved by category I undertakings and there shall be no restrictions on the future use of such housing because of assistance under this category.

CATEGORY II

Definition

Category II includes undertakings to provide repairs, renovations, and enlargements to existing structurally sound but substandard or deteriorating housing which can economically be placed or maintained in decent, safe, and sanitary condition by the performance of such work.

Methods

Category II undertakings may be accomplished by the same methods as described for category I undertakings.

Standards

Upon completion of work on housing in category II undertakings, the housing should meet the "decent, safe, and sanitary" standard, page 3.

Cost limitations

The cost limitations for category II undertakings are the same as for category I.

Eligibility and selection

Eligibility and selection criteria for category II undertakings are the same as for category I.

Miscellaneous

There shall be no requirement for transfer of title to housing improved in category II undertakings and there shall be no restrictions on the future use of such housing because of assistance under this category.

CATEGORY III

Definition

Category III includes undertakings to provide newly constructed housing which constitutes improved or more adequate shelter (but which does not meet the standards for category V) for families living in unrepairable, grossly substandard housing until the families have the opportunity to obtain decent, safe, and sanitary housing.

Methods

Category III undertakings may be accomplished by the same methods as described for category I undertakings.

Standards

Each category III undertaking must be expressly approved in writing by the central office. Category III proposals should include information as to the applicability of any housing codes to the proposed housing.

Cost limitations

Category III undertakings should not exceed cost of $5,000 per dwelling.

Eligibility and selection

Eligibility and selection criteria for category III undertakings are the same as for category I.

Miscellaneous

Each category III proposal should indicate whether the benefiting families will make any contribution (cash or labor) to the undertaking, who will own the homes, what maintenance requirements will be imposed and who will be responsible for enforcement, who will collect any periodic payments required for the families, and what disposition will be made of the funds collected.

CATEGORY IV

Definition

Category IV includes the provision of grants to families to reduce the amounts of loans required to provide them with decent, safe, and sanitary housing under Federal housing programs or other credit source with low interest rates and standards for housing comparable to such a program, including U.S. direct loan and tribal credit programs. These grants will be made in those cases where the agency superintendent determines that the grant will enable families in substandard housing to obtain loans which would not otherwise be available to them because of their low incomes and limited financial resources. "Federal housing programs" includes those programs providing insured, guaranteed, or direct loans to families through the Federal Housing Administration, Veterans' Administration, and Farmers Home Administration.

Methods, limitations and eligibility

Category IV grants of up to $3,500 each may be made in cases where the agency superintendent determines that a family could not obtain a loan without the reduction of the loan by way of a grant because of its low income and limited financial resources. The cost of housing provided in connection with category IV grants should not exceed $16,000 excluding closing costs.

The method of payment of the grant should insure that the funds are used for the purpose intended. No lien need be taken on the house because of a grant.

The selection of families should be concurred in by the tribal governing body or by an agency or committee of the tribe such as the tribal housing authority, unless the area director determines in a specific situation that selection by such method is not feasible.

Inspection

The agency superintendent shall provide inspection of the housing provided through assistance under this category where inspection is not provided pursuant to the requirements of a Federal housing program.

CATEGORY V

Definition

Category V includes undertakings to provide decent, safe, and sanitary housing for needy families living in unrepairable, grossly substandard housing and for which there is no reasonable prospect of their having the opportunity to obtain such housing by any other means.

Methods

Category V undertakings may be accomplished by contracting with tribal organizations or private contractors or by Bureau directed construction. Where it is feasible to do so, the undertakings may be in connection with OEO or MDTA-assisted training programs.

Standards

The minimum housing provided under category V should meet the requirements of housing standards outlined previously (page 3). In the case of Public Law 280 or possible termination reservations the housing should meet the appropriate codes which would apply to non-Indian housing in the locality.

Subject to the above, the category V housing may be of the type included in the suggested HI materials prepared by the FTO for the 1968 HI program, the type used in the mutual-help program, or any house which has been approved for use in the Farmers Home Administration, the Federal Housing Administration, Veterans' Administration housing programs, or tribal credit programs.

In addition, the following criteria shall also apply to category V undertakings subject to exceptions approved by the agency superintendent on an individual basis:

A. Locations which would not be adverse to occupants, such as: residence next to a saloon, town dump, locations which would be unacceptable environment for children, etc.

B. Locations accessible to school bus routes where children are involved

Cost limitations

The cost of housing provided under category V should not exceed an average of $16,000 per unit.

Eligibility and selection

Housing provided under category V is intended for use by families and elderly persons who are at the time of their selection receiving or are eligible for welfare assistance or who have a record of dependence upon assistance during part of the year and for whom it is not possible to provide housing under the public housing or other programs. Preference should be given to families with minor children in the home.

There should be a maximum tribal involvement in the selection of the initial occupants of the housing provided under this category, unless the area director determines that such involvement is not feasible. The initial proposed selections should be made by the tribe (or tribal entity designed for this purpose) or the proposed selections may be made by the superintendent and the tribe jointly. All selections will be subject to approval by the area director based on documentation indicating present housing conditions, financial situation, and other factors supporting the selection.

Miscellaneous

Housing provided under category V should be placed on tribal land or land leased to the tribe or tribal organization (such as a housing authority) for at least 25 years. The housing should be on sites which would facilitate use of the housing by families other than those selected for initial occupancy. Where pos-

sible the sites should be in clusters or located in or adjacent to existing communities.

Ownership and responsibility for management of category V housing should be turned over to the tribe or a tribal organization such as a housing authority. The bill of sale transferring title to the housing should specify that in the selection of any replacement for the initial occupants, the transferee will give first preference to families and individuals eligible for welfare assistance and such selections will be subject to the concurrence of the agency superintendent. The Bureau will not require the imposition of income limits for continued occupancy. The owner of the housing should carry adequate fire insurance where feasible.

Mrs. HANSEN. Did you make sure, if you provided improvements beyond the level which the Indian people have had, that they were given some assistance in how to manage these new installations?

Mr. BUTLER. Yes, ma'am; through the tribal housing authorities they were given management assistance.

PROPOSED QUILEUTES HOUSING DEMONSTRATION PROJECT

Mrs. HANSEN. The Quileutes have a proposal on housing. They say they have discussed this proposal with the BIA. This would be a housing demonstration project which would be a model housing project and would provide x number of houses every year. They intend to use tribal labor.

Have you had an opportunity to review this project?

Mr. BUTLER. We haven't in its finality, Madam Chairman. We have received the proposal. The Quileutes were in to see us about a month ago and discussed this model proposal with us and we have it for review right now as to what program funds can be made available.

It is in our opinion a very worth while project, one that we would like to see them move forward on.

Mrs. HANSEN. As you are well aware, the Quileutes have a very unusual circumstance. They were literally pushed back by what I would call a charter boat operation from a very scenic, beautiful village, to where they are very crowded, literally against the bank. Their housing is in a sad condition and the facilities available to them are just practically nonexistent. They have shown a great deal of creativity in thinking through their program. They have requested $75,000 for the planning.

What do you think of that proposal?

Mr. BUTLER. We are very pleased with the proposal, Madam Chairman, and if within available funds we can do this we would like to see them move forward with it.

INDIAN HOUSING NEEDS

Mrs. HANSEN. What are your total housing needs for the entire Indian community that can be met by your home improvement program?

Mr. BUTLER. Madam Chairman, in the 1972 housing survey that was completed, we found there are 103,300 families for what the present time only about 30,000 homes are of standard condition and that an

estimated 20,500 homes could be renovated, with an additional 4,400 that are in adequate condition, except lacking various utilities, which would leave us with a balance of about 48,300 required new homes.

Mrs. HANSEN. These 48,000 are existing homes that have to be brought up to standard. Is that correct?

Mr. BUTLER. No. Some of those will be new construction. Some of those, of course, would be also part of the HUD funding for public housing. Mr. Geary has pointed out that we have about 15,000 families that are presently doubled up included in the above total.

Mrs. HANSEN At the present level of funding when do you expect to complete your housing needs?

Mr. BUTLER. That, Madam Chairman, would depend in large part on the resources that we are able to receive from the Department of Housing and Urban Development.

Mrs. HANSEN. Only consider the part that you manage and give me at the present level of funding how many years it is going to take to complete your housing improvement program needs.

Some of these people are going to be gone before you ever get through.

Mr. BUTLER. If we had the sole responsibility, Madam Chairman, it would be about 20 years.

Mrs. HANSEN. I am just asking you for your part of the program, assuming that it continues at your present rate? Will it be 20 years to complete the work?

Mr. BUTLER. I would say at least, yes, Madam Chairman, it would, at our present rate.

Mrs. HANSEN. Why are you proceeding at this rate? Is it solely budgetary considerations, or do you lack the personnel and training?

TRIBAL HOUSING AUTHORITY

Mr. BUTLER. I would suggest primarily it is budgetary limitations. A part of it, too, was the development state of the various tribal housing authorities in which they are now getting into operation.

Mrs. HANSEN. How many tribal housing authorities do you have?

Mr. BUTLER. There are over 100 tribal housing authorities today.

Mrs. HANSEN. How many more do you estimate will be formed?

Mr. BUTLER. I would suggest that there probably in the next few years will not be more than 20 or 25 additional housing authorities.

Mrs. HANSEN. Some of the tribes are not in areas where they have housing.

Mr. BUTLER. That is correct. Some of the very small tribes are a part of a countywide, citywide, housing authority.

Mrs. HANSEN. How long ago was your housing improvement program initiated?

Mr. BUTLER. It started in the mid 1960's, Madam Chairman.

Mrs. HANSEN. Please insert in the record since the program began, the amounts of money that have been spent, and the number of houses that have been brought up to standard.

Mr. BUTLER. Yes, ma'am.

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[The information follows:]

Fiscal year	Total program funding	Total number of starts (renovated or new construction)	Program funds expended leading to the renovation or construction of standard homes	Total number of homes (renovated or constructed) receiving funding to make them standard
1965	$500,000	64	(1)	(1)
1966	997,000	141	(1)	(1)
1967	1,000,000	232	(1)	(1)
1968	2,657,000	2,125	$2,103,000	1,508
1969	3,671,000	3,357	2,950,000	2,211
1970	5,701,000	4,229	4,012,000	1,500
1971	6,640,000	4,447	4,678,000	1,552
1972	9,164,000	4,996	4,953,000	1,642
1973	10,475,000	[2] 5,130	8,642,000	[2] 2,730
1974	9,372,000	[3] 4,595	7,732,000	[3] 2,450

[1] Not available.
[2] Projection including 1st and 2d quarter actual figures.
[3] Calculated from the fiscal year 1974 budget justification figures.

Mr. BUTLER. Should we add to that, too, different alternatives for rates, for completion?

Mrs. HANSEN. What are the alternatives?

Mr. BUTLER. More money for housing.

Mrs. HANSEN. You can't disassociate the problems of housing and the problems of education and health until your houses are brought up to minimum standards of decent sanitation and other basic ingredients.

We have pictures that the Quileutes left on their housing. How do you expect to take a youngster and send him to school part of the day and then send him home at night and really make much progress?

You have the ideal facility during the school hours but then at night you go back into a hovel. I don't think you are going to have much progress in these other related fields until you make a little more progress in your housing.

Incidentally, when you are reconstructing your houses you have to reconstruct a family's life, too, because you can't automatically use modern plumbing if you have never seen it before. You don't automatically use electricity if you have never had it. Some of the criticisms GAO made on your housing program last year were attributable to the lack of basic training in the management of a home.

Here is a picture of a Quileute house.

DIRECT EMPLOYMENT ASSISTANCE

You are requesting a reduction of $3,002,000 and four positions for direct employment assistance. What does this involve?

Mr. BUTLER. That, Madam Chairman, was the sum of reductions there, and we can find the backup here, in which there were three changes. One was the Roswell Training Center.

Mrs. HANSEN. What are the other changes?

Mr. BUTLER. 3.6 of the Roswell and then 2.7 in direct employment reductions.

Mrs. HANSEN. How will that reduction of $2.7 million be distributed?

Mr. BUTLER. That is across the board, Madam Chairman, in terms of all direct employment.

Mrs. HANSEN. In prior years you had an employment program in which you relocated people off the reservation and into an urban area. What are you doing in this regard? Have you just abandoned those people who were relocated?

I realize you have a new direction today to create employment on or near the reservation.

But at this point in time you have few industries on the reservations.

What happens to these people that have been relocated to the urban areas?

SAN DIEGO INDIAN CAREER CENTER

For instance, Congressman Van Deerlin testified about the Indian Career Center in San Diego where they were training largely young women.

One of the young women who was being trained discussed this program with us and was very unhappy about this being discontinued.

What happens to the people in this training program?

Mr. BUTLER. The direct employment reduction, Madam Chairman, is about 1,000 direct employment placements. We are not planning in any way to abandon those who have been placed for direct employment in the urban centers in the past.

What is happening, however, is that with the buildup of the reservations, with the stress toward the economic development of the reservations, we are finding that less people are asking us for direct employment services to these urban areas, and this was the reason for the reduction.

Mrs. HANSEN. Mr. Reifel and I told you from the beginning this program was fraught with peril. I don't believe anybody paid any attention to us and you went ahead with the program. Now you have a new approach. What is going to happen, for example, to San Diego. Are you phasing this program out?

Mr. BUTLER. No, Madam Chairman, we are not planning to phase out the actual training of the girls who are there at San Diego. We are planning to redirect the approach of the program there at San Diego.

Mrs. HANSEN. Please explain that redirection.

Mr. BUTLER. Those girls who are now in training there who will not have completed their training, we will continue the training elements through the efforts of the Los Angeles Field Employment Assistance Office.

Mrs. HANSEN. But aren't you closing down the Indian Career Center?

Mr. BUTLER. The Career Center as it is presently contracted today, yes, ma'am, we are proposing to discontinue that.

Mrs. HANSEN. Why?

Mr. BUTLER. All of the residential programs, Madam Chairman, are extremely high-cost programs.

Mrs. HANSEN. You knew they would be when you provide funds for these programs.

Mr. BUTLER. That is correct; we did. In the redirected approach, giving the various tribes a voice in establishing their own priorties for the utilization of the funds, we are redirecting it from——

Mrs. HANSEN. Most of the Indian girls in San Diego are from the Navajo Reservation. They want to stay in the San Diego area because as I understand it about 60 percent of them have been employed through the training center.

If this facility is closed will those girls have to go back to the Navajo Tribe to learn secretarial work?

Mr. BUTLER. No, ma'am. As I said, we are not planning to close down the program itself.

Mrs. HANSEN. The Navajos aren't located in San Diego to take charge of the training. Explain to me what you are proposing in sensible language.

Mr. BUTLER. Well, it is considered as institutional type training and will go into that phase. As I say, we are not going to close down the program.

Mrs. HANSEN. But who are you going to contract with for the operation of this center?

Mr. BUTLER. For the time being we may run it ourselves, Madam Chairman, with the ultimate goal that some of the various Indian organizations within that area may choose to operate the program on a broadened scale.

In addition to providing for the solo parent program, we are also proposing to offer the local Indian community there the total program resources of the employment assistance program.

Mrs. HANSEN. You people have been telling me that you couldn't contract with urban Indian groups, that you didn't have adequate money and authority. Obviously the Navajos are not located in San Diego.

What affiliated constituted group in San Diego are you planning to contract with?

Mr. BUTLER. Madam Chairman, there is the San Diego Indian Center there. There is a San Diego County Tribal Chairmen's Association.

Mrs. HANSEN. Is that made up of Navajo people?

Mr. BUTLER. No, ma'am. That is the California people. There is also the Intertribal Council of California which has expressed interest in the program. What we are proposing to do is to broaden the service base so that the southern California Indians there who desire institutional training locally, who may desire direct employment services locally, can have the program brought to them.

Mrs. HANSEN. I am going to quote one of their statements:

> It all goes back to a private statement made to me by Al Trimble, the current chief of the branch employment assistance. Over a year ago he said to me that it didn't matter how successful that the AICC program was, that he intended to get rid of us as he already had the other non-Indian contractors who operated the Madera and Roswell Employment Training Centers. It is regrettable that this kind of racism can be responsible for the elimination of a much needed resource.

Do you have any comment?

Mr. BUTLER. No, ma'am. I did not hear Mr. Trimble say that so I would have no comment on this statement; no.

Mrs. HANSEN. So Madera, Roswell, and San Diego are planned to be closed.

Mr. BUTLER. No; Madera is not a closeout. Roswell is; yes, ma'am.

Mr. ROGERS. Madam Chairman, if I might comment——

Mrs. HANSEN. Please do.

Mr. ROGERS. Thank you. I think that Mr. Trimble's statement might have been misinterpreted in that there really are two basic objectives that we have in this business. One is cost effectiveness.

In other words, we want to get the job done for the minimum cost that is reasonable to get the performance out of the job that we require.

INDIAN CONTRACTING

We also are trying to encourage Indian contracting. We are indeed trying to place contracts with Indian firms. Now, really the fundamental reason for phasing out Roswell and the Solo Parent Training Center in San Diego is inordinately high costs.

We just didn't feel that for the unit cost we were spending there we were getting the return that we could get by alternate methods of doing the job. As we go forward with the total employment assistance requirements in San Diego it is true we intend to contract with an Indian organization if such is available that can do the job, but it sounds to me like Mr. Trimble's remarks were taken to be solely concerned with the second objective rather than with the first, which in my mind is the more paramount objective.

Mrs. HANSEN. You feel in spite of the $3,002,000 reduction for direct employment, you will be able to do the same amount of work? Is that correct?

Mr. ROGERS. Yes, ma'am.

Mr. FRANKLIN. Mrs. HANSEN, may I make a statement please? The facility at San Diego operated by this private contractor is probably one of the finest facilities that you could find in the United States.

Mrs. HANSEN. That is what Congressman Van Deerlin has said.

Mr. FRANKLIN. Our action taken by the Bureau of Indian Affairs does not affect their operation in any way. If it is a practical operation and the Indian people through their programs find they want to continue to use that facility they are free to do so.

We have been working with them to see if any advantages can be made in increasing the proportionate share of welfare costs, medical costs, child care, in such a manner that you could actually justify what appears to be an excessive rate.

I do want to say this, and I can say it I think freely from the experience I had prior to joining the BIA, that the success is unequaled in the manner in which they have operated that facility.

While they have been given notice of termination of the contract as far as the Bureau of Indian Affairs is concerned, it does not mean that the facility, if it is truly a practical private venture, couldn't go ahead and operate.

There are many other things that might be considered. For instance, instead of being solely one for solo parents they might extend the operation to include other types of training for other than solo parents.

There may be other departments of Government that could contract with them; for instance, the Labor Department that would provide additional uses for their facility, and we have been discussing this with them in just recent days.

Mrs. HANSEN. I can see that in the time of adjustment between establishing reservation enterprises and providing training in urban

areas there are going to be some people falling through the cracks. That is the problem and I think we might just as well face it honestly.

Mr. ROGERS. We certainly do not intend to leave any Indians falling through the cracks, so to speak.

The other point I would like to make is with our new direction of going back to the reservations, that will not stop employment training in the cities because the philosophy of the thing is that the Indians themselves decide where they want to go and what kind of training they want to pursue. We think some of them, more of them perhaps, may want to stay near their reservation but there will still be those who want to go into the city and take training of some sort there and we will provide for that.

Mrs. HANSEN. You estimate the total Indian population to be about 722,730. The BIA service population is about 499,322, so there are almost 300,000 Indians who are in areas not served by the BIA.

Those 300,000 are the Indian people who are presenting the present fiscal problems. You only have to look at the long list of urban Indian proposals the committee has received.

ADULT VOCATIONAL TRAINING

You are also requesting a reduction of $4,118,000 and 22 positions for adult vocational training. What is the rationale for abolishing the Indian solo parent project? Will this be discontinued nationwide?

Mr. BUTLER. The solo parent program?

Mrs. HANSEN. Yes.

Mr. BUTLER. No; we would not discontinue it all over the Nation.

Mrs. HANSEN. Just San Diego?

Mr. BUTLER. Well, San Diego is the only one that exists today but it may well be that in the tribes' desires they may establish other solo parent training-type centers following the program like the San Diego program.

Mrs. HANSEN. What is the rationale for the reduction of $4,118,000 and 22 positions?

Mr. BUTLER. That is a reduction of institutional training which is carried out under AVT.

Mrs. HANSEN. How many people are affected?

Mr. BUTLER. Some of that is being shifted from the adult vocational training authorization of Public Law 84–959 to the direct employment assistance program above, so there is actually a net increase of the total there of 70 participants.

Mrs. HANSEN. Did the 70 participants cost $4 million?

Mr. BUTLER. No, ma'am.

Mrs. HANSEN. You have a decrease of about $3 million for direct employment and about a $4 million reduction for adult vocational training. This is a total decrease of about $7 million.

Mr. BUTLER. Madam Chairman, under the net reduction of $3 million in direct employment, we have an increase there of $3.3 million for institutional training efforts, the Residential Training Center reduction of $3.6 million, and the decrease in direct employment of $2.7 million resulted in the net decrease, so although there is a decrease

of $4 milllion in adult vocational training there is an increase above of $3.3 million in direct employment for institutional training.

Mrs. HANSEN. The amount available for the two programs was $39,849,000 in fiscal year 1972. In 1973 the amount available was $42,427,000. In fiscal year 1974 you are requesting about $35 million.

Mr. BUTLER. Madam Chairman, over on the top of page 18 you will see a summary of the numbers of those served and you will see that of the numbers served, the proposal is only for a reduction of 2,000.

Mrs. HANSEN. What will happen to these 2,000 people?

RESERVATION MANPOWER TRAINING PROGRAMS

Mr. BUTLER. What we are thinking of here, Madam Chairman, is that some will go into some of the other manpower training program that are beginning to open up on the reservations.

Mrs. HANSEN. At the present time how many manpower training programs are funded on the reservation?

Mr. BUTLER. I would have to supply that, Madam Chairman.

[The information follows:]

RESERVATION MANPOWER TRAINING PROGRAMS

Areas and manpower program title	Funding agency	Location	Funding
ABERDEEN			
MDTA program	DOL	Fort Thompson	Unknown
		Rosebud	do
		Yankton	do
		Standing Rock	do
		Turtle Mountain	do
		Winnebago	do
NAPS-JOBS		Fort Berthold	do
		Rosebud	do
		Standing Rock	do
		Turtle Mountain	do
New Careers program	DOL	Fort Berthold	do
		Fort Thompson	do
		Lower Brule	do
		Fort Totten	do
		Pine Ridge	do
		Rosebud	do
		Yankton	do
		Sisseton	do
		Standing Rock	do
		Turtle Mountain	do
		Omaha	do
		Santee	do
Public Service Commission		Fort Berthold	do
		Fort Totten	do
		Pine Ridge	do
		Yankton	do
		Turtle Mountain	do
Operation Mainstream		Fort Berthold	do
		Rosebud	do
		Yankton	do
		Sisseton	do
		Standing Rock	do
		Turtle Mountain	do
		Winnebago	do
		Omaha	do
		Santee	do
NYC		Cheynne River	do
		Fort Berthold	do
		Fort Thompson	do
		Lower Brule	do
		Fort Totten	do
		Standing Rock	do
		Turtle Mountain	do
		Omaha	do
Tribal direct employment program		Rosebud	do
OEO		All reservations	do

RESERVATION MANPOWER TRAINING PROGRAMS—Continued

Areas and manpower program title	Funding agency	Location	Funding
Youth Conservation Corps		Standing Rock	Unknown
OEO Upward Bound		Fort Berthold	Do.
		Fort Thompson	Do.
		Lower Brule	Do.
		Pine Ridge	Do.
		Yankton	Do.
		Standing Rock	Do.
		Turtle Mountain	Do.
		Winnebago	Do.
		Omaha	Do.
		Santee	Do.
Emergency employment program		Fort Berthold	Do.
		Fort Thompson	Do.
		Lower Brule	Do.
		Fort Totten	Do.
		Yankton	Do.
		Sisseton	Do.
		Standing Rock	Do.
		Turtle Mountain	Do.
		Omaha	Do.
		Santee	Do.
HUD		All reservations	Do.
EDA		do	Do.
ALBUQUERQUE			
Federal manpower program	DOL	Laguna	34,517
		Picuris	24,229
		North Pueblos	124,563
		Navajo Reservation	93,360
Emergency Employment Administration		Jicarilla	64,000
		Zuni	96,509
		South Utes	
Small program-CEP		Jicarilla	1,050
CEP		All reservations	6,040
Ute		Jicarilla	50,000
EMA		do	67,000
NYC		Zuni	21,000
ANADARKO			
Bureau of Apprenticeship and Training	DOL	Oklahoma	Unknown
		Kansas	Do.
Job Corps		Oklahoma	Do.
		Kansas	Do.
MDTA		Oklahoma	Do.
		Kansas	Do.
CAP	OEO	Oklahoma	Do.
		Kansas	Do.
Oklahomans for Indian Opportunity	OEO	Oklahoma	Do.
		Kansas	De.
Department of Corrections Training	Justice	Oklahoma	Do.
		Kansas	Do.
BILLINGS			
MDYA	DOL	Blackfeet	Do.
		Windriver	Do.
		Fort Peck	Do.
		Rocky Boys	Do.
		North Cheyenne	Do.
		Flat Head	Do.
		Crow	Do.
New Careers program		Blackfeet	Do.
		Windriver	Do.
		Crow	Do.
		Fort Belknap	Do.
		Fort Peck	Do.
		Rocky Boys	Do.
		North Cheyenne	Do.
		Flat Head	Do.
HIP		Blackfeet	Do.
		Crow	Do.
		Windriver	Do.
		Fort Belknap	Do.
		Rocky Boys	Do.
Head Start		Blackfeet	Do.
		Crow	Do.
		Fort Peck	Do.
		Rocky Boys	Do.
		Flat Head	Do.
		Fort Belknap	Do.
		Blackfeet	Do.
		Flat Head	Do.
WIN		Fort Peck	Do.

RESERVATION MANPOWER TRAINING PROGRAMS—Continued

Areas and manpower program title	Funding agency	Location	Funding
Emergency Employment Act		Crow	Unknown
		Fort Belknap	Do.
		Windriver	Do.
		Fort Peck	Do.
		North Cheyenne	Do.
COP (public works)		Crow	Do.
		Rockey Boys	Do.
PSC		Crow	Do.
		Fort Belknap	Do.
PEP		do	Do.
YCC		do	Do.
Tribal work employment program		Crow	Do.
		Flat Head	Do.
		Fort Belknap	Do.
Bilingual		Crow	Do.
Green Thumb		Fort Belknap	Do.
Drug and alcoholism		do	Do.
		Windriver	Do.
Maintream		do	Do.
		Rockey Boys	Do.
		Flat Head	Do.
NAPS		Windriver	Do.
JOBS		do	Do.
Apprenticeship		do	Do.
Outreach		do	Do.
JUNEAU			
PEP program (summer) under EEA		Alaska	16,572
MINNEAPOLIS			
MDTA		Minnesota	Unknown
		Great Lakes	Do.
		Red Lake	Do.
Emergency Employment Act		Minnesota	Do.
		Great Lakes	Do.
		Red Lake	Do.
SET		Minnesota	Do.
		Great Lakes	Do.
		Red Lakes	Do.
NYC		Minnesota	Do.
		Great Lakes	Do.
		Red Lake	Do.
Operation Mainstream		Minnesota	Do.
		Great Lakes	Do.
		Red Lake	Do.
JOBS		Minnesota	Do.
		Red Lake	Do.
OJT		Minnesota	Do.
		Red Lake	Do.
Job Corps		Minnesota	Do.
		Great Lakes	Do.
		Red Lake	Do.
WIN		Minnesota	Do.
		Red Lake	Do.
New Careers		Minnesota	Do.
		Red Lake	Do.
Public service careers		Minnesota	Do.
		Red Lake	Do.
Job option program		Great Lakes	Do.
		Red Lake	Do.
Work infinitive program		Great Lakes	Do.
		Red Lake	Do.
Apprenticeship program		Great Lakes	Do.
		Red Lake	Do.
Food stamps		Great Lakes	Do.
		Red Lake	Do.
CAP		Great Lakes	Do.
		Red Lake	Do.
Great Lakes Inter-Tribal Opportunity Center		Great Lakes	Do.
Wisconsin scholarships in cooperation with MDTA		do	Do.
Miniset		Red Lake	Do.
Green Thumb		do	Do.
MUSKOGEE			
NYC		Pawhuska	60,000
		Seminole	26,500
		7 countys [1]	84,255
Emergency Employment Act		Pawhuska	110,012
		Okmulgee	400
		7 countys [1]	349,997
CHR		Pawhuska	20,000
		Okmulgee	4,000

RESERVATION MANPOWER TRAINING PROGRAMS—Continued

Areas and manpower program title	Funding agency	Location	Funding
Skill center		Sulpher	16,000
		Talequah	516,908
JOBS		Ardmore	50,000
		Ada	2,000
		Seminols	5,000
		Okmulgee	500
WIN		Ardmore	10,000
		7 countys [1]	
MDTA		Seminole	15,500
		Drumwright	12,000
		7 countys [1]	
Job Corps		Seminole	4,000
		Okmulgee	5,000
Revenue sharing		Pawhuska	23,679
Indiahoma Job Corps		Guthrie	16,200
Financial aid program		Okmulgee	60,000
Economic Development Act		7 countys [1]	104,000
Basic Education (Adult)		do [1]	
Community Challenge Commission		do [1]	
Public Employment Act		do [1]	
Boy Scouts (paraprofessional)		do [1]	
NAVAJO			
Navajo prevocational training	OEO/HEW	Within area	2,806,355
Public service careers	OEO/HEW	do	11,900
Navajo management opportunity	OEO/HEW	do	213,136
See footnotes at end of table.			
See footnotes at end of table.			
MDTA	DOL	do	1,706,050
CEP	DOL	do	1,200,000
NYC	DOL	do	932,427
Operation Mainstream	DOL	do	16,240
JOBS 70	DOL	do	178,000
NABS	DOL	do	525,000
CAMPS	DOL	do	38,000
PEP	DOL	do	3,300,200
Operation Hitchhike	DOL	do	205,180
Ironworker/crafts apprenticeship	DOL	do	113,000
PHOENIX			
MDTA	DOL	Gila River Career Center, San Carlos all JuCo's.	
JOP (jobs optional)	Fiscal year 1973 IDDA, fiscal year 1974 Arizonia State Employment Service.		
NYC		In school, out of school, summer programs (normally available but not funded for fiscal year 1974).	
Operation Mainstream			
Public employment program		All reservations	
PORTLAND			
MDTA	DOL	Yakima	316,472
		Umatilla	3,405
Mainstream		Within area	55,705
Emergency Employment Act		do	295,955
SACRAMENTO			
MDTA	DOL	35 rancharias	unknown
Public employment program	DOL	do	Do.
SOUTHEAST AGENCIES			
State Employment Service	DOL	Cherokee	Do.
		Choctaw	Do.
		Seminole	Do.
MDTA	DOL	Cherokee	Do.
		Choctaw	Do.
		Seminole	Do.
New Careers	DOL	Cherokee	Do.
Mainstream	DOL	do	Do.
NYC	DOL	do	Do.
		Seminole	Do.
Emergency Employment Act	DOL	do	Do.

[1] 7 counties include: O to, Steigler, Winston, McAlister, Anthers, Hugo, and Ida Bell.

Mrs. HANSEN. Do you have any idea?

Mr. BUTLER. I would suggest that there are at least 35 or 40 operating——

Mrs. HANSEN. Widely scattered throughout the United States?

Mr. BUTLER. Widely scattered.

Mrs. HANSEN. How many people does each program train?

Mr. BUTLER. The Department of Labor when they originally distributed the MDTA funds earmarked in their State allocations *x* number of slots that were to be made available for Indian training programs.

Mrs. HANSEN. What jobs are they trained for on the reservations if there are so few industries?

Mr. BUTLER. Some of them are being trained in the skills of working in hospitals. Some of them are going into police dispatch work; primarily in the crafts fields.

MAINTAINING LAW AND ORDER

Mrs. HANSEN. You are requesting a reduction of 30 positions for maintaining law and order. What does this involve?

Mr. SYKES. Could I take the blame for a typographical error there in my shop. That 30 positions should be only 9.

Mrs. HANSEN. That is quite a difference.

Mr. SYKES. Yes, ma'am.

NAVAJO POLICE FORCE

Mrs. HANSEN. The chief of the Navajo Police Force testified that their budget has to be increased by nearly $3 million. He said very frankly the tribal government cannot afford to pay these additional costs and they want some assistance from the BIA.

Your total budget for maintaining law and order is only $8,266,000. You say this provides justice services to the Indian population of approximately 307,000 located on 87 reservations. How much at the current time do you provide the Navajos?

Mr. BUTLER. We do not assist the Navajos at the present time financially in their law and order.

Mrs. HANSEN. What tribes do you serve? Insert a list of the tribes in the record.

Mr. BUTLER. Madam Chairman, yes, I would have to put a list in the record.

At the present time out of our BIA funding for law and order there is $1.5 million that is out under tribal contract.

[The information follows:]

ALASKA

Metlakatla

ARIZONA

Ak-Chin Indian Community
Cocopah Tribe
Colorado River Indian Tribes
Fort McDowell Mohave Apache Community
Gila River Indian Community
Havasupai Tribe
Hopi Tribe
Hulapai Tribe
Kaibab Band of Paiute Indians
Navajo Tribe (Arizona, New Mexico, Colorado, and Utah)
Papago Tribe
Salt River Pima-Maricopa Indian Community
San Carlos Apache Tribe
White Mountain Apache Tribe
Yavapai-Apache Band of Indians

COLORADO

Southern Ute Tribe
Ute Mountain Ute Tribe

IDAHO

Coeur d'Alene Tribe
Kootenai Tribe
Nez Perce Tribe
Shoshone-Bannock Tribes

MINNESOTA

Red Lake Band of Chippewa Indians

MISSISSIPPI

Mississippi Band of Choctaw Indians

MONTANA

Assiniboine and Sioux
Blackfeet
Chippewa Cree
Crow
Gros Ventre and Assiniboine
Northern Cheyenne
Salish and Kootenai

NEBRASKA

Omaha Tribe

NEVADA

Campbell Ranch Paiute Tribe
Confederated Tribes of the Goshute Reservation
Las Vegas Indian Colony
Paiute-Shoshone Tribes of the Fallon Reservation
Moapa Band of Paiute Indians
Paiute-Shoshone Tribe of the Fort McDermitt Reservation
Pyramid Lake Paiute Tribe
Shoshone-Paiute Tribes of the Duck Valley Reservation
Summit Lake Paiute Tribe
Walker River Paiute Tribe
Yerington Paiute Tribe

NEW MEXICO

Pueblo of Acoma Tribe
Pueblo of Cochiti Tribe
Pueblo of Isleta Tribe
Pubelo of Jemez Tribe
Pueblo of Laguna Tribe
Pueblo of Nambe Tribe
Pueblo of Picuris Tribe
Pueblo of Pojaque Tribe
Pueblo of Sandia Tribe
Pueblo of San Felipe Tribe
Pueblo of San Ildefonso Tribe
Pueblo of San Juan Tribe
Pueblo of Santa Ana Tribe
Pueblo of Santa Clara Tribe
Pueblo of Santo Domingo Tribe
Pueblo of Taos Tribe
Pueblo of Tesuque Tribe
Pueblo of Zia
Pueblo of Zuni Tribe
Jicarilla Apache Tribe
Mescalero Apache Tribe

UTAH

Ute Indian Tribe of the Uintah and Ouray Reservation

WASHINGTON

Kalispel Indian Community
Lower Elwha Tribe
Lummi Tribe
Makah Indian Tribe
Port Gamble Band of Clallam Indians
Quinault Tribe
Spokane Tribe
Yakima Tribe
Shoalwater

NORTH CAROLINA

Cherokee

NORTH DAKOTA

Devils Lake Sioux Tribe
Standing Rock Sioux Tribe
Three Affiliated Tribes of Fort Berthold Reservation

OREGON

Confederated Tribes of Warm Springs Reservation

SOUTH DAKOTA

Crow Creek
Cheyenne River Sioux Tribe
Lower Brule Sioux Tribe
Oglala Sioux Tribe
Rosebud Sioux Tribe
Standing Rock Sioux Tribe

WYOMING

Shoshone and Arapahoe Tribes

Mrs. HANSEN. What areas are provided assistance? Can you tell me generally?

Mr. BUTLER. We had Pine Ridge which we don't have any more.

Mrs. HANSEN. Who provides assistance to the Oglala tribe?

Mr. BUTLER. That was Pine Ridge, Madam Chairman. We had that one and they gave it back to us last year. I would say a number of the percentage of those which are under tribal contract are in the Montana area. A number of them are there.

Mrs. HANSEN. Can't you provide from your $8,266,000 some funds for the Navajos?

Mr. BUTLER. That would take it away from other tribes.

Mrs. HANSEN. Why is it the Navajo reservation which is the size of the State of West Virginia, has to pay all its own police costs? You do, for example, provide assistance to the Crow Reservation.

Mr. BUTLER. Yes, ma'am.

Mrs. HANSEN. Why aren't the Navajos treated equally?

Mr. BUTLER. Madam Chairman, at one time when the Navajo Tribe had sufficient resources of its own it was by their choice that they wished to fund their own law and order program.

Mrs. HANSEN. They have now changed their minds.

Mr. BUTLER. Their resources are changing, too.

Mrs. HANSEN. That is correct.

Mr. BUTLER. They have discussed this, the possibility with us, in a preliminary way; other tribes, too, Madam Chairman. San Carlos, which had previously funded its program, is running into financial difficulty, and in its preliminary discussion with us, toward funding these.

If we were to fund those, Madam Chairman, at the present level between the Bureau of Indian Affairs funding, both in terms of our direct service programs as well as those under tribal contract, as well as those which the tribes fund the cost figure would be about $13 million in total, for altogether, with the tribes at the present time funding their own law and order program at about $5.6 million.

Mrs. HANSEN. Do you fund the entire law and order program for the other tribes you assist? Do the tribes participate in the funding?

Mr. BUTLER. Many of them participate, Madam Chairman.

Mrs. HANSEN. Why couldn't you work out with the Navajos an equitable formula so that they might all have the same opportunity to participate?

Mr. BUTLER. This could be done, Madam Chairman.

Mrs. HANSEN. Are you eligible for LEAA grants?

Mr. BUTLER. Yes, many of the tribes are eligible for funding there.

Mrs. HANSEN. Are the Navajos?

Mr. BUTLER. The Navajos; yes, they are.

Mrs. HANSEN. Have they been provided funds through the LEAA program?

Mr. BUTLER. I don't have the information specifically.

Mrs. HANSEN. Insert in the record the amount of funds, if any, the Navajos have received through the LEAA program.

Mr. BUTLER. Yes.

Mr. WATT. Also how much the other tribes receive.

Mr. BUTLER. The total funding from LEAA both from discretionary and bloc grants is $1.38 million.

Mr. WYATT. That could be broken down by tribe?

Mr. BUTLER. All right.

[The information follows:]

(A) The Navajo tribe has received LEAA funding as follows:

June 8, 1970—Basic recruit training	$22,559
June 8, 1970—Prosecutor training project	32,604
June 10, 1970—Off-reservation specialized police training	44,730
October 16, 1970—Police legal adviser	11,540
February 3, 1971—Expansion of coverage and upgrading of Navajo tribal police radio system	48,168
Total	159,601

(B) All (87) Indian tribes certified by the Secretary of the Interior and published in the Federal Register as required by the omnibus crime bill are participating in LEAA funding. Total discretionary funds awarded fiscal year 1972, $2,199,000 and fiscal year 1973 as of January 1973 amount awarded $1,377,000.

(C) Fiscal year 1973 combined BIA and tribal law and order programs funds.

Area	BIA funding	Tribal funding	Total
Aberdeen	2,054.3	269.3	2,323.6
Headquarters	365.2		365.2
Cheyenne River	33.7	119.5	153.2
Flandreau	2.0		2.0
Fort Berthold	146.8	17.7	164.5
Fort Totten	134.4		134.4
Pine Ridge	395.4	81.2	476.6
Rosebud	207.4	20.5	227.9
Yakton	62.2		62.2
Sisseton	40.5		40.5
Standing Rock	198.6		198.6
Turtle Mountain	165.7	20.0	185.7
Winnebago	154.1		154.1
Crow Creek	80.9	4.4	85.3
Lower Brule	67.4	6.0	73.4
Billings	946.4	444.3	1,390.7
Headquarters	102.0		102.0
Blackfeet	74.3	120.0	194.3
Crow	150.7	87.1	237.8
Flathead	70.5	92.6	163.1
Fort Belknap	111.4	5.0	116.4
Fort Peck	137.8	68.0	205.8
Northern Cheyenne	82.0	68.6	150.6
Wind River	162.2	3.0	165.2
Rocky Boys	55.5		55.5
Minneapolis	302.9	36.5	339.4
Headquarters	71.6		71.6
Red Lake	231.3	35.0	266.3
Sac and Fox		1.5	1.5

Area	BIA Funding	Tribal funding	Total
Phoenix	1,624.3	702.4	2,326.7
Headquarters	150.4		150.4
Colorado River	230.0	79.1	309.1
Fort Apache	138.1	135.6	273.7
Nevada	170.0	8.0	178.0
Papago	176.0	93.1	269.1
Salt River	96.9	79.3	176.2
Pima	150.3	95.3	245.6
San Carlos	186.2	18.6	204.8
Uintah and Ouray	10.0	136.0	146.0
Hopi	185.4		185.4
Truxton Canyon	131.0	57.4	188.4
Albuquerque	856.9	338.7	1,195.6
Headquarters	84.0		84.0
Southern Pueblos	247.2	51.0	298.2
Northern Pueblos	161.9	5.6	167.5
Southern Ute	2.0	40.0	42.0
Ute Mountain	51.6	100.0	151.6
Jicarilla	37.3	110.1	147.4
Mescalero	111.3	20.0	131.3
Zuni	137.6	12.0	149.6
Ramah	24.0		24.0
Navajo	266.6	2,900.0	3,166.6
Portland	754.5	302.3	1,056.8
Headquarters	72.6		72.6
Colville	20.2		20.2
Fort Hall	120.1	61.2	181.3
Northern Idaho	104.1	15.6	119.7
Warm Springs	72.8	20.0	92.8
Western Washington	283.2		283.2
Yakima	63.6	172.5	236.1
Spokane	17.9	33.0	50.9
Central office	712.4		712.4
Headquarters	596.0		596.0
Indian Police Academy	116.4		116.4
Choctaw	131.3	81.5	212.8
Anadarko	6.4		6.4
Administrative support	610.0		610.0
Grand total	8,266.0	5,075.0	13,341.0

INDIAN SAFETY PROGRAM

Mrs. HANSEN. A gentleman testified on an Indian safety program. The National American Indian Safety Council is interested in a safety training program to reduce the number of accidents which you are aware is rather high on the reservation.

Have you done any planning with him or made any provision for promoting such a program?

Mr. BUTLER. Is that the gentleman from Albuquerque?

Mrs. HANSEN. Yes.

Mr. SYKES. Madam Chairman, our Director of Administrative Services has been working with him, if this is the same one that I was thinking of, and we are preparing a report on that and he told me the other day in checking with this gentleman that they weren't really seeking those funds from the BIA but from the other agencies of Government that participate in this type of thing.

Mrs. HANSEN. What other funds did he think would be available?

Mr. SYKES. I am not real sure of that.

Mrs. HANSEN. Please insert the information in the record.

Mr. SYKES. Yes.

Mr. BUTLER. I talked with him last summer in June and he was also interested at that time in the prospects of funding through the National Highway Safety and Traffic Act, getting funds from that source, too.

Mrs. HANSEN. That isn't going to take care of the sagging floors, the electrical problems, and so forth.

Mr. BUTLER. The highway traffic part is what he was addressing himself to.

Mr. SYKES. Could we take that overnight and check it out for you?

Mrs. HANSEN. Yes. There is no money for this program in the BIA budget?

Mr. SYKES. No, ma'am, we have no money in here, that is right.

[The information follows:]

Mr. Oren Tonemah, executive director of the National American Indian Safety Council, Inc., has discussed the proposal submitted to the committee dated May 9, 1973, with Mr. Carl Cornelius, Deputy Director of Administration (Management Services). When this proposal was initially received it was his (Mr. Cornelius) impression that it was a request for BIA funds. However, during the discussions Mr. Tonemah made it clear that his presentation is an effort by the National American Indian Safety Council, Inc., to obtain funding from the Departments of Health, Education, and Welfare, Labor, and Transportation for the special projects cited.

For the past few years the Bureau has entered into a contract with the NAIC on a very limited scale and will continue to do so.

Mrs. HANSEN. As you stated this morning, Mr. Hawkins the schools can be directed to establish a safety program. It seems to me that through the schools you could develop programs with community groups that don't cost a great deal.

As you are aware, in most industry a safety program is part of industrial life.

NATIONAL INDIAN SAFETY COUNCIL

Mr. FRANKLIN. Mrs. Hansen, I incorporated that organization, the National Indian Safety Council, several years ago, with the thought in mind that it would participate with the Labor Department in the on-going Safety Act in order to provide services to the industries that were being built on reservations where perhaps this Indian organization could perform those inspection functions on the reservations. It has moved in that direction but, as all other organizations, it tends to reach out here and try to embrace everything.

Now, undoubtedly, we will be able to sustain the corporation in order to keep it in existence with giving it an opportunity to move into those areas in which it was originally envisioned to operate.

Mrs. HANSEN. That is what I thought, that it could fit right in without having an specific appropriation.

Mr. FRANKLIN. We will undoubtedly be able to sustain the operation.

RESOURCES MANAGEMENT

Mrs. HANSEN. Please insert justification pages 23 through 66 in the record at this point.

[The pages follow:]

Appropriation, 1972		$71,456,000	
Second supplemental appropriation, 1972		4,308,000	
Total available, 1972			$75,764,000
Appropriation, 1973		83,141,000	
Total available, 1973			83,141,000

Summary of Increases and Decreases, 1974

	Base for 1974	Increase or Decrease 1974	
Forest and range lands			
For forest protection needs and to sustain present level of timber sales activity		$+287,000	
For administering Navajo-Hopi Joint-Use areas		+570,000	
For range land development and installation of management facilities	$8,146,000	+1,156,000	+2,013,000
Soil and moisture conservation			
For increased assistance to tribes in agricultural resource development	9,785,000	+304,000	+304,000
Employee compensation			
Decrease due to reduction in pro-rata assessment under Employee compensation fund	817,000	-100,000	-100,000
Net increase, 1974			+2,217,000
Budget estimate, 1974			85,358,000

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RESOURCES MANAGEMENT

Analysis by Activities

Activity	F. Y. 1972 Amount Available	F. Y. 1973 Amount Available	F. Y. 1974 Estimate	Increase (+) or Decrease (-) 1974 Compared with 1973	Page Reference
1. Forest and range lands	$7,648,484	$8,146,000	$10,159,000	$+2,013,000	25
2. Outdoor recreation	-	353,000	353,000	-	29
3. Fire suppression and emergency rehabilitation.	4,742,823	800,000	800,000	-	31
4. Agricultural and industrial assistance	14,066,111	17,362,000	17,362,000	-	33
5. Soil and moisture conservation	7,324,190	9,785,000	10,089,000	+304,000	44
6. Maintenance of roads	6,135,550	6,592,000	6,592,000	-	51
7. Development of Indian arts and crafts	657,516	688,000	688,000	-	54
8. Management of Indian trust property	9,897,986	12,414,000	12,314,000	-100,000	56
9. Repair and maintenance of buildings and utilities	23,865,467	24,867,000	24,867,000	-	60
10. Operation, repair and maintenance of Indian irrigation systems	1,425,873	1,611,000	1,611,000	-	62
11. Environmental quality service	-	523,000	523,000	-	65
Total	75,764,000	83,141,000	85,358,000	+2,217,000	

RESOURCES MANAGMENT

1. Forest and Range Lands

Activity or Subactivity	F.Y. 1972 Amount Available	F.Y. 1973 Amount Available	F.Y. 1974 Estimate	Increase (+) or Decrease (-) 1974 Compared with 1973
(a) Forestry	$5,413,703	$5,903,000	$ 6,190,000	+ $ 287,000
(b) Range lands	2,234,781	2,243,000	3,969,000	+ 1,726,000
Total	7,648,484	8,146,000	10,159,000	+ 2,013,000

(a) Forestry: F.Y. 1973, $5,903,000; F.Y. 1974, $6,190,000; increase $287,000. The increase consists of:

Increase (+) or Decrease (-) Amount	Positions	Total Program	Total Positions	Explanation
+$287,000	-5	$6,190,000	374	For forest protection needs and to sustain present level of timber sales activity.

Cost Factors Involved in Increases

Prevention and presuppression, including: Seasonal fire control aids, lookouts, construction of fire breaks, preparation of fire plans, training in fire control, firefighting equipment, and other needs.

Need for increase:

The increase of $287,000 will be utilized primarily to meet the critical protection needs of the Indian forests. In F.Y. 1971, average expenditure per acre for presuppression and prevention was $0.18 on Indian-owned commercial forest lands, compared with $0.31 per acre on such lands in the National Forests. In the event of another disastrous fire season such as those of the past two years, all of the increase would have to be used in protection activities, in addition to funds diverted from timber sales, forest management, inventory and other activities. This would inevitably have an adverse effect on the already curtailed income received by the Indian people from timber sales and local job opportunities.

Program of Work:

The objective of Indian forest management is to realize from the forest resources, the highest economic and social services for the Indian owners, on a sustaining basis. This basic objective is accomplished through:

1. Encouraging and assisting the Indians to participate in all phases of forestry activities through expanded employment and engagement in logging, wood-using and other business enterprises.

2. Protecting the forests from fire, insects, disease and trespass.

3. Developing the forests to harvest the full allowable cuts in accordance with sustained-yield forestry principles.

4. Applying forest cultural practices such as reforestation and timber stand improvement to raise the productive capacity of the forest lands, and increase the allowable cut.

In consultation with the Indians, forest management work plans are related with other uses of the forests, such as grazing, recreation, and watershed management. Indian forests especially enhance the unique wildlife and recreational potentials on many of the Indian reservation. Development of these potentials would provide considerable income, employment, and business opportunities for Indians.

Examples of recent accomplishments:

Timber sale receipts are the prime source of income on many reservations. Trends in volume and value of timber sales in recent years are as follows:

TIMBER CUT UNDER CONTRACT, PAID PERMIT, AND SPECIAL ALLOTMENT TIMBER CUTTING PERMIT

Fiscal Year	Volume Cut (MBM)	Value
1968	951,813	$21,275,697
1969	974,332	32,935,311
1970	776,402	26,885,540
1971	770,927	23,324,943
1972	926,000	38,096,000
1973 estimate	862,400	35,237,740
1974 estimate	896,977	34,583,260

INDIAN PARTICIPATION IN THE FORESTRY PROGRAM

In fiscal year 1972, it is estimated that 18 tribal groups participated in financing their forestry programs, with approximately $821,000 in direct contributions alone. Tribes also approve road construction and planting and seeding requirements in timber sale contracts, which are indirect contributions to Bureau programs, because they reduce the Indians' stumpage revenues. Starting in fiscal year 1973, the Indians are being given the opportunity to invest administrative fees in the intensive management of their forests. The amount of their investments could range between $2 and $3 million.

Every million board feet of timber sold generates an estimated 5-10 man years of employment, on or near the reservations, in logging operations and manufacture of lumber. Indians are increasingly taking advantage of these job opportunities, as shown by 1,250 in permanent jobs in 1959, and an estimated 2,726 in FY 1972. Indian tribes are showing increased interest in establishing enterprises, not only in logging and processing of reservation timber, but in providing the manpower for forest cultural projects and other forestry activities.

About one-third of the permanent Forestry staff, and over 95 percent of the seasonal staff are Indians. Indians receive training in the Forestry program in Student Trainee and Forestry Aid positions; by participation in training provided in fire schools; when hired as mill or other wood-using industry employees; and in the Indian crews established to handle forest development projects or forest fire suppression.

ADMINISTRATIVE DEDUCTIONS FROM INDIAN TIMBER SALE RECEIPTS

Administrative deductions are made from timber sale receipts under authority of the Act of February 14, 1920, as amended. In fiscal year 1974, the estimate of fees earned for deposit in the Miscellaneous Receipts account in the Treasury is approximately $500,000.

(b) Range lands: Fiscal year 1973, $2,243,000; Fiscal year 1974, $3,969,000; increase $1,726,000. The increase consists of:

Increase (+) or Decrease (-) Amount	Positions	Total Program	Total Positions	Explanation
(1) $+570,000	-			For administering court order dated 10-14-72 involving Hopi-Navajo 1882 E.O.A.
(2) +1,156,000	-			For range land physical development and installation of management facilities.
+1,726,000	-2	$3,969,000	154	

Cost Factors Involved in Increases

(1) Initial cost involved the management of Hopi-Navajo Joint-Use Area of the 1882 Executive Order Reservation.

(2) Costs involved in construction of physical facilities and improvements to improve production of Indian range lands.

Program of Work:

A United States Court Order Civil 579 was signed October 14, 1972 in which the Navajo Tribe and the United States are Co-defendants. This action is one in which the Hopi Tribe of Indians are asking for a writ of assistance to secure protection of their undivided half interest in approximately 1.8 million acres of land lying adjacent to the Hopi and Navajo Reservations awarded in 1882 by Executive Order.

In a 12 position detail for compliance plus a writ of assistance, the Court is ordering certain specific practices oriented toward protection of land assets against further damage, misuse; and the performance of other matters respecting proper performance of the rights of the Hopi Tribe. The schedules for these practices are partly 12 months and 18 months from date of Court order.

The posture of the United States as Trustee for tribal assets, and a party to the process is to comply with the order, and within such a procedure to cause as little economic displacement as possible of the residing eight to ten thousand Navajos and 140,000 animal units on the 1.8 million acres.

Request to effectuate this program will require $570,000 in fiscal year 1974. The funds will be used as follows:

Minimum compliance with court order	$200,000
Internal and external fencing	370,000
Total	570,000

Determining the quantity, quality, condition, and potential production capabilities of 40.6 million acres of Indian owned rangeland and 1.25 million acres of Government rangeland administered for the benefit of the Indians; designing plans for developing and managing these grazeable resources for livestock production in optimum harmony with all other feasible uses and benefits for wildlife, forests recreation, watershed protection, farmsteads, and industrial and urban expansion; establishing rangeland development and utilization standards; translating these standards into range and livestock management plans specifying the condition under which grazing privileges can best be granted in accord with proper numbers and classes of livestock and time and duration of grazing seasons which will achieve the highest economic return consistent with undiminished perpetual use.

Rangeland areas are delineated to formulate operative use units that provide opportunity and encourage maximum utilization by Indians. Range condition and trend studies and forage utilization checks are made to verify adjustment in stocking rates, season of use, unit and pasture boundaries and to determine kinds and locations of range water and other rangeland developments and improvements. Over 70% of all Indian rangelands are located in the arid southwest where it is necessary to resort to deep wells, pipelines, and paved catchment basins in alleviating the severe range water deficiencies.

Range inventories, range condition and trend studies, forage utilization checks, and other technical data indicates the average annual potential carrying capacity to be 50 percent greater than the current carrying capacity for proper stocking of the existing range forage. This potential can only be achieved when users of Indian rangelands understand and apply the basic principles of prudent range management over a period of time, and after completion of the physical development necessary for range improvement. The educational and training phases of the range program must motivate and encourage the Indians to choose the management and development techniques necessary to achieve and maintain the full range potential. Indian tribes are furnished assistance in the allocation of grazing privileges to tribal members. Grazing privileges not needed for allocation to tribal members are advertised and permitted after competitive bidding.

Examples of Recent Accomplishments:

In 1971 Indian rangeland furnished over 7,575,000 animal units of grazing. This produced livestock products with a gross value of $66,028,000 of which $50,699,000 was produced by Indian ranching operations. Indian stockman use of Indian rangeland has increased to 92.7% in 1970. Indians are consistently increasing their own use of their rangelands and are improving the quality of their livestock. This is returning a higher percentage of the total forage and livestock products value to the Indians' economy.

RESOURCES MANAGEMENT

2. Outdoor Recreation

Activity or subactivity	F.Y. 1972 Amount Available	F.Y. 1973 Amount Available	F.Y. 1974 Estimate	Increase (+) or Decrease (-) 1974 Compared with 1973
Outdoor recreation	--	$353,000	$353,000	--

Outdoor Recreation: F.Y. 1973, $353,000; F.Y. 1974, $353,000;"no change."

Increase (+) or Decrease (-) Amount	Positions	Total Program	Total Positions	Explanation
--	+ 2	$353,000	8	No increase is requested for this activity

The two new positions will assist Indian tribes to develop outdoor recreation facilities.

Program of Work:

One hundred and three thousand dollars will be used in pursuing the policy of the Bureau to develop and maintain all cultural, recreational, fish, wildlife, and other land use recreational practices. The major emphasis for Fiscal Year 1974 will be to build upon the limited planning base established in 1973. This will be conducting surveys of Indian reservations to determine outdoor recreation resources available, develop comprehensive plans, determine feasibility of all elements related to outdoor recreation, explore various sources of funding assistance, and coordinate with other Federal and state agencies funding and technical consultant resources not available in the Bureau of Indian Affairs.

To the extent that funding will be available, financial assistance will be provided to tribes for development of worthwhile outdoor recreation projects which will facilitate habitat improvement and increase employment and income opportunities. Emphasis will be placed on those projects where tribes have an on-going, well-planned program.

The agreements with the Bureau of Sport Fisheries and Wildlife and the National Park Service recognize the Bureau of Indian Affairs' primary responsibility in assisting Indians to administer and develop their property, including fish and wildlife, natural beauty areas, historical sites, archeological ruins, and other outdoor recreation potentials. National Park Service and the Bureau of Sport Fisheries and Wildlife assist in defining program needs which constitute the basis for action programs. In addition, aid is given in developing program methods, guides, standards, identification of staff and facilities needed, and provide, within their capabilities, technical assistance necessary to the programs beyond that maintained within the Bureau of Indian Affairs. Review and evaluation of proposed and taken action programs by technical experts is also provided by these agencies. Parts 501.2 and 502.1 of the Departmental Manual spell out the relationship of the Bureau of Indian Affairs to the Bureau of Sport Fisheries and Wildlife and the National Park Service in assisting Indians.

Whenever feasible, tribes will be encouraged to coordinate their programs for fish and wildlife and outdoor recreation with overall programs developed by the Bureau of Outdoor Recreation and by States. Tribal programs, however, frequently have different objectives, depending on the part the tribe wants its fish and wildlife and outdoor recreation program to play in the overall reservation economy. The limited staff will enable the Bureau of Indian Affairs to assist tribes in taking advantage of the assistance available in planning and securing funds for project development. The principal benefits from this limited program will come from the more orderly development of the tribal resources and from the guidance tribes will be able to get from the Bureau of Indian Affairs staff in seeking out and making use of technical and planning assistance from the Bureau of Sport Fisheries and Wildlife, National Park Service, Bureau of Outdoor Recreation and States. Ultimate benefit will be increased income and job opportunities for Indians.

Two hundred fifty thousand dollars ($250,000) will be used to reimburse the Bureau of Sports Fisheries and Wildlife who have been asked to provide continued technical fisheries assistance to Indians in connection with off-reservation treaty fishing rights. This will cover 25 Indian tribes in the State of Washington and the Columbia River drainage in Oregon and Idaho. The kind of information to be gathered is essential to and required by the Justice Department in its legal proceedings in developing and protecting Indian off-reservation treaty fishing rights which are being threatened by positions and actions being taken by States. Litigation is now in progress so this assistance to Indians at this time is vital.

In connection with the foregoing, in Fiscal Year 1973, initiation of the following activities has taken place:

(1) Assisted tribes in biological interpretation of State programs and effects of proposed state regulations on off-reservation fisheries.

(2) Provided biological and management data and advice concerning existing status of fishing resources, harvesting, and relative impact of Indian and non-Indian fisheries in the formulation of state and tribal fishing regulations.

(3) Prepared technical material and provide testimony in litigation in off-reservation Indian fishing issues.

(4) Coordinated exchange of resource data between tribes and the state and other Federal fishery agencies.

(5) Provided biological data and management assistance in production and improvement of fishery resources supporting the off-reservation fisheries.

(6) Assisted in means of improved utilization of the resources to benefit commercial subsistence and cultural uses.

(7) As needs developed, provided other services pertaining to the off-reservation fishery resources assessment, management, and utilization.

(8) Conducted field surveys of fish population and habitat in the marine and fresh water areas, Colorado River, Puget Sound, and coastal areas.

(9) Arranged and directed consulting work with other Federal and state agencies, universities, or private concerns.

RESOURCES MANAGMENT

3. Fire Suppression and Emergency Rehabilitation

Activity or Subactivity	F.Y. 1972 Amount Available	F.Y. 1973 Amount Available	F.Y. 1974 Estimate	Increase (+) or Decrease (-) 1974 Compared with 1973
Fire Suppression and Emergency Rehabilitation	$4,742,823	$800,000	$800,000	--

Fire Suppression and Emergency Rehabilitation: Fiscal Year 1973, $800,000; fiscal year 1974, $800,000; no change.

The amount requested represents a continuation of the practice of requesting a token appropriation, to be followed with a supplemental request to cover the actual cost of fire suppression.

Program of Work:

Funds under this activity are used to pay the cost of suppression and emergency prevention of fires on or threatening forest and range lands on Indian reservations, and for emergency rehabilitation of burned-over areas which will not or have not naturally reseeded within a period of time to adequately prevent soil erosion, water pollution, siltation, and losses of watershed and other economic values.

The many variables such as weather conditions, effectiveness of prevention, presuppression, and suppression programs have marked effects on the number, location, and size of fires, and the eventual costs of suppression; therefore, reasonable estimates for future years are not possible. Neither can the necessity for emergency rehabilitation be forecast, or costs estimated, until the fires are extinguished and the situations evaluated. Severity of the burn, ground slope, rainfall, wind, and soil conditions are factors which determine the needed rehabilitation prescriptions required, if any.

	Calendar Years					
	1967	1968	1969	1970	1971	5-year Average
No. of fires	1,225	1,122	1,085	1,542	1,768	1,348
Average acres per fire	28	39	33	33	101	46
Area burned (acres):						
Timberlands	7,919	11,346	3,935	5,824	116,764	29,158
Brush & grassland	25,852	31,905	32,392	44,512	62,385	39,409
Total Area Burned	33,771	43,251	36,327	50,336	179,149	68,567
Estimated damage	$490,850	$257,312	$294,798	$384,578	$5,392,281	$1,363,964

Causes of fires:	1967	1968	1969	1970	1971
Man	67%	65%	68%	58%	58%
Lightning	33%	35%	32%	42%	42%

Obligations for each of the past five fiscal years were:

1968	1969	1970	1971	1972
$880,915	$1,191,002	$1,032,413	$4,826,675	$6,935,015

Obligations for fiscal year 1973, through December were: $2,395,360.

RESOURCES MANAGEMENT

4. Agricultural and Industrial Assistance

Activity or subactivity	F.Y. 1972 Amount Available	F.Y. 1973 Amount Available	F.Y. 1974 Estimate	Increase (+) or Decrease (-) 1974 Compared with 1973
(A) Agricultural extension	$ 2,221,432	$ 2,328,000	$ 2,328,000	---
(B) Credit operation	2,107,538	2,241,000	2,241,000	---
(C) Reservation programs	2,884,972	2,532,000	2,532,000	---
(D) Industrial and tourism development	2,081,481	2,138,000	2,138,000	---
(E) Tribal operations	2,474,510	4,336,000	4,336,000	---
(F) Housing development	2,296,178	2,469,000	2,469,000	---
(G) Comprehensive planning	---	1,018,000	1,018,000	---
(H) Management evaluation	---	300,000	300,000	---
Total	14,066,111	17,362,000	17,362,000	---

(A) Agricultural Extension: F.Y. 1973, $2,328,000; F.Y. 1974, $2,328,000; "No change".

Increase (+) or Decrease (-) Amount	Positions	Total Program	Total Positions	Explanation
---	---	$2,328,000	12	No increase is requested for this activity.

Program of Work:

Negotiation and administration of contracts with State Universities and colleges to provide extension services to Indian people on reservations.

Examples of recent accomplishments:

Extension personnel provide technical advice and assistance to reservation Indian families, individuals, and associations, on the best use of their resources, natural and human. Emphasis is placed on home making, family economics and development of youth activities, including 4H and the services of Home Demonstration Agents.

Contracts are negotiated annually with 18 states to assist the Indian people in their activities and special problems.

The increasing interest of the Indian people in the Agricultural Extension Program has resulted in taking advantage of social and economic opportunities as they present themselves leading to the betterment of life for the Indian families. Presently, approximately 210,000 people are served by Agricultural Extension with an additional 70,000 people needing this service.

(B) Credit Operations: F.Y. 1973, $2,241,000; F.Y. 1974, $2,241,000, "no change".

Increase (+) or Decrease (-) Amount	Positions	Total Program	Total Positions	Explanation
---	-20	$2,241,000	122	No increase is requested for this activity.

Program of Work:

The credit program strives to provide adequate capital to develop Indian resources to a point where Indians will enjoy a suitable standard of living from their own productive efforts and to help them assume responsibility for utilization and management of their own resources.

At the close of fiscal year 1972 total financing of Indian operations and enterprises was in excess of $520 million. At the end of fiscal year 1972 there were unallotted commitments of approximately $12 million and loan applications authorized of $16.3 million for a total of $28 million in approved loans with available cash of only $2.2 million or a cash shortage of approximately 26.1 million. The total estimated Indian financing needs was $1 billion at June 30, 1972. The following schedules indicate purpose of financing and showing status of revolving fund as of June 30, 1972.

STATUS OF THE REVOLVING FUND FOR LOANS

June 30, 1972 (Revised)

	General Fund	Navajo-Hopi Fund	Oklahoma Fund	Expert Assistance	Total
Unallotted Commitments 6/30/72	$10,522,646	$ 400,000	$ 302,500	$767,076	$11,992,222
Applications Authorized	14,205,766	1,450,000	741,765	---	16,397,531
Total advances scheduled 6/30/72	24,728,412	1,850,000	1,044,265	767,076	28,389,753
Less: Cash Available for Loans	729,536	883,556	75,938	577,416	2,266,446
Shortage	23,998,876	966,444	968,327	189,660	26,123,307

SUMMARY OF TOTAL FINANCING NEEDS

BY PURPOSE

June 30, 1972

1.	Financing of industrial development and group commercial enterprises		$ 238,773,156
2.	Financing of recreation development		69,785,500
3.	Financing of utility systems, transportation terminals, community buildings, civic facilities, and other governmental purposes for which tax-exempt bonds may be issued		140,909,305
4.	Financing of group arts and crafts enterprises		1,739,000
5.	Loans to individuals:		527,566,471
	(a) Land	$ 92,872,200	
	(b) Agricultural	129,384,700	
	(c) Non-agricultural	32,844,400	
	(d) Housing	181,513,200	
	(e) Small Business	52,102,300	
	(f) Education	7,244,600	
	(g) Other	31,605,071	
6.	Tribal land purchases		105,052,000
7.	Expert Assistance		767,076
	Total Financing Needs		1,084,592,508

SUMMARY

STATUS OF THE REVOLVING FUND FOR LOANS

June 30, 1972

	General Fund	Navajo-Hopi Fund	Oklahoma Fund	Expert Assistance	Total
Unallotted Cash Balance 7/1/71	$ 610,522	$779,860	$30,694	$730,310	$2,151,386
Plus: Collections FY 1972	1,340,214	103,696	63,787	2,578	1,510,275
	1,950,736	883,556	94,481	732,888	3,661,661
Less: Allotments FY 1972	921,200	--	18,543	155,472	1,095,215
	1,029,536	883,556	75,938	577,416	2,566,446
Less: Reserve	300,000	--	--	--	300,000
Cash Available for Loans 6/30/72	729,536	883,556	75,938	577,416	2,266,446

(C) Reservation Programs: F.Y. 1973, $2,532,000; F.Y. 1974, $2,532,000; "No change".

Increase (+) or Decrease (-) Amount	Positions	Total Program	Total Positions	Explanation
---	-12	$2,532,000	115	No increase is requested for this activity

Program of Work:

The work funded as Reservation Programs divides into four general areas of activities as follows:

(1) Gathering, assembling, and analyzing basic demographic, social, and economic data on a reservation-by-reservation basis for use in program analysis and development. Close cooperation is maintained with the Bureau of the Census and other data sources. Outputs include the semi-annual Labor Force Report, contributions to the annual program and financial plan, and special reports as required.

(2) Preparing program plans, with supporting analytical studies, for each operating entity of the Bureau, and consolidating these plans into a Bureau-wide program plan. The program plan, with supporting analytical studies, is used within the Department as a basis for budget decisions and to support the Departments presentations to the Office of Management and Budget. In order to provide funding, staffing and output information for the annual program plan, the work also includes developing and maintaining the Bureau-wide Planning-Programming-Evaluation system. The system provides for periodic updating of program plans to reflect decisions made on funding and staffing levels. Analytical studies at the reservation level are important elements of the work. They evaluate program alternatives to provide a basis for sound decisions by Indians on the best methods of achieving their objectives.

(3) Continuing efforts are being made to improve the Bureau's data basis and to further expand a modern data gathering and use system (Management Information System).

(4) Assisting Indian tribes to develop plans for the expenditure of judgment funds.

Examples of recent accomplishments:

(1) During the past year the PPE Data System was expanded to measure actual accomplishments within the Bureau of Indian Affairs. The system now is the data base for reservation-by-reservation plans and identifies funding, staffing and accomplishments.

(2) The Indian Information System developed as a reservation-based resource information system was operated in cooperation with the Colorado River Indian Tribes. A study was performed to evaluate this system and other resource systems in the Bureau of Indian Affairs. This study indicated the potential and broad plan for expanding this "model" to other reservation. Based on this plan, efforts to expand this system to another two reservation, Blackfeet and Fort Belknap, was begun.

(3) The annual Program Strategy Paper was produced for the FY 1974 Bureau of Indian Affairs budget cycle. Instructions for the FY 1975 cycle were developed and work on the FY 1975 PSP was started on a Bureau-wide basis. A form to collect data on tribal priorities with respect to new directions and emphasis in Bureau of Indian Affairs programs was developed to accompany the FY 1975 PSP guidelines.

(4) Assisted the Treasury Department to assemble Indian data for the first Revenue Sharing payments to be made to tribal governments.

(5) Continued liaison with the Census Bureau on data and reports on Indians derived from the 1970 Census.

(D) Industrial and Tourism Development: F.Y. 1973, $2,138,000; F.Y. 1974, $2,138,000; "No change".

Increase (+) or Decrease (-) Amount	Positions	Total Program	Total Positions	Explanation
---	-16	$2,138,000	60	No increase is requested for this activity.

Program of Work:

The national strategy and goals of the Bureau of Indian Affairs in implementing its policy of developing commercial and industrial enterprises on or near Indian reservations in the decade of the 70's are aimed at: (1) continuing the concentration of efforts on activities tailored to meet the persistent employment and income needs of reservation Indians; (2) increasing the ownership of economic resources by Indian tribes, groups, and individuals; and (3) accelerating the effort to promote the development and/or expansion of trade and commerce in Indian home communities. Within this context, in Fiscal Year 1974, the industrial and tourism development program will strive to achieve the necessary integration with other Federal government agencies including commitments of both public and private sectors to provide better services to strategic commercial, industrial, and financial planning, research, and business assessment, all geared specifically to achieve the foregoing objectives. The specific program thrusts will involve: (a) assistance to tribal and private industries to improve and expand their enterprises and thereby generate additional job opportunities and payrolls in areas where Indians live; (b) in cooperation with Indian tribes, development of facilities to process agricultural, mineral, and other products from Indian-owned resources; (c) designing and instituting the kinds of training programs that will prepare Indian people as owners, managers, and employees of successful business enterprises; (d) assistance to Indian tribes in finding various sources of financing to fund locally proposed business ventures; (e) aiding Indian tribal groups in their efforts to establish Indian owned and managed commercial and financial institutions; (f) developing and disseminating information publicizing Indian commercial and industrial resource potentials as well as advantages of doing business in Indian labor force areas; and (g) providing economic research and technical assistance that will include market analyses for tribes, economic feasibility determinations, short and long run commercial and industrial development plans, and reservation resource inventories of natural, human, and capital assets.

Example of recent accomplishments:

The past year has been marked by fairly substantial progress made in several thrusts of the Bureau's industrial and tourism development program. Perhaps the most significant, at least in terms of its potential impact, has

been the progress achieved in Bureau of Indian Affairs' effort to assist in the creation of the American Indian Nation Bank (AINB). Funding commitments from Economic Development Administration, Office of Minority Business Enterprise, and the Bureau of Indian Affairs totalling approximately $400,000 was obtained for the organizational start-up phase with the first year of operation planned for during Fiscal Year 1973. The basic principle of this project stems from a concerted effort by a group of American Indian organizers to establish a financial institution that would be owned and operated by the Indians and oriented toward meeting recognized financial requirements essential to the improvement in the economic status of American Indians. The foundation of this structure consists of the American Indian Nation Bank organized, operating and acting in unison with an established diversified financial institution, in this case the International Bank of Washington, D.C., which is committed to provide the necessary training and management consulting assistance to insure success of this venture.

Activities in the tourism development field resulted in the organization of another institution--The American Indian Travel Commission (AITC). The AITC was jointly funded by EDA and BIA in the amount of $100,000 for the first year of operation. Its function is to provide the tribes with the kind of technical assistance and promotional support that is necessary to insure successful development of tourism on Indian lands. The creation of this Commission resulted from the realization by many tribal leaders of the need for a legal vehicle that would provide their tribes with a voice and technical expertise in the tourism and recreation business in an effort to compete for their rightful share of the $105 billion leisure-time industry. When it is fully functional in Fiscal Year 1974, the AITC will actively solicit membership from tribes and components of the trvel industry, and will specifically follow a program that would include among others: development of Indian package tours; promotion and advertising on a national basis; dissemination of business planning newsletter; exploitation of foreign travel market, particularly in preparation for the American Revolution of the Bicentennial in 1976; monitoring Federal, state, and local outdoor recreation legislation that could affect the tourism industry; management and staff training; world-wide reservation service; central purchasing; and central recordkeeping and financial feedback.

Also, in the tourism area, the second year of Bureau participation in the Discover America, and the Travel Showcase program has been completed. An exhibit depicting the beauty and historical heritage of Indian reservation lands, coast-to-coast, has resulted in the Bureau receiving over 16,000 individual requests for information on Indian tourism attractions and facilities.

Fairly modest achievements were further experienced in the Bureau's efforts of industrial plant location and expansion of existing industrial enterprises on several Indian reservations. As of December 1972, the industrial and commercial enterprises established in Indian labor force areas with the assistance of this program numbered 237, employing a total of about 7,400 Indians. This represents a net gain of 12 enterprises during the first six months of Fiscal Year 1973. The total Indian employment also increased slightly during this period although by and large it held steady, reflecting generally the national employment trends. The following are some examples of industrial and commercial activities that have taken place on Indian reservations during the past year:

The Union Manufacturing Company, based in LeRoy, New York, started manufacturing steel and plastic tool and fishing tackle boxes in a new operation on the Gila River Reservation in early 1973. Forty workers were employed during the first month and it is expected that about twice that number will be on the payroll at the end of 1973.

Jiffy, Inc., Pennsauken, New Jersey, manufacturer of over 800 household products such as adhesive picture hangers, started manufacturing

in early 1973 in Albuquerque. Some 50 workers were hired initially and it is expected that 250 will be employed ultimately.

O-Kay Turkey, Inc., turkey processing plant in Clinton, Oklahoma, started operation in July 1972. It has a total employment of nearly 100 of whom about 15 percent are Indians.

Tri-County Industries, Inc., Talihina, Oklahoma, manufacturer of women's clothing is constructing a new building. The 60 employees ($\frac{1}{2}$ of whom are Indians) are expected to be expanded to 80 workers by the end of 1973.

Eufaula Manufacturing Company, Eufaula, Oklahoma, maker of women's clothing, started operation in April 1972. The company is constructing a new building and had 26 workers at the start of 1973. The number is expected to double by the end of the year.

New-Style Homes, Inc., Westville, Oklahoma, announced during the early part of January of 1973 it would start operations this year and make 14-foot mobile homes. The company expects to hire about 80 employees, $\frac{1}{2}$ of whom will be Indians.

Gould, Inc., started operations on the industrial park at Pryor, Oklahoma, in early 1973. This manufacturer of small electric motors expects to have 200 on the payroll at the end of the first year's operation. Eight trainees were sent to the home plant at Watertown, New York, for training as supervisors in the Oklahoma plant. Three of these were Indians. The company stated 60 percent of its employees would be Indians.

Cherokee National Industries, Inc., Stilwell, Oklahoma, is expected to increase its 150 Indian employees to 250 at the end of 1973 when a new 24,000-sq. ft. building being constructed by the Cherokee Tribe will be completed. All employees are Indians.

Fabri-Cut, Inc., Pryor, Oklahoma, manufacturer of bedspreads, started in 1973 with 140 employees of whom 98 are Indians. The company is to double the size of the building and before the end of the year is to increase its Indian workers to a total of 125.

Stephens Manufacturing Company, Muskogee, Oklahoma, manufacturer of air-conditioning equipment and classroom heating equipment, expects to add 20 more Indian employees before the end of 1973. Total employment will be about 57, of whom approximately $\frac{1}{2}$ will be Indians.

Expansion of Escom on the Seminole Reservation continued at a good pace. This year, as in the past, the rental will exceed $225,000. Escom signed a 55-year lease at a minimum of $225,000 yearly. Some years it has exceeded $300,000. Previously the tribe's income from the land was about $10,000.

Modern Carpets plant in Poteau, Oklahoma, expanded to 225 persons. They will offer first priority to Indian workers but due to the lack of adequate housing, only 27 Indian workers have availed themselves of the jobs. They would prefer at least 50 percent Indian workers.

Lakota Products located on the Rosebud Reservation received two contracts, one of $119,000 through GSA and another in excess of $265,000 from HUD. All the workers are Indian except the manager who is an officer of Lakota Products.

Northrup Dakota on the Fort Berthold Reservation continued to expand having gone from 6 to 67 employees, of whom 21 are Indian workers. They need a technical training program (in house) to upgrade the Indian workers so that they can qualify and accept the skilled jobs.

MDS-Atron on the Turtle Mountain Reservation is right on schedule as to hiring and has 47 employees of whom 43 are Indian. The MDS firm has an excellent training program and should be offered any assistance to maintain and improve its growth.

The Fort Apache Timber Company which employs 250 Indians out of a total work force of 280. The Company's addition of the Civeque sawmill has helped increase their employment requirements by adding over 100 positions in their work crews alone.

(E) Tribal Operations: F.Y. 1973, $4,336,000; F.Y. 1974, $4,336,000; "No change".

Increase (+) or Decrease (-)				
Amount	Positions	Total Program	Total Positions	Explanation
---	-1	$4,336,000	123	No increase is requested for this activity.

Program of Work:

In addition to the organizational activity resulting from the Alaska Claims Settlement Act, it is estimated that in F.Y. 1974, 34 awards totalling about $75 million will be made by the Indian Claims Commission in settlement of claims against the United States for which research must be conducted to determine the Indian tribal beneficiaries of each award and in preparing and keeping current the tribal membership rolls. The number of appeals from individuals denied tribal enrollment required to be processed for decision by the Secretary of the Interior increases with the number of membership and payment rolls prepared. In F.Y. 1974 the Bureau will work with the tribes in preparation or bringing current approximately 165 tribal membership and/or payment rolls.

In line with the Bureau's announced policies, it will continue to encourage the tribes through their tribal governing bodies to assume more of the management of their own affairs within the terms of their tribal constitutions and bylaws, with the Bureau of Indian Affairs prepared to be a source of aid when needed and requested. Tribal governing bodies will continue to be encouraged to modify their tribal organic documents and related administrative procedures to comply with the provisions of the 1968 Civil Rights Act providing, among other things, equal rights, protection and due process of law and generally to effect more viable governments. In conjunction therwith, the Tribal Government Development Program will make available during F.Y. 1973, under contract, funds to 82 tribal entities to initiate programs to increase the effectiveness of tribal leadership in managerial and governmental responsibilities. These contracts vary in amounts from $5,000 to $20,000. In F.Y. 1974, we propose to assist a similar number of tribal entities.

The Bureau will continue to process tribal contracts with claims attorneys, to organize tribal meetings for the purpose of approving or disapproving compromise settlements of claims cases by the attorneys, to audit attorneys' expense vouchers submitted to the Indian Claims Commission, and to review applications of Indian tribes for loans with which to employ expert witnesses in connection with the prosecution of tribal claims.

Currently the Bureau is working with tribes in the development of approximately 100 tribal constitution and charter actions. Approximately 104 membership and payment rolls are to be completed in F.Y. 1973 (an increase of 12 rolls over F.Y. 1972). As Indian tribal claims are settled by the Indian Claims Commission or the Court of Claims, legislation must be drafted for consideration by Congress to authorize disposition of the judgment award. The work consists of research as to the identity of the tribe, successor in interest to each award, and planning with the tribe for the use of the money. In F.Y. 1973 there will be 17 cases researched and proposed legislation drafted; the anticipated total of 34 awards by the Indian Claims Commission will require extensive research and preparation of draft bills.

Many of the new awards, like a substantial number of the current cases, will be extremely complex, requiring in-depth research and one or more meetings, with the tribal groups involved. Pursuant to the Senate Committee on Interior and Insular Affairs, Executive Report No. 1, April 1966, a socio-economic report pertaining to the ability of the tribe with a judgment award to manage its own affairs will accompany each draft of legislation for Congressional consideration.

Examples of Recent Accomplishments:

During F.Y. 1972 Tribal Operations accomplished the following:

1. Researched and prepared draft legislation on 28 awards;
2. Completed action on 92 tribal membership and/or payment rolls; and
3. Completed action of 24 tribal constitutions and charter actions.

Under the Aid to Tribal Government Program 82 tribal entities have been selected for F.Y. 1973 contract funding totalling $1.3 million. The types of projects proposed included:

1. Development of election ordinances;
2. Administrative plans;
3. Tribal membership rolls;
4. Development of governing documents and amendments thereto;
5. Land assignment ordinances; and
6. Plans for management of tribe's resources.

The Indian service population which will benefit from this program is estimated at 84,000.

(F) Housing Development: F.Y. 1973, $2,469,000; F.Y. 1974, $2,469,000; "No change".

Increase (+) or Decrease (-) Amount	Positions	Total Program	Total Positions	Explanation
---	-1	$2,469,000	112	No increase is requested for this activity.

Program of Work:

The Bureau of Indian Affairs will continue to provide technical and administrative assistance to tribes in developing housing project applications and proposals for financial assistance under Federal housing programs. The Department of Housing and Urban Development (HUD) programs are expected to provide 6,000 new houses for Indians in F.Y. 1974.

The Housing Development assistance provided the Indian people will be changing to meet changing program needs. Three factors are causing this change:

1. As the housing program progresses it begins to reach areas and people more difficult to serve adequately without more intensive and direct assistance from knowledgeable Bureau housing technicians.

2. As the Department of HUD continues to reorder its priorities and change its administrative structure, Indian housing authorities and others involved in HUD activities are increasing their reliance on Bureau technical staff; and

3. As the responsibilities of Indian housing authorities increase in scope and complexity the technical advice, training and financial assistance required from the Bureau also increase.

Training to provide expertise in the field of home ownership responsibilites such as credit, budgetary controls, housekeeping and maintenance will be provided through Bureau resources. Assistance will be required in training and assisting the tribal housing authorities because of their greatly increased administrative and managerial work load. The Bureau intends to assist the Indian housing authorities with the proper advice and guidance in order that they can obtain the maximum benefits from Federal housing programs. In addition to providing this expertise, the Bureau will also contract for services with the local housing authorities where possible.

Examples of recent accomplishments:

In an effort to provide the technical assistance to tribes, housing authorities and other tribal groups, the Housing Development Program has been involved with the training of various tribal individuals. The trining has been provided through Management Training Contracts with the National Associations of Housing and Redevelopment Officials (NAHRO). This training has taken place over the past three years and 15 Executive Directors of Indian housing authorities have received Certificates of Completion. These courses have been conducted in the Washington area in competition with other executive directors from all over the country.

In addition to training services, the Housing Development Program funds management services contracts with housing authorities having relatively few units under occupancy. Unitl wuch time as the authorities' monthly collections make them self-sufficient, the contracts provide funds for such items as rent collections, accounting services, maintenance, etc. The total funding for management training and mangement services provided the housing authorities over the past three years has amounted to approximately $150,000 per year.

By the end of F. Y. 1974, Indian housing autorities will have an estimated 22,000 units in occupancy and an additional 6,000 units will be under construction and nearing the occupancy state.

(G) Comprehensive Planning: F.Y. 1973, $1,018,000; F.Y. 1974, $1,018,000; "No change".

Increase (+) or Decrease (-) Amount	Positions	Total Program	Total Positions	Explanation
---	-7	$1,018,000	37	No increase is requested for this activity.

Program of Work:

This activity is the key element in the implementation of the President's recommendations that comprehensive planning be extended to, involved with and approved by Indian tribes.

(H) Management Evaluation: F.Y. 1973, $300,000; F.Y. 1974, $300,000; "No change".

Increase (+) or Decrease (-) Amount	Positions	Total Program	Total Positions	Explanation
---	-7	$300,000	3	No increase is requested for this activity.

Program of Work:

This activity provides a positive approach for insuring: good management practices, adherence to administration policy and tribal involvement are followed. The funds requested includes travel reimbursement to tribal team members involved in evaluations.

5. Soil and Moisture Conservation

Activity or Subactivity	F. Y. 1972 Amount Available	F. Y. 1973 Amount Available	F. Y. 1974 Estimate	Increase (+) or Decrease (-) 1974 Compared with 1973
(a) Soil and moisture conservation.....	$6,827,799	$8,029,000	$8,333,000	$+304,000
(b) Indian water rights	496,391	1,756,000	1,756,000	-
Total.....	7,324,190	9,785,000	10,089,000	+304,000

(a) Soil and moisture conservation: Fiscal year 1973, $8,029,000; Fiscal year 1974, $8,333,000; increase, $304,000. The increase consists of:

Increase (+) or Decrease (-) Amount	Positions	Total Program	Total Positions	Explanation
$+304,000	-5	$8,333,000	464	Increase will assist tribes in agriculture resource development.

Cost Factors Involved in Increase

The increase of $304,000 is required to assist tribes in a very limited number of agricultural resource development proposals requested by many tribes in their long range comprehensive reservation acceleration programs.

Program of Work:

The 1974 program will provide assistance in farm, ranch, watershed, and reservation planning for the utilization and development of Indian soil, water, and forage resources. These plans will be based upon information provided by soil and range inventories being made as a part of this program. Special emphasis will be placed on greater Indian participation in decision making relating to use and management of their agricultural resources. Special technical assistance of a type that develops understanding on the part of Indian people of basic soil conservation principles will be provided. Such understanding contributes substantially to their efforts to bring into harmony the physical, social (including political) and economic factors that relate to efficient use, management, and development of agricultural and outdoor recreation resources and represents a major part of the work program. See Chart No. 1 for the volume of work in this phase of the program as reflected by the number of people needing some level of technical assistance.

The soil and moisture technicians work directly with Indian people in an effort to teach them and the advantages of taking care of their soil, forage, and water resources, and to encourage and assist them in using these resources themselves. This close working relationship makes it possible to do a better job of planning for the use and development of these resources. A high percentage of these technicians are members of the local tribe who understand local customs and the need for conservation. These persons are part of work units which are often located away from agency and area headquarters, so that they are accessible to the Indian, the lessee, and close to the land with which they are concerned. These technicians have the closest possible direct contact with Indians in the area they serve. Conservation measures are designed to fit each set of soil,

slope, and erosion condition so as to: (1) correct ravages of erosion and depletion; (2) protect still-productive land against erosion and depletion; (3) improve productivity of the soil; and (4) control sediment which contributes nationally over 50 percent of the pollution to our streams and lakes. Such measures and good management on the part of land users make a maximum contribution to maintaining or increasing Indian income from their resources and to the President's environmental effort.

Chart No. 2 shows the active accelerated erosion on Indian lands and reflects the urgency and need for the program. More than 8,571,000 acres now have a moderately severe active accelerated erosion condition (class 2). This means that 25% to 75% of the top soil from these lands has been removed (lost) and at the present time the lands do not have adequate protection. These are "borderline" lands. If erosion is allowed to continue, these still-productive lands will soon lose their productive capacity or have it greatly reduced.

Such losses will not only reduce Indian income from their still productive lands but will greatly intensify the job of establishing needed protective cover and mechanical measures necessary to reduce silt and water losses from these lands. The class 3 lands shown have lost more than 75% of their topsoil and have passed beyond the "borderline" and now have a very low productive capacity and are the greatest producers of silt pollutants and excess runoff water.

The economic potential resulting from protection of still-productive lands and improvement of soil productivity is shown in Chart No. 3. To reach the $332 million potential shown will require the slowing of the active accelerated erosion now occurring and contributing so heavily to national pollution and at the same time drastically reducing the production power of Indian land resources. Also, of equal or greater importance is the involving of Indian people and improving their abilities to develop, use, and manage their resources. Today, non-Indians are producing and harvesting almost two thirds ($151 million) of the gross annual agricultural product ($245 million) from Indian lands.

The estimate of $8,333,000 will provide for the following major program features:

1.	Land use investigations and planning.....		$2,924,000
2.	Application of measures.....		3,820,000
	(a) Soil stabilization and improvement.....	$2,021,000	
	(b) Water management.....	1,799,000	
3.	Operation and maintenance.....		1,589,000
	Total.....		8,333,000

Examples of Recent Accomplishments:

Soil and Moisture Conservation accomplishments continue to be good on Indian lands. There is an apparent increase in involvement, in the use and management of Indian agricultural resources by those Indians using and managing these resources. Individual and group contacts made with Indian people each year, by the program, are beginning to be effective in helping Indian people to make their own decisions about the use and management of their resources. In 1972 a great number of individual contacts of this kind were made in addition to the 4,800 separate group meetings, with 110,422 individuals in attendance, held to assist Indians to better use and manage their resources.

To date, the Bureau has completed soil and range inventories on approximately 96 percent of the open Indian land to be mapped. Data of this kind makes possible accurate planning of new areas and the revision of older plans. It is anticipated

that inventories will be completed on Indian lands by 1974 if the present rate of inventories is maintained. This program furnishes technical assistance to the range management program by making the soil and range inventory and to the irrigation program by doing the necessary soil inventory work for developing irrigation farming.

Cooperators are continuing their investments in the program by increasing the application of practices such as brush control, cover crops, cropping systems, reseeding and fertilization. These are practices that improve the productivity of Indian lands and make conservation economically sound. In 1972 the cooperators' investment in the soil and moisture work was $34,974,677. Slightly over 6.5 million acres of Indian land are now being managed in a manner that allows maximum production and utilization of production consistent with sound environmental management.

(b) Indian Water Rights: Fiscal year 1973, $1,756,000; Fiscal year 1974, $1,756,000. No change.

Increase (+) or Decrease (-) Amount	Positions	Total Program	Total Positions	Explanation
-	-	$1,756,000	10	No increase is requested for this activity.

Program of Work:

Indian water rights having become one of the most vital issues facing the Department of the Interior in its trust obligation for the protection of the lands and resources of American Indians, the Office of Indian Water Rights was established within the Bureau of Indian Affairs. It reports directly to the Secretary of the Interior through the Commissioner of Indian Affairs.

The fundamental mission of the Office of Indian Water Rights is to direct every aspect of the Interior Department's effort to assert and protect the water rights of Indians. This includes: (1) identification of all Indian water rights problems on every federally recognized land base (277 reservations); (2) development of technical information and comprehensive lists of potential land and water uses for Indian reservations and communities needed to develop economically, including nature of and location of such use; (3) coordination of initiating action, both initial or corrective, needed to establish or defend Indian water rights including drafting regulations, reports or proposed legislation; (4) coordinate preparation of water adjudication suits for submission through the Interior Department Solicitor to Department of Justice. Monitor and plan strategy in State water rights cases having impact of Indian water rights; (5) coordinate, guide and supervise the Department's agencies, Bureau field staffs, tribes and advise and inform tribal attorneys in all Indian water rights efforts; (6) proceed to carry out all the above activities with continuing consultation with the National Indian Advisory group established by the Secretary of Interior with elected tribal leadership.

The order of carrying out such activities will be to:

(1) accumulate information to support actions in Indian water rights matters currently in litigation.
(2) acquire specific data to supplement and support any litigation where encroachment of Indian resources is threatened or imminent.
(3) gather and record information necessary for Indian participation in the Western U. S. Water Plan. This includes comprehensive inventories of every federally recognized land base in 11 western states for submission to Westwide by 1975 and for use in final report by 1977.

(4) gather data to inventory Indian water resources and needs in all other federally recognized land base reservations.

Highlights of Recent Accomplishments:

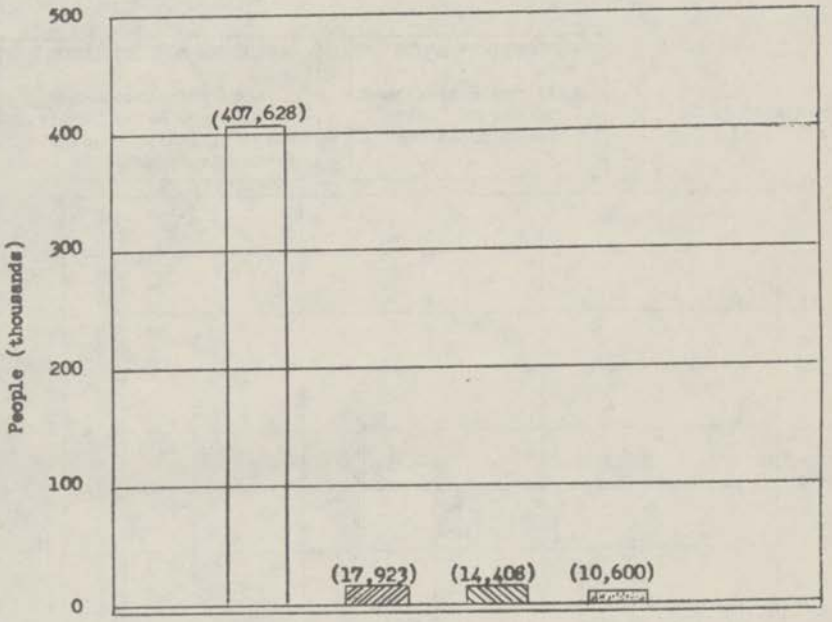
Status of adjudication suits includes: Actions being prosecuted in 12 cases. An important suit has been filed in the entitled U. S. v. State of California and State of Nevada in the U. S. Supreme Court involving the Pyramid Lake Tribe's interests.

The progress of water inventories includes completion of first phase studies on the following reservations: Coeur d'Alene, Colville, Fort Hall, Spokane, Yakima (Portland Area); Rincon, La Jolla, Pala, Pauma and San Pasqual (Sacramento Area); Southern Ute and Ute Mountain Ute (Albuquerque Area); Crow and Northern Cheyenne (Billings Area); Lac Courte Orielle (Minneapolis Area); Navajo Reservation (Navajo Area); Salt River, Gila River, Papago, Yavapai and Fort McDowell (Phoenix Area).

The following inventories are in process under contracts on the following reservations: Rosebud (Aberdeen Area); United Pueblos (6), Ute Mountain Ute, Southern Ute (Albuquerque Area); Crow, Northern Cheyenne, Fort Belknap (Billings Area); Federation of Colorado River Tribes (4), Salt River Tribes (4), Pyramid Lake, Uintah and Ouray (Phoenix Area); Cahuilla, Hoopa, Pechanga, San Pasqual (Sacramento Area); Lac Courte Oreille (Minneapolis Area); Colville, Coeur d'Alene, Fort Hall, Lummi, Muckleshoot, Nisqually, Skokomish, Spokane, Quinault, Umatilla, Warm Springs, Yakima (Portland Area).

(Chart 1)

Numbers of People Needing Some Level of Technical Assistance
Related to Indian Agriculture Resource Development, Use and Management



Indian land owners not interested in using their lands but must understand conservation to be good landlords; includes all age groups.

Indian operators now using their land and needing individual technical assistance

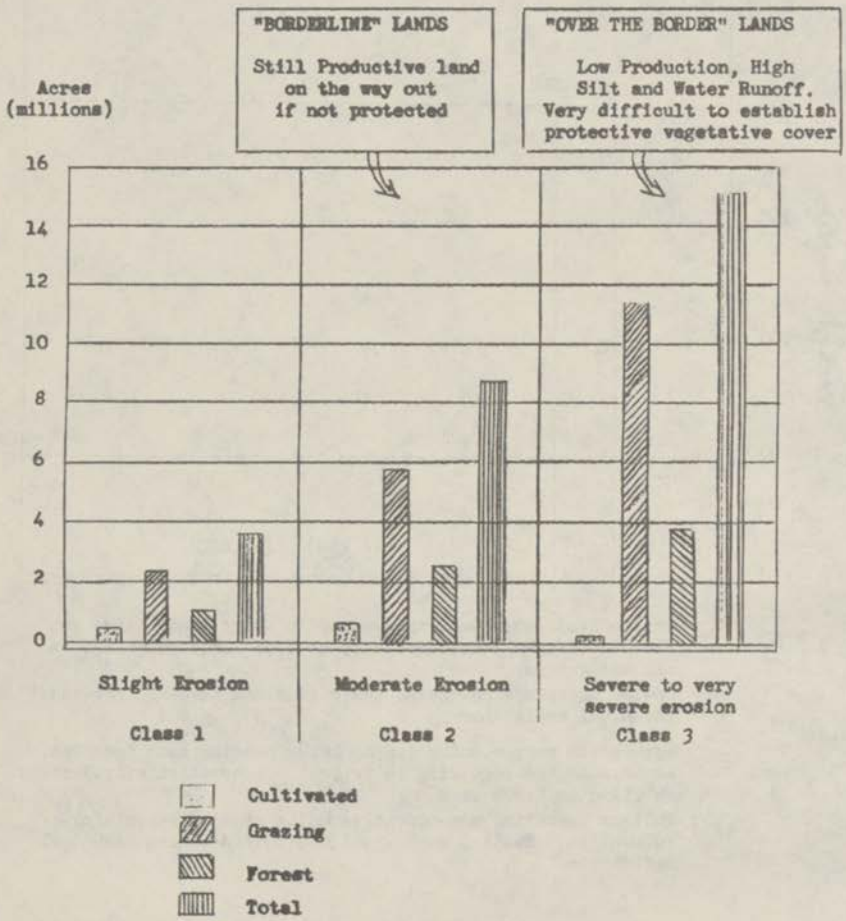
Non-Indian people using Indian lands needing some technical assistance and requiring individual conservation stipulations relating to lands used

Indians operating non-operative units needing retraining or relocation. Small $ may expand and need detailed technical assistance

All figures exclude Alaska

(Chart 2)

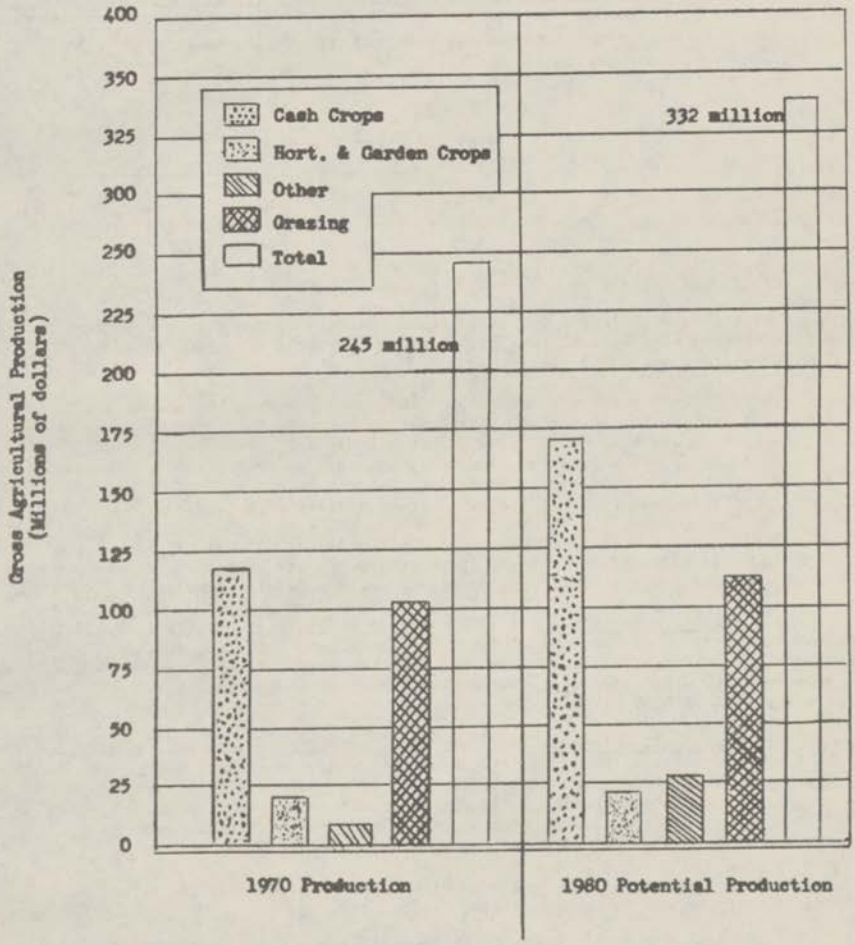
ACTIVE ACCELERATED EROSION ON INDIAN LANDS BY LAND USE AND EROSION CLASS



All figures exclude Alaska

(Chart 3)

PRESENT AND POTENTIAL GROSS PRODUCTION
FROM INDIAN LANDS



All figures exclude Alaska

RESOURCES MANAGEMENT

6. Maintenance of Roads

Activity or Subactivity	F.Y. 1972 Amount Available	F.Y. 1973 Amount Available	F.Y. 1974 Estimate	Increase (+) or Decrease (-) 1974 Compared with 1973
Maintenance of roads.....	$6,135,550	$6,592,000	$6,592,000	-0-

Maintenance of roads: Fiscal year 1973, $6,592,000; fiscal year 1974, $6,592,000; No change.

Increase (+) or Decrease (-) Amount	Positions	Total Program	Total Positions	Explanation
--	-3	$6,592,000	301	No increase is requested for this activity.

Program of Work:

The estimate of $6,592,000 will permit the Bureau to continue routine maintenance of 41 flight strips, 21,559 miles of roads, and 686 bridges on 177 Indian reservations in 23 states.

The roads serve the non-taxable Indian lands, schools, health centers, community centers and routes of transportation between the Indian home and market or place of employment. The Bureau is responsible for these roads because the Indian lands are not served adequately by state or county roads. Generally, in Indian country the county organization does not exist or if it does it is not financially able to provide a public road service.

There are 2,290 miles of pavement, 2,419 miles of all-weather gravel surface, and 16,850 miles of roads not surfaced or with an inadequate surface which at times becomes difficult for travel or occasionally impassable.

1. Regular maintenance - 14,104 miles of heavy traffic roads - $5,355,700; this sum provides for surface blading, repairing base failures, patching surface, shoulder and slope maintenance, replacement of traffic control signs, snow removal, ditch cleaning, and maintenance of drainage facilities. Average cost of $380 per mile per year.

2. Occasional maintenance - 7,455 miles of light traffic roads - $767,300; this sum provides for work required to keep secondary roads and trails open to travel, such as blading, removing slides, filling washouts, removing fallen trees, and occasional shaping. Frequency of this maintenance varies with need; from monthly to not more than once a year on some of the less important trails. Average cost of $104 per mile per year.

3. Special maintenance - $158,000; this sum provides for the repair of major damage caused by storms, fires, floods, etc.

4. Flight strip maintenance - $41,000; this sum provides for surface blading of 41 flight strips which serve Indian communities for emergency air transportation.

5. Heavy Maintenance (Major restoration) - $270,000; this sum provides for reshaping roadbed, resurfacing, major repairs to bridges and culverts.

The proposed amounts and total mileage of 21,559 is distributed to the Areas as follows:

ROAD MAINTENANCE

Area Budget Classification Breakdown for Fiscal Year 1974

Area	Total Funds	Miles Heavy Traffic	Amount Regular Maintenance	Miles Light Traffic	Occasional Maintenance	Amount Heavy Maintenance	Amount Special Maintenance	Amount Airstrip Maintenance
Aberdeen	$881,000	1,775	$806,700	45	$4,300	$60,000	$10,000	--
Albuquerque	692,000	2,072	620,000	345	36,000	20,000	10,000	$6,000
Anardarko	65,000	59	21,000	283	34,000	10,000	--	--
Billings	644,000	698	464,000	1,189	150,000	20,000	10,000	--
Juneau	61,000	55	32,000	--	--	10,000	5,000	14,000
Minneapolis	244,000	500	174,000	99	20,000	20,000	30,000	--
Muskogee	65,000	307	55,000	70	--	10,000	--	--
Navajo	1,508,000	3,840	1,158,000	2,020	250,000	70,000	15,000	15,000
Phoenix	1,180,000	2,746	1,034,000	1,338	120,000	10,000	10,000	6,000
Portland	829,000	1,680	696,000	1,799	113,000	10,000	10,000	--
Sacramento	171,000	156	103,000	215	28,000	15,000	25,000	--
Washington	252,000	216	192,000	52	12,000	15,000	33,000	--
TOTAL	$6,592,000	14,104	$5,355,700	7,455	$767,300	$270,000	$158,000	$41,000

7. Development of Indian Arts and Crafts

Activity or Subactivity	F. Y. 1972 Amount Available	F. Y. 1973 Amount Available	F. Y. 1974 Estimate	Increase (+) or Decrease (-) 1974 Compared with 1973
Development of Indian Arts and Crafts.....	$657,516	$688,000	$688,000	-

Development of Indian Arts and Crafts: Fiscal year 1973, $688,000; Fiscal year 1974, $688,000. No change.

Increase (+) or Decrease (-) Amount	Positions	Total Program	Total Positions	Explanation
-	-	$688,000	29	No increase is requested for this activity.

Program of Work:

The Indian Arts and Crafts Board encourages and promotes the development of Native American arts and crafts, and thereby fosters the cultural, social, and economic life of the Native American people. The Board seeks to innovate in the interpretation and preservation of these arts, to foster cultural education, and to stimulate support for Native American culture.

As specified by Public Law 355-74th Congress, the Indian Arts and Crafts Board provides the following professional services to Indian, Eskimo, and Aleut artists and craftsmen, with ancillary benefits to the general public: (1) experimentation; (2) correlation of public and private programs; (3) technical advice and assistance; (4) market research and promotion; (5) management advice; (6) trademark and related protective legislation.

These national advisory, promotional, and informational services are implemented primarily through three arts and crafts specialists and a coordinated system of three regional museums administered and operated by the Board: The Southern Plains Indian Museum and Crafts Center, Anadarko, Oklahoma; the Sioux Indian Museum and Crafts Center, Rapid City, South Dakota; the Museum of the Plains Indian and Crafts Center, Browning, Montana.

Examples of Recent Accomplishments:

(1) Experimentation: Developed the concept for the Experimental Center for Arts and Crafts to stimulate professional artistic development in Alaska, and provided advisory assistance to implement the concept.

(2) Correlation of public and private programs: Completed planning, research, organization, production, and initial presentation of the extensive exhibitions CONTEMPORARY SOUTHERN PLAINS INDIAN PAINTING and CONTEMPORARY INDIAN ARTISTS: MONTANA/WYOMING/IDAHO. Implementation and sponsorship of such exhibitions by public and private programs include participation and services of Native American artists and their organizations; catalogues of the exhibitions published and distributed nationally by co-operating Native American enterprises; regional and national publicity provided by newspapers, wire services, magazines, and broadcast media; concentrated travel schedules for the exhibitions organized and subsidized by co-operating state arts councils.

(3) Technical advice and assistance: Provided a broad variety of advice and assistance directly to Native American individuals and such groups as Chitimacha Crafts Association (Louisiana), Allegany Indian Arts and Crafts Cooperative (New York), National Congress of American Indians (District of Columbia), Institute of American Indian Arts (New Mexico), Native American Merchandising Enterprise (Colorado). In addition, provided technical advice and assistance to other governmental agencies including National Endowment for the Arts, Bureau of Indian Affairs, Department of Commerce, Department of Agriculture, U. S. Information Agency, Smithsonian Institution, Federal Interagency Crafts Committee.

(4) Market research and promotion: Produced, presented, and publicized 19 one-man promotional-sales exhibitions including an illustrated monograph for each. These were the first professional showings of the work of the Native American artists and craftsmen represented. Also produced and distributed nationally over 20,000 copies of illustrated SOURCE DIRECTORIES promoting 100 Native American crafts marketing enterprises.

(5) Management advice: Assisted such groups as the Choctaw Crafts Association (Mississippi), Qualla Arts and Crafts Mutual (North Carolina), and Miccosukee Tribe (Florida) to implement management and member training programs, increase efficiency of operations, expand promotional efforts, and obtain funding for these improvements through private foundations, state arts councils, and state vocational programs.

(6) Trademark and related protective legislation: Assisted two Native American crafts enterprises (South Dakota and Oklahoma) to develop, file, and defend trademark registration applications; provided information on existing Federal and state protective legislation in response to inquiries; requested Federal Trade Commission investigations of three instances of possible misrepresentation of imitation Native American crafts.

8. Management of Indian trust property

Activity or Subactivity	F. Y. 1972 Amount Available	F. Y. 1973 Amount Available	F. Y. 1974 Estimate	Increase (+) or Decrease (-) 1974 Compared with 1973
(a) Real property management.....	$5,908,805	$8,041,000	$8,041,000	-
(b) Real estate appraisal.....	1,990,840	2,065,000	2,065,000	-
(c) Employee compensation payment.....	602,490	817,000	717,000	$-100,000
(d) General trustee services.....	1,395,851	1,491,000	1,491,000	-
Total.....	9,897,986	12,414,000	12,314,000	-100,000

(a) Real property management: Fiscal year 1973, $8,041,000; Fiscal year 1974, $8,041,000. No change.

Increase (+) or Decrease (-) Amount	Positions	Total Program	Total Positions	Explanation
-	-16	$8,041,000	462	No increase is requested for this activity.

Program of Work:

The program will provide existing technical real estate management services to Indian landowners of 39.7 million acres of tribal land and 10.7 million acres of individual owned land. These services will protect the real estate assets while achieving the maximum benefits of ownership through the use and development of the resources. Emphasis will be placed on lasting employment, larger tribal and individual per capita income and increased self-reliance and participation.

The basic purpose of this program is to protect the rights of Indian landowners and aid them in the development and use of their resources. Real property management activities include: Maintenance of recording of land ownership records, including the continued implementation of an automated land ownership data bank for management purposes, rendering title and ownership status reports; researching family history data and preparing trust estate inventories for probate purposes, preparing and recording wills, procedural advise and preparation of conveyance or transfer documents to effect gifts, exchanges, partitions, heirship interest consolidations and disposals of real estate; conducting advertisements for sales and aiding in negotiations for sales and purchases of land; preparing applications for patents in fee; issuing orders removing restrictions; and preparing legal documents for dozens of types of real estate actions.

The program is the primary source of service to provide sound economic advice, criteria and procedures for the use and development of the natural

resources through surface and subsurface leasing and permitting activities operations. High emphasis is placed upon leasing and permitting because: Direct tribal and individual participation in the real property management process; provide a stable local economic base and employment opportunities; self reliance and encouragement for owner use and development through an increased knowledge of real property practices and principles; and retention of a viable Indian land base. Professional legal and technical services are offered for assisting in negotiations or advertisements for leases of lands, including oil and gas and other minerals, compatible with planned reservation development and environmental quality controls and individualized local services provide for distribution and investment of income, and conducting compliance inspections and enforcement of contractual development or operational provisions.

Continued assistance will be given to the tribal groups and organizations in the assumption of a greater role in real estate management. These include tribal leasing functions, tribal land purchases, programs for consolidations of fractionated interests and land exchange.

The three special increases approved in the fiscal year 1973 program will be continued through fiscal year 1974 as planned. They are: Land surveys on Indian Reservations; assist the Alaska Natives in connection with their land selections regarding the Alaska Native Claims Settlement Act; and the ownership study of the Arkansas Riverbed.

Examples of Recent Accomplishments:

The benefits of the program for Indians include the maintenance of 44,943 surface leases, which produced an annual income of $23,995,074, and 13,403 mineral leases which produced $48,933,657 in bonuses, rents and royalties. The national demand for electrical energy has accelerated the search for minerals on Indian lands. This stimulated leasing of tribal and allotted lands resulted in an income increase of $15,881,404 over the previous year, derived principally from the fossil fuel, coal and the fissionable fuel, uranium. Real Property Management services benefit Indian owners with personal assistance in acquiring lands, preparing gift deeds, processing probate proceedings, furnishing data on land ownership, and development of locally adaptable environmental protection practices and policies. The benefits of property management include increased employment from leases on land and mining developments. Many tribes and their members are almost totally dependent for their operations upon income earned from leases. Property management plays an important part in acquiring rights-of-way and processing self-help and mutual-help housing projects.

Indian people are becoming more involved in property management in concert with protection of their environment. More of the responsibilities for negotiating leases, developing environmental protection policies and ordinances, seeking lessees, acquiring the necessary legal signatures required for transactions, collecting and distributing annual rentals can all be accomplished by tribes. More effort should be made by Indians in determining specific land purchase or land consolidation programs. Tribes can take more responsibility for consolidating leases into economic units. Tribes should become more involved in title, boundary and water rights research, including the providing of staff and funds for these functions. Real property management is an indirect employment producer. It is estimated that about 150 jobs are created through long-term commercial leases, housing construction and other activities in which we give support. From the standpoint of income to Indians, real property management administered leases which produced an annual direct income of $72,928,731 to individual allottees and tribes.

The Arkansas Riverbed study, during fiscal year 1973, was directed to the investigation of ownership for the Choctaw, Chickasaw and Cherokee Tribes. It is expected that during fiscal year 1974, other tribes with disputed ownership along the Arkansas River will be included in the ownership study.

(b) Real Estate Appraisal: Fiscal Year 1973, $2,065,000; Fiscal Year 1974, $2,065,000. No change.

Increase (+) or Decrease (-) Amount	Positions	Total Program	Total Positions	Explanation
-	-9	$2,065,000	123	No increase is requested for this activity.

Program of Work:

The appraisal work program will produce 10,500 professional real estate appraisal reports in support of real estate transactions. Appraisals will provide valuation advisory information used in cases of land sales, leases, tribal land acquisitions, exchanges, acquisitions of easements and rights-of-way, credit loans and a wide variety of valuation advisory services to individual Indian landowners, tribal leaders and Bureau administrators for making sound real estate decisions. Services also provided by the program include the preparation of gross appraisals, feasibility studies, rangeland rental studies, valuation counseling, preparation of land use plans for specific sites, and HUD #701 planning grant coordination and assistance to tribes in obtaining these grants. Planners also assist the Bureau in reviewing plans for development submitted by long-term lessee developers.

Continued assistance will be given to supplying appraisal reports in connection with the Farmers Home Administration Loan Program (Public Law 91-229). This loan program will be used to purchase $10 million worth of land. More rights-of-way will be appraised in connection with the expanded BIA Road construction program. A large part of the work will continue to come from appraisals needed in support of individual transactions setting aside homesites under the Mutual Help Housing Program. In addition, the normal workload of agricultural lease appraisals and appraisals for commercial and industrial developments will be furnished to the limits of staff capacity.

Further development of multiple regression analysis models on Indian reservations will be undertaken together with uses of other computer programs used in the appraisal profession for fast and accurate valuation analysis. These include equity capitalization, cashflow analysis and residual capitalization programs.

Examples of Recent Accomplishments:

In Fiscal Year 1972, the appraisal program prepared 11,703 real estate appraisals covering over 1.4 million acres of land. Appraisals totaled $135.7 million in market value and $6.3 million in annual rental income to tribes and individual landowners. Appraisals can be traced to the direct increase in annual rentals in several reservation locations. The appraisal production in fiscal year 1972 is an increase of 2,311 appraisal reports over fiscal year 1971, or an increase of about 20% in annual production. Increases can be attributed in part to increased management efficiency and new techniques, including computer technology. Even with this remarkable increase in production, a backlog of 3,500 appraisals were left unaccomplished at year's end. Approximately 100 site plans for specific developments were prepared in fiscal year 1972. Community plans were prepared and other planning and feasibility, analysis data was supplied throughout the Nation to assist in the economic development of reservation communities.

(c) Employee Compensation: Fiscal Year 1973, $817,000; Fiscal Year 1974, $717,000; Decrease of $100,000. The decrease consists of:

Increase (+) or Decrease (-) Amount	Positions	Total Program	Total Positions	Explanation
$-100,000	-	$717,000	-	Decrease due to reduction in pro-rata assessment for reimbursing Employee Compensation Fund.

These funds are to reimburse the Employees' Compensation Fund for payments made due to injury or death of employees under the jurisdiction of this Agency as required in Section 209 of Public Law 86-767.

(d) General Trustee Services: Fiscal year 1973, $1,491,000; Fiscal year 1974, $1,491,000. No change.

Increase (+) or Decrease (-) Amount	Positions	Total Program	Total Positions	Explanation
-	-	$1,491,000	146	No increase is requested for this activity.

Program of Work:

The Bureau is charged by various laws and regulations with the trust responsibility of accounting for and disbursing individual Indian monies which come into the custody of Bureau officials as a result of administering trust or restricted properties of individual Indians, through per capita payments, judgments, awards, and claims. Indian Service Special Disbursing Agents are designated to carry out these responsibilities.

This sub-activity also finances positions of field representatives who serve as contact with the Indians at the reservation level and who perform work connected with the activities concerned with administration of trust properties.

9. Repair and Maintenance of Buildings and Utilities

Activity or Subactivity	F. Y. 1972 Amount Available	F. Y. 1973 Amount Available	F. Y. 1974 Estimate	Increase (+) or Decrease (-) 1974 Compared with 1973
Repair and maintenance of buildings and utilities.....	$23,865,467	$24,867,000	$24,867,000	-

Repair and maintenance of buildings and utilities: Fiscal year 1973, $24,867,000; fiscal year 1974, $24,867,000. No change.

Increase (+) or Decrease (-) Amount	Positions	Total Program	Total Positions	Explanation
-	-26	$24,867,000	1,257	No increase is requested for this activity.

Program of Work:

The Bureau maintains approximately 8,550 individual buildings containing 28,900,000 square feet of floor area together with related utility systems to support these facilities at 400 separate locations.

The Repair and Maintenance of Buildings and Utilities program provides for the repair and maintenance necessary to keep these facilities and utility systems in such condition that they may be continuously utilized at their original or designed capacity and for their intended purposes.

Commercial facilities are not available to serve many of the Bureau's isolated locations, therefore complete services including heat, light, power, water sewer, garbage, etc., required to operate the schools, dormitories, kitchens, dining halls, quarters, office buildings, shops, garages, and other educational and recreational facilities, etc., must be operated and maintained by the Bureau.

Utilities maintained at most locations are equivalent to those of an average community and in many locations are much more extensive due to central plants which provide electrical power, hot water, steam, etc. In addition to normal operating requirements, these systems must be maintained on an uninterrupted 24-hour basis to insure the health and safety of Indian school children and Bureau personnel.

The $24,867,000 will provide for maintenance of Bureau physical plant facilities located throughout the United States including Alaska for providing technical services to Indians and includes $400,000 to fund a cleanup program in and around Indian villages. The purpose of this program is to provide young people with a work opportunity and experience in "community development."

Examples of recent accomplishments:

In fiscal year 1973 work continues on engineering performance standards and guides. Plant Management manual has been revised and is in the final stage of review before release to the field installations.

Plant facility inventories and useful life data have been updated.

Plant Management programs service 400 locations involving buildings and utilities. 78 boarding schools, 19 dormitories and 127 day schools are among the facilities maintained and operated over an area stretching from Alaska to Florida.

10. Operation, Repair and Maintenance of Indian Irrigation Systems

Activity or Subactivity	F. Y. 1972 Amount Available	F. Y. 1973 Amount Available	F. Y. 1974 Estimate	Increase (+) or Decrease (-) 1974 Compared with 1973
Operation, repair, and maintenance of Indian irrigation systems.....	$1,425,873	$1,611,000	$1,611,000	-

Operation, Repair and Maintenance of Indian Irrigation Systems: Fiscal year 1973, $1,611,000; Fiscal year 1974, $1,611,000. No change.

Increase (+) or Decrease (-) Amount	Positions	Total Program	Total Positions	Explanation
-	-	$1,611,000	9	No increase is requested for this activity.

Program of Work:

The funds requested under this activity are to cover the payment of annual operation and maintenance charges assessed against Indian-owned lands included within various private and public irrigation districts and water user charges; annual contract payments authorized by the Congress; and annual operation and maintenance costs for those projects not included within private or public irrigation districts and water user associations.

There are approximately 300 irrigation systems and units on various Indian reservations west of the Mississippi River, ranging in size from tracts of a few acres, such as subsistence garden tracts, to major projects of over 100,000 acres.

All collections are deposited in the operation and maintenance receipt account and are available for operating and maintaining the respective projects pursuant to the provisions of the Act of August 7, 1946 (60 Stat. 895). These collections include payments by Indian and non-Indian water users and payments made on behalf of Indian water users who are financially unable to pay their assessment for current annual operation and maintenance. Collections from Indian water users for prior year assessments which have previously been paid from reimbursable appropriated funds are deposited directly into the Treasury to the Miscellaneous Receipt Account as a repayment of reimbursable indebtedness. Where non-Indians receive water services from Indian irrigation systems, they are required to pay the full per acre cost. The above referred to irrigation systems and projects fall in the following categories:

1. Projects which are economically feasible on the basis that there is a sufficient quantity of water to supply the assessable area. The lands have characteristics which will produce crops under sustained irrigations and have repayment capabilities which will permit landowners and water users as a whole to pay the full annual cost of operation and maintaining the system. The assessment rates on these projects are fixed to return the full operation and maintenance costs.

Any unpaid assessment becomes a lien against the land for which the assessment is not paid.

Funds requested for payment of assessments under this category will be used when necessary to pay into the Collection Account that part of the uncollectible current annual per acre assessment against Indian owned lands. Funds so paid into the Collection Account to cover such unpaid assessments become reimbursable debts due the United States.

2. Projects where the repayment capabilities of the land will not permit payment to the full annual operation and maintenance costs. Assessment rates for Indian water users on these projects are based on the ability of the Indian to pay and therefore do not cover the full cost of operation and maintenance. All or any portion of any unpaid assessment becomes a lien against the land for which such assessment is not paid.

Funds requested for payment of costs under this category will be used when necessary to pay into the Collection Account that part of the annual operation and maintenance cost on Indian-owned lands in excess of the annual assessment and any part of the uncollectible annual per acre assessment against Indian owned lands. Funds so paid into the Collection Account to cover these cost become reimbursable debts due the United States when used to pay all or any part of the annual costs included in the assessment rate. Cost in excess of the assessment rate are non-reimbursable.

3. Irrigated areas, such as subsistence garden tracts and tracts of a few acres which do not represent economical units, but provide Indian landowners with a means of supplementing their livelihood. Because of the low income of the Indian landowners and water-users on these irrigated areas and tracts, it is not feasible from an economic standpoint to assess these lands. Accordingly, the operation and maintenance costs are non-reimbursable and do not become a lien against the lands benefited.

Funds requested for payment of costs under this category will be used when necessary to pay into the Collection Account the total cost for operation and maintenance of these subsistence garden tracts and irrigated areas, or if no Collection Account has been established and it is not desirable or proper to establish such an account, the funds will be expended when necessary directly from the appropriation account.

4. Irrigation systems and reservoirs serving Indian-owned lands located within and operated by various private and public irrigation districts and water-user associations. Assessments for operation and maintenance of the irrigation systems and reservoirs serving these Indian-owned lands are made by the irrigation district or water-users association embracing and serving such Indian-owned lands.

Funds requested for payment of assessments under this category will be used when necessary to pay into the Collection Account for payment to private and public irrigation districts and water-users associations for operation and maintenance costs assessed for Indian-owned lands included within such irrigation districts and water-users associations. Funds used for payment of assessments covering these costs are reimbursable and become debts due the United States except for those payments that are non-reimbursable by legislation.

5. Projects that are operated by this Bureau at no cost to the Indian landowners and water-users as provided for under legislation.

Funds requested for payment of assessments under this category will be used when necessary to pay into the Collection Account appropriated funds for irrigation projects operated by this Bureau at no cost to the Indian water-users as required by legislation.

11. Environmental Quality Services

Activity or Subactivity	F. Y. 1972 Amount Available	F. Y. 1973 Amount Available	F. Y. 1974 Estimate	Increase (+) or Decrease (-) 1974 Compared with 1973
Environmental Quality Service.....	-	$523,000	$523,000	-

Environmental Quality Service: Fiscal year 1973, $523,000; Fiscal year 1974, $523,000. No change.

Increase (+) or Decrease (-) Amount	Positions	Total Program	Total Positions	Explanation
-	-3	$523,000	39	No increase is requested for this activity.

Program of Work:

This program authorized under the National Environmental Policy Act of 1969 (P.L. 91-190) but was only initiated in the Bureau during the current fiscal year.

Environmental analysis of significant BIA actions including preparation and review of environmental impact statements, holding public hearings, analysis of actions decided at least initially, as not requiring formal environmental impact statements. Review also means formal and informal review of environmental impact statements prepared by other Federal Agencies and referred through the Department to BIA for an interdisciplinary, substantive comment.

RESOURCES MANAGEMENT

Personnel Summary

	1972 Actual	1973 Estimate	1974 Estimate
Total number of permanent positions.....	3,992	4,091	3,931
Full-time equivalent of other positions.....	564	564	564
Average paid employment.....	4,021	4,110	3,982
Average GS grade.....	7.6	7.6	7.6
Average GS salary.....	$11,432	$11,565	$11,680
Average salary of ungraded positions.....	9,005	9,545	10,500

ITEMIZATION OF ESTIMATE

Department of the Interior
Appropriation Title: Resources Management — Bureau of Indian Affairs

	Actual 1972	Estimate 1973	Estimate 1974	Increase (+) Decrease (-)
Program and Financing:				
Total obligations.....	$77,352,000	$84,941,000	$87,158,000	$+2,217,000
Receipts and reimbursements from Federal Funds	-1,588,000	-1,800,000	-1,800,000	-
Appropriation.....	75,764,000	83,141,000	85,358,000	+2,217,000
Obligations by Objects:				
Direct Program				
11 Personnel compensation.....	45,819,000	48,104,000	47,254,000	-850,000
12 Personnel benefits..	4,868,000	5,540,000	5,882,000	+342,000
13 Benefit for former personnel.....	22,000	-	-	-
21 Travel and transportation of persons.	2,803,000	2,940,000	2,800,000	-140,000
22 Transportation of things.....	1,722,000	1,800,000	1,900,000	+100,000
23 Rent, communications and utilities.....	2,223,000	2,300,000	2,700,000	+400,000
24 Printing and reproduction.....	147,000	150,000	200,000	+50,000
25 Other services.....	9,910,000	12,460,000	13,690,000	+1,230,000
26 Supplies and materials.....	5,935,000	7,215,000	7,500,000	+285,000
31 Equipment.....	1,654,000	1,800,000	1,900,000	+100,000
32 Lands and structures	90,000	100,000	200,000	+100,000
33 Investments and loans	35,000	-	-	-
41 Grants, subsidies, and contributions.	1,086,000	1,300,000	1,900,000	+600,000
42 Insurance claims and indemnities.....	17,000	-	-	-
44 Refunds.....	1,000	-	-	-
Subtotal.....	76,332,000	83,709,000	85,926,000	+2,217,000
Deduct quarters and subsistence charges...	-568,000	-568,000	-568,000	-
Total, Direct Program.....	75,764,000	83,141,000	85,358,000	+2,217,000

THE M'QUINN STRIP

Mrs. HANSEN. Public Law 92–427 transferred certain lands formerly in the Mount Hood and Willamette National Forests to the United States in trust for the confederated tribes of the Warm Springs Reservation. The Forest Service is providing funds for administering various activities there in 1973.

Has BIA included these costs in its budget for 1974?

Mr. WILCOX. I am Earle Wilcox, Chief of the forestry program. Public Law 92–427 that returned the McQuinn strip to the Warm Springs Tribe was enacted after our Bureau had determined its budget requirements for fiscal year 1974. Accordingly our request does not provide funds needed for management of the 61,000 acres in the strip. Your question specifically asked concerning Forest Service funds?

Mrs. HANSEN. Yes. The Forest Service is providing funds for administering various activities there in 1973. Has the BIA included these costs in its budget for 1974?

Mr. WILCOX. As of the first of this next fiscal year, July 1, our Bureau must assume full responsibility.

Mrs. HANSEN. But you haven't sent the committee a budget amendment so you will be able to assume this responsibility. Congressman Ullman is very interested in this program. According to Congressman Ullman the following amounts are the minimum amounts necessary for Interior to do the job. He has it broken down in several categories. He says:

* * * it is most important that these funds be transferred to the Interior budget.

The funds for management are contained in the Forest Service from receipts from timber sales: Outdoor recreation, $8,500; forest sales preparation, supervision, and fire protection, $119,000; fence maintenance, $3,200; road maintenance, $56,400.

In addition, $26,500 is necessary for boundary fencing, but this would have to be added to the BIA budget, since it is not a job performed by the Forest Service and could not rightly be taken from the Forest Service budget.

Is the $26,500 in your fiscal year 1974 budget?

Mr. WILCOX. Those funds are not included in our request for forestry.

Mrs. HANSEN. The $26,500?

Mr. WILCOX. None of the amounts that you quoted.

Mr. WYATT. That is because you drew your budget prior to this executive transfer?

Mr. WILCOX. Yes, sir.

Mrs. HANSEN. It is also not included in the Forest Service budget. I would appreciate it if you would review this situation and send up a proper budget amendment before the committee marks up the bill.

Mr. WILCOX. Yes, ma'am.

[The information follows:]

The preparation of a budget amendment for this purpose is under consideration.

Mr. WYATT. How much of the Forest Service budget that has been previously earmarked for the McQuinn strip area can be transferred to the Bureau of Indian Affairs?

Mr. WILCOX. The Bureau of Indian Affairs has estimated the cost to be $187,100 annually. However, we have no knowledge of any funds being earmarked for this purpose by the Forest Service.

Mr. WYATT. Is this all the money necessary to administer the lands effectively in fiscal year 1974?

Mr. WILCOX. No; as I indicated, an additional $26,500 for boundary fencing is necessary. This would not have been done by the Forest Service.

Mr. WYATT. Please have the Forest Service prepare a statement for the record on the current status of the McQuinn strip.

Mr. WILCOX. Yes, sir.

[The information follows:]

U.S. DEPARTMENT OF AGRICULTURE FOREST SERVICE

M'QUINN STRIP

Public Law 92-247, approved September 21, 1972, declared title to certain Federal lands in the State of Oregon to be in the United States in trust for the use and benefit of the Confederated Tribes of the Warm Springs Reservation of Oregon and excluded such lands from the Mount Hood and Williamette National Forests. These lands were known as the McQuinn strip containing approximately 61,360 acres. Absent any provision in the act to the contrary, the effect of this legislation was to terminate the National Forest status of this land as of September 21, 1972, with the Secretary of the Interior becoming responsible for administration on that date.

The act was passed too late to allow for appropriation request by the Department of the Interior for cost of administering these lands in fiscal year 1973. Forest Service appropriations are allocated to units, such as the Williamette and Mount Hood National Forests, for the administration and accomplishment of the work planned for that unit and as such the funds for administration and accomplishment of planned work on the McQuinn strip were included in their allocation.

In essence Forest Service appropriations have been allocated for the administration and accomplishment of work on the McQuinn strip and manpower is in place for fiscal year 1973.

By law, Forest Service appropriations are available for the administration of lands under its jurisdiction. If jurisdiction of certain lands is transferred, funds are not available and the receiving agency is responsible for administration costs. However, due to the late passage of the act, the Forest Service proposed to the Appropriations Committees in the Senate and the House that Forest Service funds be used to cover the administration and management of the transferred acreage for the remainder of fiscal year 1973. The committees approved the proposal.

Administration and management costs for the transferred lands become the responsibility of the Department of the Interior effective July 1, 1973. After that date any services performed by the Forest Service will be at the request of the Department of the Interior and will be reimbursable under the Economy Act of June 30, 1932.

Since fiscal year 1949 all revenues from the McQuinn strip have been credited to the Confederated Tribes of the Warm Springs Reservation in accordance with Public Law 80-892, July 3, 1948.

In accordance with this act the Forest Service transferred $921,083.44 in fiscal year 1972 and $893,294.49 through April 30, 1973, for fiscal year 1974, to the Department of the Interior.

The Forest Service has received deposits under timber sale contracts and cooperative agreement with resource users and has over the years expended these funds except for the approximate balances which are available and will be transferred to the Department of the Interior:

	Amount
Brush disposal	$47,000
Cooperative work (reforestation and timber stand improvement)	216,000
Cooperative work (erosion control)	1,300
Cooperative work (road maintenance)	5,600

RANGE LANDS

Mrs. HANSEN. How many BIA acres are used by the tribes or leased for grazing purposes?

Mr. CORKE. There are roughly 40 million acres of Indian range lands.

Mrs. HANSEN. How many of those are leased?

Mr. CORKE. You are talking about used by non-Indians?

Mrs. HANSEN. Yes.

Mr. CORKE. Ninety-two percent is the figure for Indian use. It varies between tribes but overall it is 92.7 percent.

Mrs. HANSEN. Used by the tribes?

Mr. CORKE. Yes; used by tribes and individual members.

Mrs. HANSEN. Give me some examples for the record of the number of cattle you are able to graze per acre.

[The information follows:]

Acres range per animal unit month on Indian lands

	Acres/animal unit month (cow/month)
Northern Great Plains:	
Aberdeen	2.5
Billings	4.9
Southwest:	
Albuquerque	8.7
Navajo	9.5
Phoenix	11.2
West:	
Portland	9.0
Sacramento	3.5

Mrs. HANSEN. Is your grazing land improving?

Mr. CORKE. We can't really say its condition is improving. I think it is not further deteriorating or getting poorer.

Mrs. HANSEN. Some of it can't become any poorer.

Mr. CORKE. We have been real fortunate, incidentally, this past year. The good Lord provided good precipitation and it is amazing in the Southwest on sandy sites how fast grass does come back after rainfall.

Mrs. HANSEN. As you are well aware we have a shortage of beef in this country. I called the Department of Agriculture several weeks ago and they gave me some rather interesting figures on the population of beef in 1973 against 1940.

Our lamb population, for example, is down and yet this is part of the total meat supply. In 1940 we were a nation of about 130 million people and today we have a population of about 212 million. So you have the problem of a beef herd, which has stayed relatively the same. Considering our increased income and the increased affluence of the society, we are not producing enough cattle.

This is one of the problems. If you were able to improve your grazing areas couldn't you increase the number of cattle that you are able to handle per acre?

Mr. CORKE. Absolutely and that is the reason for the rather significant increase requested in this year's budget. There are the several types of improvement projects proposed for those funds. Some are for water development to open up areas that are now underutilized

because they don't have water and some are for brush removal and seeding where it is appropriate.

Mrs. HANSEN. I visited one area in New Mexico, on one side of the road there were plots and nothing was being done to improve them. On the other side of the road there were experimental plots with different seeding techniques, different grasses, water, and so on. The difference in the quality of the land and the ability to graze was fantastic.

It seems to me that each department that has grazing lands, the Forest Service, the BLM, and the Bureau of Indian Affairs should place more emphasis on improving our grazing lands. I am surprised that our Government is not, especially since our prices are escalating and we are having to import beef, placing more money in improving our grazing lands to enable us to produce more for our own domestic consumption.

Mr. YATES. How much would it cost?

Mrs. HANSEN. The 1973 amount available for forest and range land development and installation of management facilities is $8,146,000. The request for fiscal year 1974 is $10,159,000, an increase of $2,013,000. How many acres of your 40 million are under minimum standards?

Mr. CORKE. Are in bad shape?

Mrs. HANSEN. Yes.

Mr. CORKE. About a third.

Mrs. HANSEN. You have almost 15 million acres that need improvement. I congratulate you on providing an increase, but I think it is time, as we survey the agricultural future, and the balance of trade, that this figure be increased more rapidly in the future, to improve these grazing lands. You will accomplish two things. You will provide a better economy for these very substandard Indian incomes and make a contribution to the quality of life in these whole areas.

Mr. CORKE. You are right. The base program, as you know, is practically all for salaries just to administer the ongoing programs. As you stated, Indian people as a general rule enjoy and want to raise livestock.

Mrs. HANSEN. They do, and this can be a major impact on their economy. I think we ought to be very grateful that these people are interested in agriculture, want to raise cattle and sheep, and want to live in an agrarian economy. I think we ought to be tremendously grateful. I think the least we can do is to begin to step up the program. For years this committee has been urging the Forest Service to request more funds because they have many acres of undermanaged land. I think it is high time we look at what we need in terms of consumer goods. It is just good business.

Mr. CORKE. These requested increases, of course, do reflect the tribal priorities that were placed on budget requests that originated at the reservation level.

Mrs. HANSEN. You have 15 million acres of undermanaged lands, the Forest Service probably has another 15 million, and BLM probably has 30 million. Considering the increased techniques developed by the various services you can greatly improve the grazing lands. I think this is one place where a relatively small amount of money can greatly enhance the economy. It is not only the economy for the Indians, but it makes a contribution directly on our balance of payments.

COST OF ACCELERATED RANGE PROGRAM

Mr. YATES. I just wondered what the cost would be. For example, he said the $8 million listed here goes almost entirely for salaries. Did I understand you correctly?

Mr. CORKE. The base program; right.

Mr. YATES. Suppose you were to undertake the kind of a program that Mrs. Hansen has been talking about. Do you have any idea what it would cost?

Mr. CORKE. We wouldn't need any more personnel. I am assure you that. In the tribal budget submittals there were roughly $11 million worth of projects that the tribes sought.

Mr. YATES. Which were all cut?

Mr. CORKE. It was reduced to the approximate $1.4 million roughly.

Mrs. HANSEN. What types of projects were involved? Wasn't it clearing and seeding?

Mr. CORKE. Clearing, seeding, water development, and some bad erosion control measures. A range of general agricultural and rangeland improvement practices.

Mr. YATES. Did you appraise or have any experts appraise the projects listed?

Mr. CORKE. They came up to us through the land agency. They are all worthwhile projects. Some of them certainly have more and faster returns than others, but they are all legitimate needs.

Mrs. HANSEN. Don't your area offices have in fact many excellent technicians in these categories?

Mr. CORKE. Certainly.

Mrs. HANSEN. Men who have spent their lives working in this field.

Mr. CORKE. Yes, ma'am.

Mr. YATES. What I am trying to find out is whether or not the people in the area projects or offices went into the Indian projects very carefully, or whether they just dismissed them because they don't have any money.

Mr. CORKE. They submit them on in here to us.

Mr. YATES. They came into Washington with the recommendations of the people in the field?

Mr. CORKE. Correct. These are all projects that came in from the field; yes.

ORIGINAL BUDGET REQUEST

Mr. YATES. And did you submit them to the Office of Management and Budget?

Mr. CORKE. They were included in the original request to the Department.

Mr. YATES. And OBM turned it down? Obviously, somebody turned it down.

Mr. CORKE. Right.

Mr. YATES. Because it has gone from $11 million to $1 million roughly.

Mr. CORKE. That is correct.

Mr. YATES. Were any of these projects submitted last year, too?

Mrs. HANSEN. I think they are submitted year after year.

Mr. YATES. That is what I am trying to find out.

Mr. CORKE. Yes; some have been submitted before.

Mr. YATES. What happens in the interim? Does the land deteriorate?

Mr. CORKE. A lot of it will simply fail to increase in productivity. It is in a bad state now, and it will remain so. I have a list of the projects that did come in listed by tribe and the costs involved.

Mr. HANSEN. Insert the information in the record.

Mr. CORKE. I will be delighted to.

[The information follows:]

SOIL AND MOISTURE CONSERVATION

[In thousands of dollars]

Location and project	Estimated cost	Benefit
ABERDEEN AREA		
Winnebago: Erosion control	30.0	
Lower Brule: Construction and repair of reservoirs	6.0	
Sisseton: Weed control	4.5	
Fort Totten:		
4.75 miles boundary fence	4.3	Place 510 acres idle land in production, gross value of annual production of $6,200.
1 cattle guard	.4	
1 stockwater reservoir	.4	
2 spring developments	.6	
130 acres brush removal	2.2	
cross fence	.7	
weed control	.1	
Tribal land project:		
5 miles fence	4.0	Place 1,424 acres in height level production, gross value annual $27,600 lease. Income $7,174.
3 stockwater reservoirs	.8	
160 acres brush and weed control	.5	
40 acres renovation	.4	
1 erosion control structure	.2	
1,000 feet grassed waterway	.3	
3 miles shelterbelt	.5	
238 acres seeding	2.6	
721 acres plowed	5.7	
Fort Berthold: Weed control	4.0	Noxious weed control.
ALBUQUERQUE AREA		
Nambe: 3 earthen reservoirs	27.4	Eliminate $2,000 annual flood damage.
Picuris: Erosion control structures	15.0	Reduce $2,500 annual flood damage.
San Juan: Erosion control and seeding	40.0	$3,000 annual production increase.
Santa Clara: Erosion control structures	28.0	Eliminate $2,500 annual crop loss.
Southern Ute:		
Vega project:		
15 miles sheep fence	32.5	
Erosion control structures	497.0	
6 livestock water reservoirs	15.0	
500 acres seeding	3.8	
Archuleta project:		
6.75 miles boundary and 9 miles division fence	24.6	Reduce trespass and livestock loss. Increase grazing by 133 A.U.M.'s.
7 water reservoirs	7.0	
9 pring developments	7.2	
Erosion control structure	19.2	
Ute Mountain:		
16 water well storage	40.0	
4½ miles pipeline	3.6	
2 storage facilities	8.0	
52.75 miles fence	35.5	
Tribal member training in resource management	28.1	
Jicarilla:		
20 miles fencing	16.0	Annual increase of 2,560 A.U.M's.
9,000 acres sagebrush chaining	22.5	
500 acres pinion-juniper chaining	1.8	
4,000 acres plow and reseeding	42.0	
500 acres herbicide on sagebrush	3.0	
1,000 acres cleanup by burning	1.0	
20 livestock water tanks	14.0	
5 windmills	10.0	
Mescalero:		
20 miles fencing	70.0	$10,000 annual saving in handling and stray losses, and increase 2,200 A.U.M. grazing.
20 erosion control structures	12.0	
6,400 acres cholla cactus control	38.4	
100 acres reseeding	2.0	
10 spring developments	30.0	

SOIL AND MOISTURE CONSERVATION

[In thousands of dollars]

Location and project	Estimated cost	Benefit
Zuni:		
5,842 acres pinion-juniper control	35.1	
2,000 acres rabbit brush undercutting	12.0	
2,000 acres sagebrush control	8.0	
11,805 acres reseeding	59.0	
Erosion control and water developments	61.3	
Ramah-Navajo:		
200 acres poisonous plant eradication	2.0	400 percent increase in usable forage.
5,000 acres brush control and reseeding	50.0	
24 miles of fencing	28.8	
Erosion control	39.0	
ANADARKO AREA		
Shawnee: Irrigation development on 8 Kickapoo allotments (8 wells and distrubution systems)	176.0	$22,000 annual income increase.
Anadarko:		
4 impoundment reservoirs	2.2	Full agricultural potential of land.
3 water well developments	4.5	
1,800 acres cactus and mesquite control	3.6	
3½ miles cross fence	2.5	
130 acres mesquite tree removal and disposal	4.5	
Concho: 6 year clearing and pasture development	47.2	10 year amortization of cost.
Horton:		
8,000 acres musk thistle and marijuana control	12.5	
6,300 drainage tile	3.0	Income increase of $6,000 per annum.
BILLINGS AREA		
Crow: Toadflax control	14.0	50 percent increase in forage.
Fort Belknap:		
Leafy spurge control	4.8	
2 reservoir repairs	50.0	
Fort Peck:		
3,850 acres land rehabilitation	4.8	$2,000 annual increase to land-owners.
26 reservoir repairs	24.7	
10 miles division fence	10.0	
Wind River:		
Rehabilitation of erosion control structure earthwork	45.5	
Pipes	41.0	
Trees	10.4	
Grass seeding	15.0	
Jetties	36.2	
8.5 miles fence	8.5	
Mill Creek erosion control excavation	109.0	
Drainage structures	100.0	
380 acres seeding	6.1	
Blackfeet:		
Leafy spurge, toadflax and Canada thistle control	10.0	
Tribal farm enterprise	11.0	
North Cheyenne:		
60 spring developments	18.0	
30 reservoirs	36.0	
60 cattleguards	18.0	
40 livestock well developments	40.0	
2,500 acres brush control	13.0	
Soil and Range Inventory (3 years to complete)	40.0	
Rocky Boy's: 400 acres leveled, drop structures and turnouts for hay production.	18.3	
MUSKOGEE AREA		
Osage: Gully control, land clearing and straighten water channels	200.0	Capital value increase.
MINNEAPOLIS AREA		
White Earth: Soil and range inventory	20.0	
NAVAJO AREA		
Window Rock:		
Accelerated management units projects supported by favorable cost benefit analyses that do not illustrate the multiplier effect of the agricultural dollar.	2,100.0	Cost-benefit, 4 to 1.
PHOENIX AREA		
Nevada Agency:		
Duck Valley:		
Riprap Mount View Reservoir	10.0	
500 acres noxious weed control	25.0	
Streambank bank protection	20.0	
Duckwater: Tribal conservation service	10.0	
Fallon: Tribal conservation services	10.0	

SOIL AND MOISTURE CONSERVATION

[In thousands of dollars]

Location and project	Estimated cost	Benefit
Ft. McDermitt:		
1,000 acres Whitetop and Russian knapweed control	45.0	
2,000 acres of gopher control	30.0	
Goshute: Tribal conservation service	10.0	
Moapa:		
Special field equipment	10.0	
Stream bank protection along Muddy River	25.0	
Pyramid Lake: Stream bank protection along Truckee	100.0	
South Fork: Special field equipment	15.0	
Walker River:		
2,000 acres Salt Cedar control	40.0	
Tribal conservation equipment	15.0	
Washoe: Tribal conservation equipment	10.0	
Yerington:		
Tribal conservation equipment	10.0	
200 acres level, rip, seed, shallow well and water delivery system.	150.0	Double livestock income.
Papago: Range improvement plan	650.0	
Pima:		
Flood control structure	43.3	
Subjugation	49.2	
Land rehabilitation	103.4	
Salt River: Flood control structure	43.3	Safe development of additiona irrigation lands.
Fort McDowell: 100 acres brush control and reseeding and erosion control	12.0	2 A.U.M./Ac.
San Carlos:		
Hawk Canyon Dam	75.0	
reezeout Dam	750.0	
Little Point of Pines Dam	15.0	
2,300 acreas juniper eradication	41.4	Reduce erosion. 828 A.U.M. forage annually.
9 detention structures	74.0	Reduce flooding.
4,117 acres renovate and reseed	72.0	
3.4 miles fence	5.5	
Unitah and Ouray: Hill Creek—Green Canyon flood control and irrigation dam.	260.0	600 acres irrigation.
Truxton Canyon:		
4,000 acreas brush control	9.0	
2 earthern tanks	12.0	
Erosion control	5.0	
15 miles fence	13.5	
Seminole Agency: Drainage canal	25.0	
PORTLAND AREA		
Fort Hall:		
23 miles soil stabilization along Blackfoot and Snake Rivers	110.0	
Dual purpose dam	90.0	
Chemical for 5,000 acreas noxious weed control	5.0	
Productivity demonstration plots	5.5	
Yakima:		
4 Irrigation darinage wells	40.0	
6,500 acreas weed control	25.0	
Water collection basin, storage tank and 26 miles pipeline	49.6	Increase of 1960 A.U.M. value of annual production $23,390.
Soil and Range survey on McQuinn strip	25.0	
Warm Srpings: 900 acres Medusa head control and seed	12.0	
Fencing	13.0	900 A.U.M.'s annual increase.
Colville: Noxious weed control	23.0	
Nez Perce:		
107.6 acreas land clearing and renovation	15.9	
Enlarge Mud Spring Dam	10.0	
North Idaho: Improvement project	48.0	
Total	7,978.7	

Location and project	Estimated cost	Benefit
ABERDEEN AREA		
Fort Berthold Agency:		
6 miles cross fencing	6.0	40 percent increase in carrying capacity.
15 spring developments	6.0	
100 acres brush removal	1.5	
100 acres reseeding	.5	
ALBUQUERQUE AREA		
North Pueblos Agency:		
Nambe:		
3 stock water wells	15.0	
6 springs	3.0	
Picuris:		
30 miles fence	30.0	
2 spring developments	4.0	
Pojoaque:		
10 miles fence	10.0	
1 stock water well	5.0	
San Ildefonso:		
20 miles fence	20.0	
1 stock water well	5.0	
1 mile water pipeline	1.5	
San Jaun: 20 miles fence	20.0	
Santa Clara:		
50 miles fence	50.0	
1 mile water pipeline	1.5	
Taos:		
340 acres pinion control and reseeding	5.6	4 fold increase in forage and $3,000 annual income increase.
445 acres sagebrush control and reseed	2.9	
1 stock water well	5.0	
6 miles fence	6.0	
Tesuque:		
20 miles fence	20.0	
4 spring developments	2.0	
Mescalero:		
20 stock well developments	400.0	Estimated increase income $200,000 annually.
150 miles water pipeline	225.0	
125 drinking troughs	62.5	
Zuni:		
10 stock well developments	119.1	Extra marketable livestock.
20 miles pipeline	13.6	
Ramah-Navajo:		
14 stock well developments	210.0	
8 water storage tanks	40.0	
5 water pumps	8.2	
10 miles pipeline	7.5	
BILLINGS AREA		
Flathead: 45 miles reservation boundary and cross fence	45.0	Increase of 2,000 A.U.M. Management tool. Proper use.
Fort Belknap: 15 miles division fence	15.0	
North Cheyenne:		
10 mile division fence	10.0	
Water development	4.0	
NAVAJO AREA		
Tuba City Agency:		
35 miles division fence	42.0	4 to 1.
5,500 acres juniper chaining	44.0	
2,400 acres sagebrush control	9.6	
6,500 acres reseeding	33.4	
7 livestock water reservoirs	7.0	
5 spring developments	5.0	
PHOENIX AREA		
Fort Apache Agency: 36 miles boundary fence (a 6-year program)	52.0	Reduce trespass and stray losses.
Nevada Agency:		
Duck Valley:		
20 miles boundary fence	30.0	
15 miles division fence	15.0	
5 reservoirs, 2 water well developments and 6 springs	40.0	
3,000 acres sagebrush control and reseeding	50.0	5,000 A.U.M./Ann.
10 miles livestock trails	15.0	1,780 A.U.M./Ann.

RANGE LANDS—Continued

Location and project	Estimated cost	Benefit
Pyramid Lake:		
135 miles boundary fence	200.0	Avoid trespass: Increase 4,000.
10 miles division fence	10.0	A.U.M. annually: Increase
6 water well developments, 8 springs, 20 miles pipeline	40.0	saleable livestock product re-
20 mile livestock access trails	40.0	duce transportation cost and enhance sales.
Summit Lake:		
1,625 acres sagebrush and rabbit brush control	13.0	
Boundary and division fence	10.0	3,600 A.U.M. annually.
4 spring developments	3.0	
9 miles pipeline	9.0	
Duckwater:		
Relocate boundary fence	10.0	Avoid trespass: Better sales weight.
South Fork:		
15 miles boundary fence	17.4	Avoid trespass and 1,600 A.U.M
3 mile division fence	3.0	annual forage increase.
1 water well development, 5 springs and 5 mi pipeline	14.0	
200 acres sagebrush plowed and reseeded	15.6	
Fallon: Boundary fence	35.0	Avoid trespass onto Indian farmland.
Yomba:		
Relocate reservation boundary fence and construct division fence	50.0	Utilize Indian resources.
2 water well developments and 2 spring developments	20.0	Improved utilization.
Sagebrush control along Reese River	30.0	
Goshute:		
35 miles boundary fence	45.0	Avoid trespass. Increased
10 mile division fence	15.0	A.U.M.'s.
2,000 acres brush control and reseeding	12.0	
3 water well developments and 2 wells repaired	18.0	Increase carrying capacity and sales weight
Livestock trails	10.0	
Fort McDermitt:		
Boundary fence	100.0	
5 spring developments and repair 4 windmills	10.0	
Livestock trails	10.0	Proper utilization and access.
2,500 acres sagebrush plowed and seeded	20.0	
Walker River:		
Boundary fence	120.0	Increase gross annual income $54,000.
2,000 acres plow and reseeding	16.0	
3 water well developments	14.0	
Moapa: Boundary fence	40.0	Avoid trespass.
Washoe: Boundary fence	5.6	Livestock control.
Hualapai:		
Meriwhitica Spring Development:		
10 miles truck trail	10.0	
10 miles pipeline	61.5	5 percent return on investment.
1-200,000 gallon tank	25.0	
3 booster pump stations	9.0	
Installation labor	124.8	
Miscellaneous supplies	10.0	
PORTLAND AREA		
Fort Hall:		
6,620 acres sagebrush removal	25.0	
1,300 acres plow and reseeding	16.0	
20 miles new fence	20.0	6.1 to 1.
10 spring developments	10.0	
2 water catchment basins	20.0	
Yakima: 2,500 acres seeding of logged areas	16.5	110 A.U.Y. 6.0 to 1.
Total	3,026.8	

Mr. YATES. What do you mean by improvements, Madam Chairman, so that I know what you are talking about. I saw the land in Arizona.

LAND IMPROVEMENT

Mrs. HANSEN. Obviously you can't graze on sand. Once you have seeded you have to provide water and develop the type of seed that your climate will allow.

Mr. YATES. Have they done that? Where have you improved the land?

Mr. CORKE. Hualapai Indian Reservation in Arizona is an excellent example.

Mr. YATES. How many acres are involved in Hualapai?

Mr. CORKE. We improved between 30,000 and 40,000 acres there, with tribal participation. Water was provided, brush was cleared and the areas seeded to grass.

Mr. YATES. How much did it cost at Hualapai to improve the land?

Mr. CORKE. I don't recall the amount expended. I could give you a summary of the improvements there for the record that do tell a rather astounding story of cost effectiveness.

Mr. YATES. You really have a before and after picture.

Mr. CORKE. Correct.

Mr. YATES. Then I think that would be a very important demonstration for the committee to know.

[The information follows:]

The Hualapai Reservation improvement program had its beginning in 1953 and provided a means to better utilize approximately 200,000 acres of previously unusable or underutilized, due to lack of water, range resources. Undesirable brush has been controlled by burning, chaining and/or plowing on 45,860 acres and 37,150 of these acres have been reseeded to grass. In addition, there have been 173 miles of pipeline and supporting water facilities installed during the past 16 years. The pipeline and water facilities had a total cost of $1,037,579 and were funded as follows:

Bureau of Indian Affairs	$908,676
REAP and ACP	77,237
Hualapai tribal funds	42,989
Four Corners Commission	8,677
Total	1,037,579

Total cost of the brush control and reseeding was $171,350 and brought the total cost of the project to $1,208,927.

The reservation carrying capacity was 3,850 animal units on January 1, 1958, and has increased to 5,047 animal units during the past 15 years. The increased carrying capacity, 1,197 animal units, represents approximately 720 calves, 410 steers averaging 400 pounds, and 310 heifers averaging 375 pounds, to be sold annually plus those retained for replacement stock. At current live weight prices of $50 per hundredweight for steers and $40 per hundredweight for heifers this improvement increases Indian income from livestock sales by approximately $125,000 annually. In addition, the tribe has realized $24,000 from the sale of haying permits in the last 2 years. Additional benefits are derived from better conservation while improving wildlife habitat.

At the present time, the tribe and its members are realizing better than 10 percent tangible benefits annually on the investment plus the intangible benefits.

Mrs. HANSEN. You are never going to bring down the price of beef if you don't increase the potential of your grazing lands.

Mr. YATES. What are the cost/benefit ratios that are connected with your $11 million?

Mr. CORKE. They vary. There are some that are very high, 5 to 1. Some are probably barely 1 to 1.

Mr. YATES. The report you are going to put into the record, will that contain the cost/benefit ratio?

Mr. CORKE. I could add that for a few of them. For others we do have the estimates of the increased usage that would result.

Mr. YATES. I certainly agree with the thrust of the chairman's statements. I think it is a very important idea she has presented here, and I certainly would like to support her in whatever she tries to do.

Mrs. HANSEN. It seems to me we are losing sight of the fact that the United States itself can increase its agricultural production in these very poor grazing areas.

Mr. YATES. Certainly at this particular time you have to step it up.

Mrs. HANSEN. That is the problem. Why wait until a crisis arises, and then begin to do something. Anybody who has seen the lands of New Mexico, Montana, Arizona, Nevada, and Utah, should realize that something has to be done. A good sized crow wouldn't have much luck in some of those areas.

Mr. YATES. How many acres are involved in the $11 million you are talking about?

Mr. CORKE. Let me furnish that too, if I may.

[The information follows:]

There are approximately 27,438,000 acres of Indian land which is in a state of active accelerated erosion.

INDIAN FORESTRY

Mrs. HANSEN. You are requesting an increase of $287,000 for forestry. How many acres of forest land is under the jurisdiction of the BIA?

Mr. WILCOX. A total of 12.8 million acres of forest land, of which 5.3 million are of commercial quality.

Mrs. HANSEN. What will your increase of $287,000 accomplish?

Mr. WILCOX. As we indicated in our justification statement, the increase was originally intended to be used in intensifying our fire control efforts. However, we have been experiencing an increasingly greater workload relating to environmental considerations. It now appears that most of the requested increase will be diverted into paying for the additional costs incurred in timber sale preparation and supervision, in order to offset what otherwise might be the detrimental effects on the environment caused by logging activities.

Mrs. HANSEN. Where are your 5 million commercial acres located?

Mr. WILCOX. They are located preponderantly in the western pine region, the Southwest, the Northwest, and of course, as you are aware, we do have some smaller acreages in western Washington as well as along the coastal area of California. We also have about a half million acres in the lake States that are considered of commercial quality.

Mrs. HANSEN. Your total program is only $16,190,000.

Mr. WILCOX. Yes, ma'am.

Mrs. HANSEN. About $1 per acre is being spent.

Mr. WYATT. Would you yield?

Mrs. HANSEN. Yes.

BACKLOG IN REFORESTATION

Mr. WYATT. Of your 5.3 million acres of your commercial forest land, how many of those acres are unreforested that are capable of reforestation?

Mr. WILCOX. We have a backlog of 153,000 acres. This is our estimate of the reforestation needs.

Mrs. HANSEN. What is the cost per acre for reforestation?

Mr. WILCOX. It would probably run in the vicinity of $80 per acre This is using Forest Service estimates.

Mr. WYATT. How long would it take you to reforest these acres at the present rate of reforestation?

Mr. WILCOX. At the present rate, Mr. Wyatt, we are just barely keeping pace with the additional areas that accrue each year.

Mrs. HANSEN. As you sell your timber do you compel the purchasers to reforest?

Mr. WILCOX. In some areas we have been. This has not been true throughout all of our timber operations.

Mrs. HANSEN. Why?

Mr. WYATT. What you are saying is that you will never catch up at the present rate really.

Mr. WILCOX. At the rate we have been going, Congressman Wyatt, no, we would not. When we require the purchasers of Indian timber to pay for the cost of reforestation, that cost comes out of the stumpage that the operators will pay. In other words, the Indians themselves are paying for the cost of reforestation. This may be all right in some instances, but quite often we are successful in getting reforestation by natural means at no cost to the Indian people.

Mr. YATES. Why should they pay for it?

Mr. WILCOX. Sir, I have felt very much they should not be required to pay for the cost of reforestation. This is my personal opinion.

Mrs. HANSEN. Why isn't it in the contract that they have to replant?

INDIAN TIMBER OPERATION

Mr. WILCOX. That the timber operators would have to replant? As I pointed out, it would be a cost to the operators, which in effect, would be borne by a lesser stumpage price that the operator would pay to the Indian.

Mrs. HANSEN. Similar to the road building proposal of the Forest Service?

Mr. WILCOX. Yes, ma'am.

Mrs. HANSEN. You do have some coastal areas that reforest and reseed themselves.

Mr. WILCOX. Yes, ma'm.

Mrs. HANSEN. What percentage of your 5.3 million acres can reseed themselves?

Mr. WILCOX. In our coastal areas we have about 5 percent of our total commercial forest lands. Normally they will reforest themselves naturally, if you leave seed sources. We do lose about 10 years in the reforestation process. Insofar as the forest lands in the inland region of the Pacific Northwest, we are getting fairly natural regeneration reforestation. Although much of our criticism has come from our operations on the Quinault Reservation, where we clear cut, most of our harvest activities are carried out by selection cutting. Over 90 percent of the area cut each year in Indian forests are by selection cutting.

Mrs. HANSEN. The Quinaults have a lot of downed cedar. I don't think there has been an attempt to clean up these areas.

Mr. WILCOX. That down cedar is now having significant commercial value. If we had burned it, as was done on State land, we would have destroyed valuable fiber that I think someday is going to bring a sizable return to the Indian owners.

[Discussion off the record.]

Mr. WILCOX. Hopefully within the not too distant future we will find some very useful means of disposing of it, rather than having burned and destroyed it.

Mrs. HANSEN. How many acres on the Quinault Reservation do you have that need to be cleaned up?

Mr. WILCOX. We have in the two large timber sale units a total of about 60,000 acres, 30,000 in each of the two units. That does not include the Queets area, which was never placed under a single large contract. Within those two units I would estimate about 30 percent would need some type of utilization disposal of this excess material. The reason I wouldn't suggest going into the entire area in both units is because a substantial portion of the areas cut earlier in the earlier cut in those two units now has a very fine stand of young seedlings and saplings, which might be destroyed if we try to utilize slash at the present.

[Discussion off the record.]

Mrs. HANSEN. Have you ever confronted OMB with an orderly yearly program of planting so many acres per year? This would provide Indian employment, but more than that, it is going to provide an economy in the future for the Indian people, as well as provide the needed timber.

Mr. WILCOX. I personally have not.

Mrs. HANSEN. But has there been any attempt to do this?

Mr. WILCOX. We have not had a well planned presentation of this nature, primarily because we have been spending most of our funds just to keep our head above the water in our timber sale activities.

Mrs. HANSEN. I realize this. You have had fires and you have had the problem of checkerboard ownerships in most of your lands. It seems to me that you have to increase your forest management funds.

STATEMENT ON BIA FORESTRY PROGRAM

Mr. WILCOX. Madam Chairman, may I insert into the record a statement that has been made about our forestry program.

Mrs. HANSEN. Yes.

Mr. WILCOX. It is very short. It is written by Mr. Robert Furniss, a consulting forester, at one time Assistant Director of the Pacific Northwest Forest and Range Experiment Station. He said this:

> Over the years the BIA foresters have accomplished more with less than any other group of foresters in the United States. They have been doers and innovators, yet have been responsible managers of the forest resources entrusted to them.

Madam Chairman, I have been proud to work for our Bureau forestry program most of the years I have worked.

Mrs. HANSEN. Don't you agree that you should manage your forest land more intensively?

Mr. WILCOX. We are certainly not managing as intensively as most other forest management organizations.

Mrs. HANSEN. Doesn't some of your land lend itself to a high yield type of forest without any environmental destruction?

Mr. WILCOX. Yes, ma'am.

Mr. WYATT. Madam Chairman, would you yield?

Mrs. HANSEN. Yes.

Mr. WYATT. I would just like to say I would join the chairman in her urging that the BIA come forward with a specific program, perhaps a 5-year program, even a 10-year program so you could catch up with your backlog. Your total acreage of commercial forest lands that is unreforested is a drop in the bucket compared to the Forest Service backlog but it is important. It is a renewable natural resource available to us. It is a moneymaking proposition for the Government and it supplies needed woodfiber that this country needs in the face of a domestic and worldwide wood fiber shortage. I would certainly support the suggestion of the chairman strongly.

Mrs. HANSEN. You have a lot of people who need the employment that results from your reforestation programs. You also need the timber, as Mr. Wyatt has stated, and the Indian economy needs those continuing receipts in the future.

RANGE LANDS

Do you have any additional comments on your increase for range lands?

Mr. CORKE. We didn't mention the increase of $570,000 which is specifically needed for the Navajo-Hopi disputed area, the Executive Order 1882; $370,000 of that is for both external and internal fencing needs, and $200,000 to carry out the first phase of the order of the Federal court in Tucson.

Mrs. HANSEN. What is the essence of that court order?

Mr. CORKE. Reducing the number of stock grazing thereon. This $200,000 will be required in the administration of the sales, et cetera.

Mrs. HANSEN. Insert in the record a statement on the impact of this court order?

Mr. CORKE. Yes.

[The information follows:]

Impact of court order No. 579 and writ of assistance dated October 14, 1972—Navajo-Hopi joint use area, Executive order of 1882, and U.S. plan—offered, accepted and approved by the court April 23, 1973.

Court order requires reduction of Navajo-owned livestock to one-half the carrying capacity of the joint use area and other requirements ancillary thereto. This action to be accomplished within 1 year of the date of the court order (by October 14, 1973). Cost will be $7.4 million. Cost of administration for this area from Flagstaff office at an annual rate of $150,000, additional.

Mr. YATES. Which order is that, the Hopi-Navajo?

Mr. CORKE. Right.

Mr. YATES. Is that anywhere near settlement?

Mr. CORKE. They are holding hearings in Congressman's Meeds' subcommittee today. Hopefully they are getting closer to a settlement. One thing, of course, is that part of this $1,156,000 might have to be diverted to this Navajo-Hopi usage because of court actions or legislative actions, if special funds aren't authorized and provided. We hope not. We hope this sum will be available for use in other places but there is that possibility.

Mrs. HANSEN. Why don't you request a supplemental for the settlement of Hopi-Navajo dispute? That would be more sensible than taking funds from this rather major reclamation project.

TIMBER PRICES

Mr. YATES. May I return to the timber for a minute and ask the question as to why the money to be derived from the timber cutting is going to be less in 1974 than 1973? The scale on page 26 indicates timber cut under contract will have less value in 1974 than in 1973. With prices going up as they are, I wonder why?

Mrs. HANSEN. Prices for certain timber is decreasing at the present time.

Mr. YATES. Prices for timber? Not with my lumber companies.

(Discussion off the record.)

Mr. WILCOX. In answer to your question, Mr. Yates, these are estimates as you will see, and they were based on the view of our people in the field at the time they submitted them about a year ago. At that time they thought the market was nearing its peak, and they expected that it would drop off earlier than it has. Actually it has continued up. If it has recently dropped off significantly, it hasn't shown up yet in any of the lumber price quotations. The last western pine index was shown still going up. I hope it doesn't drop too much.

[Discussion off the record.]

Mr. YATES. I was surprised particularly when I noticed that you had what amounts to almost a 5-percent increase in the volume cut, and that prices went down.

Mr. WILCOX. This is primarily because they were trying to anticipate what the market would be. Actually the market has continued up fantastically above what any of us dreamed it would do.

Mr. YATES. Then this figure isn't correct?

Mr. WILCOX. As of now we anticipate in both 1973 and 1974 the receipts will be somewhere around $50 million.

Mrs. HANSEN. If the market stays high.

Mr. WILCOX. That is right, if the market does not drop too drastically.

OUTDOOR RECREATION

Mrs. HANSEN. $353,000 is requested for outdoor recreation. Please discuss this request for the committee.

Mr. CORKE. In 1974 as in 1973, $250,000 is earmarked for studies by the Bureau of Sport Fisheries and Wildlife which we transfer to them in connection with studies needed to protect the treaty fishing rights of Indians in the Northwest. That only leaves $103,000, which is a minimum program for personnel to coordinate the Indian outdoor recreation programs.

Mrs. HANSEN. Aren't you also working with the Park Service?

Mr. CORKE. Yes.

Mrs. HANSEN. How much funds are they providing?

Mr. CORKE. I don't have the dollar figures. We have a memorandum of understanding with them where they furnish substantial amounts of landscape architecture and other services that they are staffed to perform.

Mrs. HANSEN. Do you provide technical people, for those Indian people who are seeking to develop recreational sites?

Mr. CORKE. We have a small unit that is. That unit was established this past year in Denver and is available on call by the tribes to assist

them in site planning, site development, and assisting them in finding funding sources to do the things they want to do.

BLOC GRANT PROGRAMS FOR SITE DEVELOPMENT

Mrs. HANSEN. Once they have decided on a program, do you envision that your bloc grant program will be available for this type of activity?

Mr. CORKE. I do, yes, if the tribes choose to so use it. One of the things, as you know, is that Indians haven't gotten the benefits we would like to see them get out of the land and water conservation funds for several reasons, one being the 50–50 matching proposition. We have never been able to get an exception made for Indian tribes.

Mrs. HANSEN. The States that they reside in are receivers of the funds, and the Indian lands are competing with the rest of the lands in the State. They haven't been able to benefit much from those programs.

OUTDOOR RECREATION SPECIALIST

Mr. YATES. May I go back to this question about the unit you have in Denver of experts to help the Indian tribes in the development of some of their resources? How many people are in that unit?

Mr. CORKE. We have four professionals out there now.

Mr. YATES. What kind of professionals?

Mr. CORKE. We have one man who is a specialist in finance and the others in land-use planning and site layout. These are outdoor recreation specialists.

Mr. YATES. How does it work? Do they go to the Indian tribes to help them or do the Indians go out to Denver?

Mr. CORKE. They go to the Indian lands by request.

Mr. YATES. Are four enough for all the Indians?

Mr. CORKE. No, I wouldn't say that.

Mr. YATES. How many requests have you had for help from Indians?

Mr. CORKE. I know they have a big backlog of requests for help, and of course with this $100,000 item, the total budget for the program, you can't provide much of a staff.

Mr. YATES. What help have they given them? Are there tangible results that this unit can point to where they have been of value?

Mr. CORKE. Certainly, both in jobs and income generated by development.

Mr. YATES. Will you put a statement on that in the record, please?

Mr. CORKE. Yes.

[The information follows:]

For years Indian and Alaskan Native leaders have been looking to outdoor recreation and tourism as a means of expanding their economic base and providing additional income and employment for their people. To date the Government has made available approximately $40 million in grants and loans—primarily from the Economic Development Administration—to develop a variety of outdoor recreation and tourism facilities and services on Indian reservations. These developments and those being planned have initiated a wide variety of requests in the fields of planning, funding, construction, marketing research, economic evaluation, promotion, training, maintenance, management, and operation. It

was because of this increase in technical assistance requests from tribes, groups, and individuals, that the Commissioner of Indian Affairs in July 1972 established the Denver Outdoor Recreation and Tourism Technical Assistance Center and created the American Indian Travel Commission with an eight member all-Indian and Alaskan Native board of directors.

The purpose for creating the center was to put together a small, highly professional core staff with expertise in a variety of outdoor recreation and tourism fields. The staff's prime function is to go to the Indian reservations and Alaskan Native villages and assist them directly in developing their outdoor recreation and tourism industry, but only upon request.

At present the Denver Outdoor Recreation and Tourism Technical Assistance Center has only four professionals and a secretary to service all tribes, nationwide. This situation has created a large backlog of work. The center has unserved technical assistance requests from Choctaw, Mississippi; Fort Peck, Montana; Havasupai, Arizona; Miccosukee, Florida; Quinault, Washington; Sac and Fox, Oklahoma; United Sioux Tribes; Pine Ridge and Sisseton in South Dakota and other tribes and groups in the States of Alaska and California. This list is getting larger every month.

The objectives of the Denver Outdoor Recreation and Tourism Technical Assistance Center has been and will continue to be to provide outdoor recreation and tourism technical assistance to all tribes, groups and individuals who seek it. To carry this out the center staff would provide assistance in planning, funding, construction, marketing, research training, promotion, maintenance, management, and operations of their outdoor recreation and tourism programs and projects, plus interlock them into an Indian and Alaskan Native travel industry. This could and should be made a part of the Indian and Alaskan Native bicentennial program.

This unit has not been operational for long enough to permit accurate output.

Mrs. HANSEN. Do you have recreation programs on the Navajo Reservation?

Mr. CORKE. Yes. Their chairman was sitting in here this morning, Mr. Roger Davis. They are in town to meet with Bureau of Outdoor Recreation, Park Service and other outfits this week, to further their program.

Mrs. HANSEN. I know the Park Service has been giving some advice to the Quinaults.

Mr. YATES. It would seem to me that this is such a tiny source of help for what might be a tremendous program.

Mr. CORKE. There are certain locations that have such excellent potential. The White Mountain Apache Reservation is a good example of one with tremendous potential.

Mr. YATES. And nothing is being done about it?

Mr. CORKE. Some.

FIRE SUPPRESSION

Mrs. HANSEN. You are requesting $800,000 for "Fire suppression and emergency rehabilitation." What does this involve?

Mr. WILCOX. Madam Chairman, this request for $800,000 for "Fire suppression and emergency rehabilitation" is a token amount that we request to cover these two items. When we know the actual costs next year, we will come in for a supplemental to cover the additional cost.

[Discussion off the record.]

AGRICULTURAL AND INDUSTRIAL ASSISTANCE

Mrs. HANSEN. $17,362,000 is requested for "Agricultural and industrial assistance." A total of 55 positions are being reduced in this activity. Why aren't there corresponding decreases in the funding level?

Mr. SYKES. Because, Madam Chairman, this is part of the realinement that we are going through in the central office. The agreement was that we would reduce in Federal employment but we would not reduce the money. Those funds in our schedules have been transferred to other objects and they would be used for more direct service to Indians.

Mrs. HANSEN. Rather than personnel?

Mr. SYKES. Rather than for Federal employees, that is right.

RESERVATION PROGRAMS

Mrs. HANSEN. What changes are being made in BIA's planning and evaluation process as a result of the administration policy of self-determination?

Mr. SYKES. Mrs. Hansen, in our reservation programs we have been attempting for years to develop what we call a program planning evaluation system. These are people who work with the tribes directly. The majority of these positions are in the area offices and in the agencies themselves. We have been building up our budgets from the grassroots level at the tribal and agency level, and come on up to the areas, as Mr. Corke was referring to just a minute ago, on some of his programs.

We have about 10 of these people in the central office who pull these things together and present a total budget request, total program planning, to the Commissioner, and then on up through the Department. Our main improvement is in the attempt to work with the tribes to get them to evaluate what they need.

Mrs. HANSEN. I don't think they will have any problem in discovering what they need, not from the requests the committee has received. They are probably ahead of the BIA.

Mr. SYKES. I don't know if they are one up on us or not, but within this program we work very closely with them to develop these needs.

INDIAN JUDGMENT FUNDS

Mrs. HANSEN. You assist Indian tribes to develop plans for the expenditure of judgment funds. Please explain that activity for the committee.

Mr. SYKES. When these funds are awarded, appropriated, and authorized for use, we work with the tribes at the grassroots level in developing programs for the use of these judgment funds.

Mrs. HANSEN. There is a supplemental request which has been sent to the Senate for the Cowlitz Tribe of $1,550,000. That is a judgment. How will you assist the Cowlitz Tribe?

Mr. BUTLER. That would in large part, Madam Chairman, be depending upon the wishes of the tribal membership itself. In the preparation of the distribution legislation before the judgment awards heretofore each judgment bill has required separate legislation, and these are usually developed in concert with the respective tribe as to the utilization of their judgment awards. Senator Jackson, Madam Chairman, has just recently introduced Senate bill 1016, which would provide for a universal legislative authority for the distribution, so the tribes won't be encumbered each and every time an award is made to have to go through the legislative process for disposition.

Mrs. HANSEN. I remember one of the tribes wanted to make sure that an education fund was provided out of judgment funds for the children who had not attained their majority, rather than turn it over carte blanche to the parents. This is the reason I asked you that question.

Mr. BUTLER. Yes, Madam Chairman. That is a very popular use by the tribes. The last time I looked at that, there was approximately $45 million that was under investment in those respective educational trust programs.

INDUSTRIAL AND TOURISM DEVELOPMENT

Mrs. HANSEN. Are there any plans for expansion of tourism program for the bicentennial?

Mr. CORKE. We have certainly worked with the Bicentennial Commission, and we have submitted a plan for Indian participation requiring, of course, the funding. A plan has been prepared with and for them.

Mrs. HANSEN. As of this date they don't even have an authorization for fiscal year 1974.

Mr. CORKE. That is the extent of our participation.

Mrs. HANSEN. You say in your justifications: "The past year has been marked by fairly substantial progress made in several thrusts of the Bureau's industrial and tourism development program." You mentioned this at your previous hearings. You have assisted in the creation of the American Indian Nation Bank. Also the American Indian Tribal Commission was jointly funded by EDA and BIA in the amount of $100,000. Can you give the committee some results that you have had to date in regard to tourism?

AMERICAN INDIAN TRAVEL COMMISSION

Mr. CORKE. It is just getting good and started. The American Indian Travel Commission. Chairman is Kenny Smith of the Warm Springs.

Mrs. HANSEN. What do you plan to accomplish?

Mr. CORKE. The Commissions membership comes from tribes throughout the country. The Commission intends to do more promotion and public relations than anything else in an effort, to try to tie their different individual activities into a national Indian tourism program handled by and for the Indians themselves.

Mrs. HANSEN. Such as?

Mr. CORKE. For example Warm Springs has the Kah-necta Springs development and has super mountain scenery. Working in combination with the Crow, with its Custer Battlefield activities and their Yellow Tail Reservoir activities, the Commission will try to come up with different tour packages that they can promote. We are encouraging them and are glad to be able to assist them both technically and with some funding.

Mrs. HANSEN. Are all tribes universally interested in some phases of tourism?

Mr. CORKE. Not all. The Commission has held four or five meetings since getting organized. It looks really encouraging. We are glad to see them doing what they want done.

PREPARATION OF PAPAGOS TRIBAL ROLL

Mrs. HANSEN. I mentioned the $100,000 that the Papagos wanted for tribal roll preparation. Could that $100,000 be funded through your tribal operations activity?

Mr. BUTLER. Yes, Madam Chairman. That is a function of tribal operations. There are two basic types of rolls that are prepared. One is a membership type roll that the Papagos are referring to. The other is referred to as a descendancy roll, in which many of the judgment awards are paid out on the basis of a descendancy roll.

TRIBAL GOVERNMENT PROGRAM

Mrs. HANSEN. You say in your justifications: "Under the Aid to tribal government program, 82 tribal entities have been selected for fiscal year 1973 contract funding totaling $1.3 million. The types of projects proposed include: Development of election ordinances, administrative plans, tribal membership rolls, development of Government documents and amendments thereto, land assignment ordinances, and plans for management of tribe's resources. The Indian population which will benefit from this program is estimated at 84,000."

Do you want to make a comment in this regard?

Mr. BUTLER. The aid to tribal government program, Mrs. Hansen, has just gotten underway. It was delayed in part by the little problems that we had downtown. There was an objective approach, and by and large the funds went to the smaller tribes who did not have the resources to assist their own tribal governments.

HOUSING DEVELOPMENT

Mrs. HANSEN. $2,469,000 is requested for housing development. This is the same level of funding as last year. Why didn't you request an increase?

Mr. BUTLER. That is largely, Madam Chairman, a staff and training program that is utilized by the respective tribal housing authorities in their public housing programs.

SOIL AND MOISTURE CONSERVATION

Mrs. HANSEN. You are requesting an increase of $304,000 for soil and moisture conservation. You say: "The soil and moisture technicians work directly with Indian people in an effort to teach them the advantages of taking care of their soil, forage, and water resources." How many tribes are you working with at the present time?

Mr. CORKE. We are working with all of them that have argicultural land, which is most of them.

Mrs. HANSEN. If I may repeat, this amount isn't going to be adequate.

MAINTENANCE OF ROADS

You are requesting $6,592,000 for maintenance of roads. You say: "The estimated $6,592,000 will permit the Bureau to continued routine maintenance of 41 flight strips, 21,559 miles of road, and 686 bridges on 177 Indian reservations in 23 States."

"There are 2,290 miles of pavement, 2,419 miles of all-weather gravel surface, and 16,850 miles of roads not surfaced or with inadequate surface." I think I have ridden on most of those roads. How many schools and school buses have to travel this last category of roads?

Mr. NELSON. The number of miles we would have is 11,922.

Mrs. HANSEN. We have discussed school improvements. You can't provide much more school improvements without better roads.

Mr. NELSON. That is correct.

Mrs. HANSEN. How adequate is your maintenance funding for your road program?

Mr. NELSON. We are funded at the rate of, as we say here, $6.5 million, but we could use $15,400,000 if we could get it. It is about one-third.

Mrs. HANSEN. So you are not adequately maintaining your roads?

Mr. NELSON. This is correct.

Mr. FRANKLIN. This is a critical problem because the more roads you build the more maintenance you have and you never stop maintaining a road. This is one in which they have done extensive studies. It points to a very serious problem in the future.

Mrs. HANSEN. And yet, Mr. Franklin, isn't it true you are not going to reduce the costs. You are not going to completely eliminate boarding schools in the near future.

Mr. FRANKLIN. No; and you are not going to improve the economic picture of the reservation without roads.

Mrs. HANSEN. Also you have to face the fact that as you increase the road mileage you are going to have to increase maintenance. The committee has been interested that you place your roads where they can provide the maximum benefit without the destruction of your land.

Mr. FRANKLIN. It affects almost every facet of living. With attendance in school if you have a road and it is not in good shape the school cannot carry on. The study they did I thought was a very excellent thesis.

Mrs. HANSEN. I must say that some of the roads I have traveled on, on the reservation, haven't had any maintenance, because they are in a horrible condition.

Mr. NELSON. I believe the road you were on, Madam Chairman, we are paving this year, so there should be improvement.

Mrs. HANSEN. As I was riding down from Gallup through the reservation to Wingate, I saw the youngsters getting off the schoolbus. I was told by the BIA that those youngsters had approximately a 2-mile walk from the time they left the highway to their homes. There was a blizzard. It wouldn't have been called really a very good trail in my part of the country. You know a couple of years before two youngsters froze to death. These are things that disturb you as you see that country in the wintertime, where you have no access off the main highway. Yet there were several youngsters getting off the schoolbus.

INDIAN ARTS AND CRAFTS

You are requesting $668,000 for development of Indian arts and crafts. This is the same level of funding as last year. Are there any other agencies that are participating with your Indian arts and craft

program? Do you receive any assistance from the Arts Endowment? What are the groups participating?

Mr. HAWKINS. As you know, Madam Chairman, these are the funds for the Indian arts and crafts board primarily. We have had some encouraging participation from the National Endowment for the Arts during this past year on some joint projects for Indian arts and crafts. With the popularity of the subject at the moment, we can anticipate I think a considerable amount of additional participation from that source in this coming year.

OZETTE ARTIFACTS

Mrs. HANSEN. The Makah's want a museum. Because of the kind of artifacts that come from the Ozette diggings which has been conducted by Washington State University, a museum is needed. Apparently no one has determined what type of design or the architectural specifications that will have to be incorporated in this rather high technical kind of museum. I think as long ago as 500 years, a mudslide came down and buried the Ozette people and Ozette Village.

Mr. YATES. Where is that?

Mr. HAWKINS. It is up there in the Makah Tribe from Cape Flaherty south directly below the Makah Tribe.

Mrs. HANSEN. Have they discussed this in any way with the BIA?

Mr. HAWKINS. Madam Chairman, I believe they have discussed it with the area office. I am personally interested in this general area, and in talking with some of the people out there I have heard that they have discussed it with the area office. This would be a primary project for funding by the bloc grant route. We have not, at least since I have been back with the Bureau, requested funds for museum construction, although goodness knows there is a need nationwide for this sort of thing. It is just that in terms of priorities we wanted to put the kids in school, and have not had the ability to ask for funds for museums, but certainly a bloc grant would be an ideal sort of vehicle to provide for this.

Mrs. HANSEN. Is there any objection to providing planning money for this museum? The reason I ask is I don't think these people have gone into the technical parts of the really difficult details of preservation of these extremely valuable artifacts.

Mr. CORKE. They don't have plans? I thought they had though I have never seen them.

Mrs. HANSEN. This is what I am asking you about. They do have a proposal but they did not present the committee with any of the technical details. By technical details, I mean the humidity control, and so forth, which must be an integral part of such a museum. Otherwise these artifacts will completely vanish.

I saw some of them in tanks of oil and special solutions in a large shed. I recognized the very valuable heritage not only to these people but to archeologists all over the world. I don't think there is another such Indian find in the entire United States.

I wanted to make sure that they had the right kind of planning.

Mr. SYKES. Mrs. Hansen, would this be something of value. The Indian Crafts Board as you know is not under BIA. It is under the

Department. It seems to me that someone working in conjunction with them and the Smithsonian perhaps——

Mrs. HANSEN. That is why I asked because these are tremendously valuable artifacts. It is a very exciting find.

SALE OF INDIAN CRAFTS

Mrs. HANSEN. What has been the progress on merchandizing of Indian Arts and Crafts to companies like Sears Roebuck? Are the tribes doing this type of thing themselves?

Mr. YATES. Fred Harvey is doing some of it. I know that.

Mrs. HANSEN. There is an awful lot of Indian jewelry that is being sold. Are the tribes doing this, or is it on an individual basis?

Mr. CORKE. Mostly on an individual basis.

Mr. YATES. Isn't it being marketed? Aren't the jewelry and the crafts being marketed through some agency?

Mr. CORKE. Through the outlets she is talking about it is being done individually. Many tribes have their own arts and crafts enterprises where they market as a group.

Mrs. HANSEN. I was wondering because I think I noticed the other day a big advertisement that you could buy the squash blossom necklaces. I wondered if that was done by individuals?

Mr. CORKE. Mostly individuals in those outlets.

Mr. YATES. When you say individuals you mean somebody like Fred Harvey Enterprises?

Mr. CORKE. No.

Mr. YATES. Individual craftsmen themselves?

Mr. CORKE. The ones that make them.

Mr. YATES. Don't they have an agent or agencies to protect them to make sure they get the right price?

Mrs. HANSEN. They do if they go through their tribal arts and crafts group.

Mr. YATES. But they don't go through it all the time?

Mrs. HANSEN. Sometimes they prefer not to.

Mr. YATES. I saw some beautiful ones at Grand Canyon. At the lodge there. They were being marketed by Fred Harvey. I assume that Harvey sends people out to the individual craftsman to buy it.

Mr. CORKE. Right. That is close to the source of a lot of them.

Mrs. HANSEN. Several years ago this committee asked the National Park Service to purchase for their facilities the Indian arts and crafts as much as possible.

Mr. YATES. They had some beautful things, just marvelous things.

[Discussion off the record.]

MANAGEMENT OF INDIAN TRUST PROPERTY

Mrs. HANSEN. You are requesting a decrease of $100,000 for management of Indian trust property. What does this involve?

Mr. SYKES. That, Madam Chairman, is under (c), which is employee compensation. That is an automatical calculation given us by the Bureau of Labor Statistics. It doesn't hurt us a bit.

REAL PROPERTY MANAGEMENT

Mrs. HANSEN. Why the reduction of 16 positions in real property management and 9 positions in real estate appraisal?

Mr. SYKES. This again, Madam Chairman, is the result of our realinement for the central office.

Mrs. HANSEN. These are Washington, D.C. employees?

Mr. SYKES. Yes, ma'am; the same type of answer I gave you on the others.

Mrs. HANSEN. How much training are you giving the Indian people so that they can manage their own property for leasing and real estate appraisal?

Mr. CORKE. Not nearly as much as we should or would like to. It is currently very limited, we have to confess.

Mrs. HANSEN. Don't you think you should increase the funding for this activity. Particularly since your real estate is basically one of your large investments?

Mr. FRANKLIN. This is one of the things anticipated in this new legislation which permits the use of the civil service employee in working with a tribal enterprise for technical assistance and management. This is one of the contemplated measures in the legislative package. We have a real estate training package ready to go. To accelerate what we have been able to do in the past.

Mrs. HANSEN. I think the time has arrived when you should have more of your own management.

Mr. CORKE. I couldn't agree with you more.

Mr. FRANKLIN. One of the things that has been detrimental to the Indian in the use of his resources is he has had to settle for royalties and he needs to move into the area of owning the working capital and working interest.

Mrs. HANSEN. That is right.

NAVAJO FOREST PRODUCTS INDUSTRIES

Mr. YATES. How much is there of Indian ownership and the ability to put up his own working capital?

Mr. FRANKLIN. Very little. We see this beginning to come forth now, particularly in the forests. A good example is the Navajo Forest Products Industries where the Navajo invested about $8.5 million of their own money to start that business and over the past 10 years it has benefited the tribe something like $30 million and they actually have a better forest now than they had then.

Mr. YATES. How many tribes have that much capital?

AMERICAN INDIAN NATIONAL BANK

Mr. FRANKLIN. Not too many and this is one of the reasons why we are working diligently in putting together the American Indian National Bank which would have the capability of reaching the financial resources of the country so that the Indian people could find the capital to develop their own resources.

Mr. YATES. What is the status of the bank?

Mr. FRANKLIN. We anticipate a charter momentarily. We have one small problem with the Federal Reserve but I think we see the way clear to finish that problem within the next 2 weeks and most of the investigation by the Comptroller of the Currency has been completed so we would anticipate a charter at least before June 1.

Mr. YATES. How will the bank be capitalized?

Mr. FRANKLIN. It will capitalize for a million dollars.

Mr. YATES. That isn't very much.

Mr. FRANKLIN. No; that is not much and our growth pattern looked like it would increase its capitalization by a million dollars each year for at least the first 3 years and with that type of growth pattern coupled with the fact that if some of our legislation passes that allows the Bureau to guarantee loans we might be in a better position to reach the financial resources with those loan guarantees than we would have under normal circumstances.

Mr. YATES. Will you be able to make loans directly?

Mr. FRANKLIN. Yes.

Mr. YATES. What rates of interest would you charge? Would the Indians be entitled to the same rates of interest, for example, as REA?

Mr. FRANKLIN. It is their own bank so they would have to charge whatever the money market was at that time.

Mr. YATES. Of course, in REA's it is their own electrical operation, too, and they charge a very low rate of interest. That is the reason I asked the question. It would be interesting to see how it develops. I think it is a very good idea.

Mr. FRANKLIN. A lot of it depends on who owns the stock in the thing. It is not set up as a cooperative. It is set up as a regular commercial bank.

Mr. YATES. You mean the general public will be able to buy the stock?

Mr. FRANKLIN. Public, no.

Mr. YATES. Just Indian tribes will be able to buy the stock?

Mr. FRANKLIN. Correct.

Mr. YATES. I see. How will the Board of Directors be selected?

Mr. FRANKLIN. The Federal law, of course, requires that two-thirds of the board of directors be from the local area and the headquarters of the bank will be here in Washington and it is being set up with a nine-man board to begin with and out of the nine-man board six of them will be Indian, three people from the outlying areas, mainly the Western States, three from the local area, all six of those being Indian descent, and then three who are either in the business world or the financial world.

Mr. YATES. Will they have branches throughout the West?

Mr. FRANKLIN. What we have asked for, and this has not been ruled on and we would anticipate a ruling within a year or two, where the recognition of the Federal Banking Act which says the bank can authorize branch locations on Federal land, we hope that the interpretation of the Supreme Court down through the years that recognizes reservations as Federal lands would authorize us to have branch locations of the American Indian National Bank on reservations.

Mr. YATES. How will the branches be organized? Will all Indian groups be able to organize their own branch?

Mr. FRANKLIN. Yes; primarily what we hope to do is start a branch in which the directors of the branch would be from that local area and then if at any time they wanted to convert their bank to an independent bank rather than being branch bank, then you have built into it the management system and the director system right at the local reservation.

Mr. YATES. How will you split up the capital of the bank; $1 million won't go very far, will it?

Mr. FRANKLIN. No; it would not.

Mr. YATES. Will the bank be authorized to borrow money?

Mr. FRANKLIN. Yes.

Mr. YATES. So that you can borrow sufficient funds?

Mr. FRANKLIN. Yes.

Mr. YATES. From which organization will you be able to borrow money? Will you be authorized to borrow money from the Federal Government?

Mr. FRANKLIN. Yes. As a matter of fact, with a million dollars capitalization we should be able to support right at the very beginning about $10 million in deposits and we would hope that that growth rate would go as I indicated, but if we have the capability of lending money that is guaranteed like the legislation that is proposed, those loans are not counted against the capital capability of lending money.

Yet, it gives us the opportunity to direct the money to the areas in which we had the greatest interest.

Mr. YATES. One wonders why this wasn't done years ago.

Mr. FRANKLIN. We have tried now for 6 or 7 years to put this structure together and it has been quite difficult and it wasn't until we found the cooperation in The American Bankers Association and particularly one bank holding company here in Washington that we were able to achieve as much activity as we have.

BANKING INDUSTRY PARTICIPATION

Mr. YATES. It is interesting. I would have thought you would have encountered opposition from the banking community because of the competition.

Mr. FRANKLIN. Not really because I think they recognize that there is as much opportunity for them in the untapped resources and the untapped opportunities in this sort of a structure.

Mr. YATES. I don't see that. If this is the Indians' own operation how do banks or members of The American Banking Association participate?

Mr. FRANKLIN. Let us take, for instance, the Papago Reservation which has tremendous copper reserves. That takes an awful lot of money to develop and even if you had a bank capable of participating in some small degree you still have to have the resources of many banks before you can develop a mine and take, for instance, the mining industry. It would take 2 or 3 years from the day you started until you were actually into production, so there is a tremendous use of capital in the development of natural resources.

Mr. YATES. I wonder whether or not you are going outside the structure of the Indian bank if you do go for your money to outside banks.

That is why I asked you about the possibility of borrowing money from the Federal Government.

Mr. FRANKLIN. Like debentures and things of that nature?

Mr. YATES. Yes. I just hope your branch banks don't become dominated by outside regular commercial banks. As I understand what you just said this is a possibility.

Mr. FRANKLIN. That has been a concern and we have weighed that question.

Mr. YATES. Well, but you will have the option of going to the Government or to Federal resources if you have to?

Mr. FRANKLIN. Yes.

Mr. YATES. Thank you.

REPAIR AND MAINTENANCE OF BUILDINGS AND UTILITIES

Mrs. HANSEN. $24,867,000 is requested for repair and maintenance of buildings and utilities. The Bureau maintains approximately 8,550 individual buildings containing 28,900,000 square feet of floor area together with related utility systems to support these facilities at 400 separate locations. You propose to reduce your positions for this activity by 26.

Is this some more of the reduction in the Washington, D.C. office?

Mr. NELSON. Realinement.

Mrs. HANSEN. In other words, you are increasing contracting with the Indian tribes?

Mr. NELSON. This is correct.

Mrs. HANSEN. Is this $24,867,000 sufficient to do the kind of maintenance job that these facilities require?

Mr. NELSON. Madam Chairman, in reality it is not. We are actually funded to about 70 percent of our actual requirement.

Mrs. HANSEN. We discussed this earlier in the day, when your maintenance efforts are not adequate it forces you into reconstruction eventually.

Mr. NELSON. Yes. So we are right back to new construction again.

Mrs. HANSEN. Exactly. That is the problem. It has been concerning me for the last 10 years since I have been a member of the Appropriations Committee. It is not only your department. I hope we will get in a position where we can do a better job on the maintenance of our buildings and utilities. I am not criticizing the type of Federal buildings. They are unusually clean, but some of our facilities are rapidly reaching the point of no return.

Mr. NELSON. This is correct. Chemawa is one of them.

Mrs. HANSEN. That is beyond the point of no return. Some of your day schools in Alaska, for instance, are in very poor condition. In your boarding facilities a little more maintenance would keep the building from deteriorating.

INDIAN EMPLOYMENT IN MAINTENANCE

Mr. NELSON. That is right. You just do a little more painting. It really would do a lot of good.

Mrs. HANSEN. What percentage of your maintenance work is performed by Indian personnel?

Mr. NELSON. I believe it is around 56 percent.

Mrs. HANSEN. Are you making an effort to recruit more Indian personnel into maintenance?

Mr. NELSON. Yes, that is true. That is another source we have of training.

Mrs. HANSEN. Please insert in the record the progress you have made since 1969.

Mr. NELSON. Yes, ma'am.

[The information follows:]

	Total employment	Number of Indians	Percent
1969	1,351	748	55.3
1970	1,262	694	54.9
1971	1,192	678	56.9
1972	1,268	784	61.8
1973	1,240	792	63.8

Mrs. HANSEN. This is one field that I would think that the Indian employment rate on your own facilities should be increasing.

Mr. NELSON. Correct.

Mr. YATES. May I ask a question bearing upon the Indian bank?

Mrs. HANSEN. Yes.

Mr. YATES. Is there any kind of an inventory the Indian tribes have of the value of their assets?

Mr. FRANKLIN. I am not familiar that they do have. You know, some of them have never had the opportunity to inventory their actual value of uranium reserves, agricultural lands, and many things of that nature. We have gathered a great deal of statistics in making the projections for the bank and in fact justifying the bank, based upon what we thought were the potentials on Indian reservations and Indian lands.

Mr. YATES. It seems to me if they are going to participate in the working of the bank they would want to know what their assets were so that they could start developing them with the help of the bank. That would be the purpose of the bank, to help them develop their assets.

INDIAN RESOURCE DEVELOPMENT AND CONSUMER FINANCING

Mr. FRANKLIN. This would be twofold; one, of course, being the resource development, the other the making available consumer financing.

Mr. YATES. Yes; consumer financing itself. I wonder why it isn't a good idea for the tribes really to have an inventory of what their assets are, or is this too much of an undertaking?

Mr. FRANKLIN. No; I imagine it is just too speculative at any one given time because of the surveys that have to be made in measuring the extent of reserves and then, of course, the value of reserves changes constantly.

Mrs. HANSEN. You do have a reasonably good knowledge of your forest reserves now, don't you?

Mr. WILCOX. Yes, ma'am.

Mrs. HANSEN. They have an inventory.

Mr. FRANKLIN. You can count those pretty well.

Mrs. HANSEN. That is correct. The problem they have I think is inventoring the mineral assets. Your actual potential reserves are kind of a speculative amount.

Mr. FRANKLIN. It is speculative. An example of that I think would be several years ago when the oil companies leased considerable land on the Navajo Reservation, paid $34 million in bonuses for the leasing, and they went out and drove six dry holes and abandoned the entire project.

Mr. YATES. Except that the Indians had $34 million.

Mr. FRANKLIN. Correct.

Mr. YATES. Listed as cash. But even if some of the assets are speculative it would seem to me that that should be in a balance sheet as well. The value wouldn't be as great as assets that were actually known as, for instance, the Papago copper deposits, but I would think it would be a necessary undertaking if the Indians want to develop their resources.

Mr. FRANKLIN. I have said many times the American Indian can be the richest ethnic group in the world.

Mrs. HANSEN. That is true. How many acres are there in the total Indian reservation complex?

Mr. WILCOX. We protect about 48 million acres of Indian-owned property.

Mrs. HANSEN. Is this in the lower 48 States?

Mr. WILCOX. This one includes the acreage of the one now remaining reservation in Alaska. It does not include the reserves.

Mrs. HANSEN. But it doesn't include the Alaska Native claims?

Mr. WILCOX. No, ma'am.

Mr. YATES. Of course, this sort of undertaking might result in development of a certain number of boundary disputes, might it not, like the Hopi-Navajo feud that is going on? Are there any such disputes like the Hopi-Navajo dispute among other Indian tribes?

Mr. FRANKLIN. There are a number of boundaries on reservations that are not specifically defined and those need to be defined.

OPERATION, REPAIR, AND MAINTENANCE OF INDIAN IRRIGATION SYSTEMS

Mrs. HANSEN. $1,611,000 is requested for operation, repair, and maintenance of Indian irrigation systems. Again this is the same level of funding as last year. You have 300 irrigation systems and units on various reservations ranging in size from tracts of a few acres to major projects of over 100,000 acres.

Isn't the cost of maintenance increasing?

Mr. NELSON. That is correct.

Mrs. HANSEN. So if there is no change in the funding you actually have a cut.

Mr. NELSON. That is correct. This fund of $1.6 million is used to pay those assessed charges against Indians who are not able to pay, but if we do not get more money to pay the O. & M. costs for the Indian who can't pay in 1975 we are going to have to reduce our operation and

maintenance services on those projects on which this money will be used as we will have to do in fiscal year 1974.

Mr. YATES. More money from whom?

Mrs. HANSEN. From the users.

Mr. YATES. If they don't get more money from the users they have to raise their rates. I assume you are going to raise your rates to get more money from the users.

Mrs. HANSEN. The Indians are the users.

Mr. NELSON. They are the users of the money we are talking about and we wouldn't be able to provide the required services with the $1.6 million. We have to raise the funds from the white man, for example, to cover his proportionate share of the total project's operation and maintenance costs. However, it is not equitable to increase his O. & M. assessment in order that he provide the funds to pay these costs that the Indian can't pay.

Mr. YATES. I assumed the Indians were the only users.

Mr. NELSON. No.

Mrs. HANSEN. If it is an Indian irrigation system they charge the white people for the use.

Mr. NELSON. That is correct, but only to the extent of their proportionate share of the cost relating to the O. & M. of the entire irrigation system.

Mrs. HANSEN. Does this money go to the various tribes?

Mr. NELSON. No; it is only used to pay the non-Indian's share of the project of O. & M. costs.

Mrs. HANSEN. How many Indian employees are there in the operation, repair, and maintenance of Indian irrigation districts?

Mr. NELSON. I will have to get that for the record.

[The information follows:]

A total of 161 Indians are employed on the Indian irrigation projects.

Mrs. HANSEN. You say in your justifications: "Any unpaid assessment becomes a lien against the land * * *."

How many liens do you have at the present time?

Mr. NELSON. I also will have to get them for the record.

[The information follows:]

In order to be fully responsive to this question each water user's ledger on each project would have to examined. As to how long this would take is not known.

ENVIRONMENTAL QUALITY SERVICES

Mrs. HANSEN. $523,000 is requested for environmental quality services. What does this involve?

Mr. SYKES. It is a National Environmental Protection Administration's policy that when you are doing anything with natural resources you do have to have an environmental study before they will let you go ahead with it.

There has been over the last couple of years, since this act was passed, some question about whether or not Indian lands would be considered to come under that act.

Mrs. HANSEN. Suppose you are going to build a road to a Navajo school. Do you have to prepare an environmental impact statement?

Mr. NELSON. Yes.

Mrs. HANSEN. Suppose you are going to lease some mineral lands. Do you have to prepare an environmental impact statement?

Mr. NELSON. Yes.

Mr. SYKES. It has been decided by the 10th Circuit Court of Appeals decision just very recently that would have an effect on Indian lands. We are going to have to start that now. There has to be a tremendous number of environmental impact studies made because of that.

CONSTRUCTION

Mrs. HANSEN. Please insert justifications pages 67 through 97 in the record at this point.

[The pages follow:]

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS

Construction

Appropriation 1973		$56,078,000
Transferred to other accounts		-58,622
Appropriation (adjusted)		56,019,378
Unobligated balance from prior year		20,565,340
Total available for obligation		76,584,718
Decreases:		
Buildings and utilities	$58,390,830	
Irrigation systems	18,192,505	
Land acquisition	1,383	76,584,718
Subtotal		—
Increases:		
Buildings and utilities	54,704,000	
Irrigation systems	18,763,000	
Total available for obligation		75,467,000
Less: Unobligated balance from fiscal year 1973		-31,467,000
Budget Estimate 1974		44,000,000

BUREAU OF INDIAN AFFAIRS

Construction

Analysis by Activities

Activity	Amount Available 1973	Fiscal Year 1974			Total available 1974 compared to total available 1973	Page Ref.
		Estimated Total Available	Unobligated balance from 1973	Budget Estimate		
1. Buildings and utilities.....	$58,390,830	$56,704,000	$29,504,000	$27,200,000	$-1,686,830	69
2. Irrigation systems.....	18,192,505	18,763,000	1,963,000	16,800,000	570,495	82
3. Land acquisition.....	1,383	-	-	-	-1,383	-
	76,584,718	75,467,000	31,467,000	44,000,000	-1,117,718	

1. BUILDINGS AND UTILITIES $27,200,000

This program provides construction funds for additional kindergarten classrooms; for staff quarters at Gray Hill High School, Tuba City, Arizona; for Ramah Navajo High School, Ramah, New Mexico; for a K-12 grade school at Wanblee, South Dakota; for Acoma Day School, Acomita, New Mexico; for continuation of the advance planning program; for project design and drawing; for water exploration and development program; for technical assistance and service; and for the purchase of equipment for projects previously funded for construction. Funds are also included for the Navajo Community College, Arizona.

A summary of projects by States and justification for each follows:

Buildings and Utilities Construction Program Fiscal Year 1974

Summary of Projects by States	Estimated Cost
New Construction	
Arizona	
Gray Hill High School (staff quarters)	$ 900,000
Navajo Community College	1,600,000
Total, Arizona	2,500,000
New Mexico	
Ramah Navajo High School	2,700,000
Acoma Day School	4,000,000
Total, New Mexico	6,700,000
South Dakota	
Wanblee School	6,000,000
Bureau-Wide	
Kindergarten classrooms and quarters	1,400,000
Advance planning	300,000
Water exploration and development	100,000
Deferred equipment	2,200,000
Design drawings	1,200,000
Technical assistance and services	2,400,000
Total, New Construction.	22,800,000
Major Alterations and Improvements	4,400,000
Total, Construction	27,200,000

Gray Hill High School, Tuba City, Arizona $900,000

Location: In Tuba City, approximately 75 miles north of Flagstaff, Arizona.

Existing Conditions: Construction of the new Gray Hill High School. This facility will provide modern, well-planned instructional space for about 750 students in grades 9-12. Dormitory space for 500 boys and girls will be available when the school opens in the fall of 1973 with additional dormitory space planned in Phase III. The common use facilities for a completed school of 1,000 pupils are included in the present structure. As the enrollment increases, additional dorms and teaching spaces will be added. Although Gray Hill High School will draw students primarily from the Tuba City region, its enrollment will

not be limited to Navajos living in that region. It will serve as a high school for those now having to attend secondary schools off the reservation.

Proposed Facilities: Phase II of the construction program calls for 45 additional staff quarters for the existing plant. Since no private rental housing is available in the Tuba City area, staff housing must be provided near the school. Forty staff quarters will bring the total number of staff housing units up to 72. These must be available before the school can operate next fall.

Project Cost Estimate, Phase II

Building construction	$712,000
Utilities and site work	126,000
Contingencies	32,000
Job supervision	30,000
Total	900,000

Navajo Community College, Arizona $1,600,000

Location: On the Navajo Reservation, Tsaile Lake, Arizona.

Existing Conditions: Presently the operation of the Navajo Community College is taking place in the Many Farms High School buildings constructed by the Bureau of Indian Affairs at Many Farms, Arizona. This is a temporary arrangement until the college facilities can be completed. Construction work for the college is scheduled to be accomplished in three phases. First phase which is now under construction will provide for the enrollment of approximately 500 students. Phase one will include construction of dormitory; kitchen-dining hall, cultural center, technical vocational building, faculty office, maintenance and supply center, and the necessary utility and site improvements. Phase two will be comprised of additional dormitories for approximately 500 more students, a learning center, general classrooms, shops and laboratory, student union and necessary additional utility lines and site work. The third phase and scheduled final phase will add dormitories for another 500 students, additional general classrooms, physical education center, additional faculty office and administration building, teaching auditorium and the necessary utility and site work. This will bring the college facility up to the point where 1,500 students can be enrolled.

Funding of the college buildings and utilities is to be provided by the following governmental and non-governmental organizations and individuals:

1. Department of Housing and Urban Development
2. Bureau of Indian Affairs
3. Navajo Tribe
4. Economic Development Administration
5. Private industry
6. Private individuals
7. Foundations

The Congress has enacted legislation authorizing $5,500,000 for the construction of buildings and utilities by the Bureau of Indian Affairs for the Navajo Community College. The schedule provides for the funding as follows:

Fiscal year 1972, $500,000 (Supplemental); Fiscal year 1973, $3,400,000; Fiscal year 1974, $1,600,000 for a total of $5,500,000.

Proposed Facility: It is proposed to provide $1,600,000 toward the construction of Phase III facilities consisting of additional general classrooms, dormitory for 500, administrative offices, and physical education laboratory.

Project fund request $1,600,000

Ramah Navajo Day High School, Ramah, New Mexico $2,700,000

Location: Ramah Navajo community is located in southeastern McKinley County and northwestern Valencia County, New Mexico, approximately 45 miles southeast of Gallup, 55 miles west of Grants, and 130 miles west of Albuquerque.

Existing Conditions: The Ramah Navajo High School presently is housed in the old Ramah Public School and leased to the Ramah Navajo School Board, Inc. The lease expires at the end of 1972, but the school board has an option until 1974.

The lease facilities provide academic instruction space for 150 secondary students. The facilities are poor and inadequate. It is not adaptable to current teaching methods. Ramah Navajo secondary students are also attending the following schools: Zuni Public High School, Ft. Wingate High School, Gallup Public High School, Grants Public High School, Albuquerque Indian School, and public schools in Utah.

Proposed Facilities: It is proposed to construct a new day high school for an enrollment of 210 students in grades 7-12. The Ramah Navajo High School is a non-Federal facility with the Bureau of Indian Affairs retaining ownership and control of the buildings. The school will continue to be nonfederally operated by contract to the Ramah Navajo School Board. In the future, a dormitory for 150 additional classrooms, student center, quarters and other support buildings will be provided for a total high school enrollment of 360. Construction of the day high school, which is Phase I, will include the following facilities: administrative offices; 8 general teaching stations; general and advance science labs; business labs; home economics; industrial arts shop; instructional materials center; kitchen-dining; gymnasium; staff quarters; and athletic field facilities.

Porject Cost Estimate	
Building construction.....	$2,020,000
Utilities and site work.....	500,000
Contingencies.....	120,000
Equipment.....	(future request - $395,000)
Job supervision.....	60,000
Total.....	$2,700,000

Acoma Day School, Acomita, New Mexico $4,000,000

Location: Acoma Pueblo is located 65 miles west of Albuquerque, New Mexico and 15 miles east of Grante, New Mexico.

Existing Conditions: The Bureau presently operates Acoma School located in the village of Acomita. Elementary students at the primary and elementary levels are divided among three systems on and near the reservation proper. The junior high and high school age students are in public school facilities located on Laguna Reservation (Laguna-Acoma High School) and Grante High School.

The present program consists of a K-3 level for 92 pupils. Two kindergarten classrooms have been completed recently. The Acoma parents are insistent that their children attend elementary school at home rather than the public schools available to them. They feel that their children are ignored and are not having their social, educational and psychological needs adequately met. Since the public schools are controlled by non-Indian school boards, there is little opportunity for the Acoma people to have an influence in the school. Long bus rides are also required for many of the children who attend the public schools. By the time the students reach high school after attending their own school, they will be better prepared to compete with non-Indian students.

Proposed Facilities: The proposed program for Acoma School will include a K-8 grade level of 648 students. A total of 248 in the lower division K-3 and 400

in the upper division 4-8. Proposed facilities will include administrative facility; lower academics; 3 kindergartens, 12 teaching stations, and 1 music room; upper academics, 10 teaching stations, 1 general science, 1 shop, 1 home economics, and 1 band and chorus room; common facilities; 1 special education, 1 instructional materials center, 1 multipurpose-kitchen room, 1 gymnasium, and 1 plant management facility.

Project Cost Estimate

Building construction.....	$2,898,000
Utilities and site work.....	872,000
Contingencies.....	175,000
Equipment.....	(future request - $335,000)
Job supervision.....	55,000
Total.....	4,000,000

Wanblee School, Wanblee, South Dakota $6,000,000

Location: Wanblee is located in the northeast corner of the Pine Ridge Reservation and is isolated from the Agency (100 miles).

Existing Conditions: The present school facility is old, crowded and in poor condition. The present enrollment of 215 exceeds the capacity of the building by about 40 children and continues to rise. About 80 children each year who are in grades 1-8 go to other schools out of the community and it is among this group that the drop-out rate is so high.

Eight grades are housed in an old rammed earth building with the addition of a kitchen-multipurpose room of concrete block. A very small room is used for the principal's office. A mobile classroom and quarters unit houses the kindergarten program while two temporary classrooms are used for the 7th and 9th grades. Plans have been made to use a building in town for the 10th grade. The drop-out rate for high school students has dropped dramatically from over 85 percent to less than 10 percent as secondary grades have been added to the Wanblee program. Many families who have moved to town with a high school have indicated that they will move back to Wanblee when the high school is completed.

Storage is inadequate and the multipurpose room is in constant use with little space for storing dining tables. The rammed earth portion of the school is dilapidated and cold in the winter and without ventilation in the summer. The present plant barely meets the basic needs of the school program and is in need of replacement very soon.

Proposed Facilities: It is proposed to construct a new K-12 grade open plan school plant for 500 pupils. The program will be non-graded and children will progress at their own rate with much individual help and study. Educational spaces will be designed as learning suites where different kinds of activities can take place. Two K-6 learning suites on the lower floor will provide for 275 children while 225 7-12 grade pupils will use two general learning suites on the second floor. Facilities are also planned to provide space for arts and crafts, home economics, general shop, kitchen-dining-commons space, gymnasium-auditorium locker room space, library-instructional materials center, a music center with a common-assembly area, business education and administrative space. All grade levels or groupings will be able to use any facilities in the school plant as needed. Outdoor athletic facilities and an indoor swimming pool are also planned. These will provide year round recreation for the entire community.

Project Cost Estimate

Building construction.....	$4,789,000
Utilities and site work.....	861,000
Contingencies.....	270,000
Equipment.....	(future request - $507,000)
Job supervision.....	80,000
Total.....	6,000,000

Kindergarten Classroom and Quarters, Bureau-Wide $1,400,000

Locations: The kindergarten units and quarters will be constructed at 10 locations.

Existing Conditions: The majority of Indian children who enter Bureau schools speak little or no English before they start school. This is a severe handicap and points out the need for a kindergarten experience for all Indian children. The nature and quality of learning experienced by the child at this age greatly influences his learning attitude and his success in later school endeavors.

These funds are proposed to construct kindergartens for additional children at 14 of the locations and will allow for the continued expansion of the kindergarten program. Since its inception in fiscal year 1970 the Congress has funded the construction of 110 kindergarten classrooms and, in future years, it is projected there will be a need for 85 more kindergarten classrooms at various Bureau school facilities. There follows a table showing the proposed locations of the new facilities and the number of classrooms and teacher quarters for each location.

Location	No. of Classrooms	No. of Quarters
Nazlini, Arizona	1	0
Chilchinbette, Arizona	1	1
Eagle Butte, South Dakota	2	2
Hotevilla, Arizona	1	1
Oraibi, Arizona	1	1
Conchaita, Mississippi	1	-
Savoonga, Alaska	1	1
Akiachak, Alaska	1	1
Tokweek, Alaska	1	1
Polacca, Arizona	2	2
	12	10

Project Cost Estimate

Building construction	$1,130,000
Utilities and site improvement	185,000
Job supervision	35,000
Contingencies	50,000
Total	1,400,000

Advance Planning, Bureau-Wide $300,000

Proposed Program: The advance planning of projects permits an orderly compilation of facts and data which are necessary in preparing for the final design work and subsequently to justify a request for construction funds. The advance planning procedures include the preparation of Educational Specifications, a Program of Requirements and preliminary one-line drawings from which final design drawings and specifications can be completed at a later date.

The advance planning of a project involves architects, engineers, educators, local residents, students and individuals from private or public institutions who are interested in the education program for Indian children. The initial step is the development of an Educational Specification. This document is prepared by the educators in consultation with the local residents, students and other interested individuals. It provides the architect and engineer with pertinent information concerning the educational aspects of the project.

A Program of Requirements is prepared by the architect and engineer and it sets forth in technical terms the type of physical plant needed to implement the educator's program of learning. The Program of Requirements places all the technical data in one document for ready reference by the designers.

Following is the advance planning project list:

Project Name and Location	Advance Planning	Preliminary Construction Cost
Promise and Cherry Creek Day Schools, South Dakota	$40,000	$4,000,000
Zia Day School, New Mexico	25,000	2,500,000
Jemez Day School, New Mexico	25,000	2,500,000
San Juan Day School, New Mexico	25,000	2,500,000
Isleta Day School, New Mexico	30,000	3,000,000
Cibecue Day School Addition, Arizona	30,000	2,800,000
Ft. Thompson Elementary, South Dakota	30,000	3,000,000
Supai Elementary School, Arizona	25,000	2,500,000
Chitimacha Day School, Louisiana	20,000	2,000,000
Lower Brule High School, South Dakota	30,000	3,000,000
Sac and Fox Elementary School, Iowa	20,000	2,000,000
Total	300,000	29,800,000

Water Exploration and Development, Bureau-Wide $100,000

Proposed Program: One of the most essential factors in planning schools and other facilities is the determination of the availability of an adequate supply of potable water. This is important in the arid regions of the country and in Alaska where little is known concerning the adequacy and potability of the water as well as in other parts of the country where Bureau facilities are located. It is proposed to drill exploratory wells, perform testing and develop the wells at the following locations in fiscal year 1974:

Project Location	Estimated Cost
Dunseith, North Dakota	$20,000
Lame Deer, Montana	20,000
Lake Valley, New Mexico	35,000
Lukachukai, Arizona	25,000
Total	100,000

Deferred Equipment, Bureau-Wide $2,200,000

Proposed Program: In prior years funds have been appropriated by the Congress for the construction of certain schools; however, funds for the purchase of equipment were not appropriated at that time. In order for the new school plants to be operational, the equipment items must be provided. It is proposed to purchase such equipment as desks, chairs, tables, cabinets, maps, beds, lockers, mattresses, linens, buffers, waxers, pots, pans, and other classroom, dormitory and kitchen equipment for the following schools:

School Location	Equipment Amount
Cherokee, North Carolina	$1,452,000
Napakiak, Alaska	37,000
John F. Kennedy, Arizona	6,000
Gray Hill, Arizona	247,000
Phoenix Gym, Arizona	46,000
Sherman Phase II, California	412,000
Total	2,200,000

Project Design Drawings, Bureau-Wide $1,200,000

Proposed Program: The Congress directed the Bureau to request funds initially for project planning and design work and then request construction funds when all planning is completed. It is proposed to accomplish all design work, drawings and specifications for the highest priority projects with these funds. It has been determined that each of the projects will be needed for the foreseeable future.

There are many advantages to be gained by completing the design work for projects before requesting construction funds. They include the opportunity to clear all obstructions from the path of a project in an orderly and timely manner. Also, more accurate cost estimates can be prepared when the working drawings are complete. In addition, the program can be developed and the spaces needed for implementation of the program can be provided after full and complete discussion by all concerned parties.

Following are the projects to be designed in fiscal year 1974:

Project Name and Location	Design Cost	Preliminary Project Cost Estimate	
		Construction	Equipment
Turtle Mountain High School, North Dakota	$350,000	$5,375,000	$884,000
Busby Elementary School, Montana	75,000	1,000,000	49,000
Laguna Junior High School, New Mexico	125,000	2,000,000	212,000
Kotzebue Secondary School, Alaska	300,000	5,256,000	1,035,000
Hopi High School, Arizona	250,000	3,858,000	1,032,000
San Carlos Jail Facility, Arizona	100,000	1,500,000	-
Moencopi Elementary School, Arizona	(in-house)	1,612,000	243,000
Santa Clara Day School, New Mexico	(in-house)	3,095,000	242,000
Total	1,200,000	23,696,000	3,697,000

Technical Assistance and Services $2,400,000

Staff and related expenses to provide the architectural, engineering, and related technical services required for the design and construction of new facilities and the major rehabilitation of existing buildings and utilities required to carry out Bureau programs. Also, to provide design and construction services to Indians and Alaska Natives as requested.

Design drawings for the future construction of the Santa Clara Day School, New Mexico, and the Moencopi Elementary School, Arizona, are being accomplished in-house.

Major Alterations and Improvements $4,400,000

The estimate of $4,400,000 will provide for the continued elimination of unsafe and unsanitary conditions existing in Bureau plant facilities (including water and air pollution control projects); for correction of functional deficiencies; and for the modernization of existing facilities including the replacement of obsolete and deteriorated buildings and facilities which because of their relatively small size are not applicable for inclusion in the regular construction program. A high priority will be assigned to the correction of unsafe and unsanitary conditions with primary emphasis given to conditions existing in school and dormitory facilities.

The major alterations and improvements program, by category, is as follows:

1. Correction of Unsafe and Unsanitary Conditions. Included under this category are items which constitute a safety hazard or health problem

to the students and occupants of Bureau operated facilities scheduled for continued use. Examples are: Correction of structural deficiencies; provision of fire safety requirements; improvements to inadequate water, sewage and plumbing systems; and the replacement of obsolete wiring and electrical systems.

2. Correction of Functional Deficiencies. Included under this category are items which, while not in the unsafe and unsanitary category, do constitute a definite problem in the efficient conduct of the various Bureau programs. Examples of deficiencies requiring attention are: Inadequate and/or non-functional space to carry out a planned program function; utility systems requiring expansion to meet increased loads imposed by program requirments; structural alterations required in conjunction with the installation of additional or more modern equipment; conversion of heating plants to effect operating efficiencies; and other items of a similar nature required to keep pace with activity and program needs.

3. Modernization of Existing Facilities. Work under this category consists of the modernization of existing facilities scheduled for continued use including installation of modern kitchens, bathrooms, lighting systems, heating systems, etc., which are not unsafe or unsanitary but are inefficient or obsolete due to age or other reasons.

Design Drawings for the Future Construction of Turtle Mountain High School, Belcourt, North Dakota $350,000

Location: On the Turtle Mountain Indian Reservation in north central North Dakota, twelve miles from the Canadian border.

Existing Conditions: The facilities of Turtle Mountain are being expanded but are still overcrowded. A new elementary school is complete now and remodeling of the present junior high school has been essentially finished. The present high school facilities are overcrowded and inadequate for a good academic program.

The present K-5 enrollment of 1,100 pupils indicates that by 1980, the high school enrollment will begin to increase greatly. Immigration has been high and indications are that it will increase over the next few years. The present high school cannot possibly accommodate this number of students. The present facility has no art lab or adequate home economics and shop labs. A school survey shows that 65 percent of the pupils lack adequate reading skills; 56.6 percent of entering 9th grade students fail to complete high school; attendance is poor with 20 percent of the students attending less than 87 percent of the time; and a large number with speech, visual and hearing problems. Provision must be made for special programs for these children and in the present building this is not possible.

Proposed Program: The projected enrollment for grades 9-12 is 850 pupils. The high school will emphasize vocations and the world of work in a comprehensive high school program. Facility usage is planned for day and evenings so that community participation in adult educational programs is possible. The complete high school facility will include about 16 general teaching stations, home economics lab, industrial arts shop, art lab, music rooms, library and instructional materials center, gymnasium, administrative offices, food service areas and distribution education/business labs.

This project is being planned in the current fiscal year and should be ready for the design phase in fiscal year 1974.

Cost Estimate Breakdown for Future Construction

Building construction	$4,630,000
Utilities and site improvements	500,000
Equipment	(future request - $884,000)
Job supervision	65,000
Contingencies	180,000
Total	5,375,000

Design Drawings for Future Construction at Busby Elementary School $75,000

Location: Busby School is located on the eastern side of the Northern Cheyenne Reservation sixteen miles west of Lame Deer and one hundred miles east of Billings, Montana.

Present Facilities: The Busby School presently provides a K-12 program for 98 boarding pupils and 223 day pupils. No music room or exploratory vocational shop facilities are available to the elementary students.

Proposed Facilities: The proposed addition to the Busby Elementary School includes a music room for band and chorus with storage space for uniforms, music and instruments and a vocational shop for exploratory courses in woodwork, drafting, metals, electricity and related subjects.

Cost Estimate Breakdown for Future Construction

Building construction	$800,000
Utilities and site improvements	100,000
Equipment	(future request - $49,000)
Job supervision	30,000
Contingencies	70,000
Total	1,000,000

Design Drawings for Future Construction of Laguna Junior High School $125,000

Location: Laguna is centrally located on the 404,763 acre Laguna Reservation about 45 miles west of Albuquerque, New Mexico, on Interstate 40.

Existing Conditions: No junior high school is available presently on the Laguna Reservation. Laguna children attend the elementary school (K-6) and then the public school for grades 7-12. The Indian people have almost no voice in public school policies affecting their children. Laguna culture and language (Keresan) are not included in the curriculum and Laguna holidays do not always coincide with those allowed by the school. A study in 1969 done by the University of Arizona listed 27.5 percent of the men and 33.6 percent of the women had received high school diplomas.

Proposed Facilities: A junior high school for 300 students in grades 7, 8, and 9 is needed on the reservation. The educational program will include instruction in historical background and customs. Parental involvement in the school will be sought after and encouraged. Individual help as needed should better prepare the Laguna pupils for a high school program and reduce the high drop-out rate.

The facility will include general teaching stations, an instructional materials center, gymnasium, administrative offices, cafeteria/auditorium space and the support facilities needed to make the school plant functional.

Cost Estimate Breakdown for Future Construction

Building construction.....	$1,650,000
Utilities and site work.....	200,000
Equipment.....	(future request - $212,000)
Job supervision.....	50,000
Contingencies.....	100,000
Total.....	2,000,000

Design Drawings for the Future Construction of the Kotzebue Secondary School $300,000

Location: Kotzebue is situated twenty-six miles above the Arctic Circle near the end of the long narrow peninsula bounded on the north and west by Kotzebue Sound and on the east by Hotham inlet in northwest Alaska.

Existing Conditions: The present school facilities are overcrowded and are not adaptable to a modern secondary educational program. The population of Kotzebue has doubled every ten years and 200 new housing units already approved for construction promises to swell the population to 2,650 in grades K-6 and 500 in grades 7-12. The present capacity of the school is 700.

Parents are insisting upon a good high school program in Kotzebue so their children can remain at home rather than attend boarding schools away from home. The present building lacks adequate facilities for teaching music, art, shop, home economics and other career oriented courses. There is no room for special education or the kind of library-media career needed for a school of this size. The high drop-out rate of over 600 for high school students will no doubt continue if the school is not build and facilities provided for meeting the special needs of the young people. Remodel work, more individual attention and opportunities for career education are lacking in the present program due to lack of space. The new facility will provide the space needed for these programs thus reducing the drop-out rate.

Proposed Facilities: The proposed 7-12 grade secondary school will provide instructional spaces for about 100 pupils in grades 7 and 8 and 300 pupils in grades 9, 10, 11, and 12. These will include general classrooms, special spaces for advance math, music, art, business education, home economics, shop, instructional material center, gymnasium, kitchen/dining, storage, administrative offices and a teacher preparation area. The project will also include staff housing and additional plant management facilities. This information is being developed into a final functional requirement as a part of the fiscal year 1973 planning program. Final cost estimates will be prepared upon completion of design drawings.

Cost Estimate Breakdown for Future Construction

Building construction.....	$4,616,000
Utilities and site improvements.....	360,000
Equipment.....	(future request - $1,035,000)
Contingencies.....	215,000
Job supervision.....	65,000
Total.....	5,256,000

Design Drawings for the Future Construction of the Hopi High School $250,000

Location: On the Hopi Indian Reservation in north central Arizona.

Existing Conditions: At the present time there is no high school on the Hopi Reservation. Students in grades 9-12 must attend off-reservation boarding schools or move to a town and attend a public school. This is difficult for Hopi children especially because they are away from home when they should be learning Hopi traditions and participating in religious ceremonies. As a result, many Hopi youth are not able to be initiated or retain their own culture. Many of the young people fail to adjust to life in the off-reservation schools. Since there is no secondary school at home, Hopi students who cannot adjust to life off the reservation drop out of school. The new school will be a day operation which will allow all students to be bussed home every night.

Although no specific site has yet been agreed upon, the tribe is considering several possible locations. A definite selection will be made by the time the advance planning now underway is completed.

Proposed Facilities: A new secondary school facility for grades 9-12 for a projected enrollment of 800 students. The facility will include 18-20 classrooms, and special labs for science, art, music, home economics, shop, instructional materials center, gymnasium, kitchen-dining room, and administrative offices. Plant management and staff housing must also be included.

The above project information is being developed into a functional requirement as part of the fiscal year 1973 Advance Planning Program.

Cost Estimate Breakdown for Future Construction

Building construction	$3,448,000
Utilities and site improvement	200,000
Equipment	(future request - $1,032,000)
Job supervision	50,000
Contingencies	160,000
Total	3,858,000

Design Drawings for the Future Construction of San Carlos Jail Facility — $100,000

Location: On the San Carlos Indian Reservation about 15 miles east of Globe, Arizona.

Existing Conditions: Annually, there are over 6,500 arrests on the San Carlos Reservation with the vast majority for drunkenness. The existing jail building is a totally inadequate facility with portions over 100 years old. It does not have facilities for juveniles nor any area for the care and treatment of alcoholism. The jail has a normal capacity of 24 prisoners but for several years it has averaged over 30 prisoners with high loads of 100 during periods of celebrations. Old age and the overcrowding has contributed to the deplorable physical condition of the plant. There is a great need for adequate, safe, and sanitary facilities for those individuals who are arrested.

Proposed Facilities: New facilities for 50 individuals are proposed with a detention area for adults and juveniles, a kitchen and dining room, alcoholic treatment center, courtroom, police headquarters, judges office, probation officers room and visitors room. The old jail will be demolished when the new construction is completed.

Preliminary Cost Estimate

Building construction	$1,195,000
Utilities and site work	150,000
Equipment	50,000
Contingencies	55,000
Job supervision	50,000
Total	1,500,000

Design Drawings for the Future Construction of Moencopi Elementary School

Location: Moencopi is a Hopi village located about three miles southeast of Tuba City, Arizona, and 80 miles north of Flagstaff.

Existing Conditions: The present K-4 facility provides instructional space for 68 children. The rooms are small, inadequate, and overcrowded and are not adaptable to a modern educational program. A new K-8 facility in a new location is needed to accommodate the education program for these children.

Proposed Facilities: A K-8 school plant to provide instructional space for 150-200 children. These facilities will include nine classrooms, library-media center, multipurpose room with kitchen-dining space, showers and dressing rooms, office space, science lab, music room, art room exploratory shop and home economics labs and plant management facilities. Staff housing will be needed if none is available in the community. The construction of the new facilities will enable approximately 125 students to return from boarding schools and attend school as a day student.

The above facilities are being planned as a part of the fiscal year 1973 Advance Planning Program.

Project Cost Estimate

Building construction	$1,200,000
Utilities and site improvements	120,000
Equipment	(future request - $243,000)
Contingencies	65,000
Job supervision	45,000
Construction services	182,000
Total	1,612,000

Design Drawings for the Future Construction of Santa Clara Day School, Santa Clara, New Mexico

Location: Santa Clara Pueblo is located in North Central New Mexico, 35 miles northwest of Santa Fe.

Existing Conditions: The Bureau presently operates a K-6 academic program with 123 students. This is expected to increase to 239 students in a K-8 program by 1980 based upon birth rate and families moving back to the reservation. There is access to only three classrooms from a central hallway. Access to the other two classrooms is through the school kitchen.

The present academic program is housed in five classrooms, including two kindergarten units. The main academic building was constructed prior to 1927. The kitchen is also housed in the same building as the five classrooms. Since no dining room is available, the students have to eat in their rooms.

The school has no administrative offices on the school ground. The principal operates from a small room that was meant for a closet. Besides

serving as a principal's office, the room is used as a general storage for school supplies. No secretarial or reception space is available. Restroom facilities are quite old and were constructed when the building was erected prior to 1927.

No multipurpose building exists and music and physical education programs are carried out in the small classrooms and outdoors. No lounge or planning area is available to the staff for planning classroom activities. A new kitchen-dining facility handles the present enrollment only.

Proposed Facilities: The proposed K-8 program of 239 students will be non-graded and individualized instruction. The proposed facilities will include nine general teaching stations and specialized areas for general shop, home economics, art, music, science, instructional materials center, special education, gymnasium, administrative unit, plant management and staff quarters.

Cost Estimate Breakdown for Future Construction

Building construction.....	$2,300,000
Utilities and site improvements.....	260,000
Equipment.....	(future request - $242,000)
Contingencies.....	130,000
Job supervision.....	45,000
Construction services.....	360,000
Total.....	3,095,000

2. IRRIGATION SYSTEMS $16,800,000

The budget estimate of $16,800,000 will provide a program of $10,500,000 for the Navajo Indian irrigation project being constructed by the Bureau of Reclamation and a program of $6,300,000 for the Bureau of Indian Affairs for the improvement, rehabilitation, betterment, and extension of Indian irrigation projects and related power systems.

On many Indian reservations irrigated farming is the basic economic industry and in some areas the only industry available to the Indians. On these reservations where land and water are the primary and basic resources, early and full development for irrigated farming is necessary and urgent if the Indians are to realize any benefits from such resources. Moreover, because of the acute competition for water on and adjacent to Indian reservations, particularly in the arid and semi-arid west, there is greater danger of the loss of water to the Indians unless these water supplies are put to beneficial use. On many of the Indian reservations the use of water for irrigation is presently the highest and best use. There is an immediate need for water, and plans and programs for the development of this water have already been made. However, if in the future it should be determined that there is a higher and better use for the irrigation water, such water may be diverted for these purposes. In the meantime, however, the water should be developed and used for Indians in order to preserve the water for the ultimate economic development of the reservation.

It is proposed to develop as quickly as possible water supplies and distribution systems needed to irrigate all acreages of Indian lands that are susceptible to being economically irrigated. This involved the construction of new and authorized irrigation systems and the extension and/or rehabilitation of existing irrigation systems in order that all irrigable Indian lands which are feasible for irrigated farming can be developed to their ultimate productive capacity. By so doing, this program will provide a means by which the Indians can put to beneficial use much of their valuable water which now is flowing off the reservation and is being presently used or planned for use by off-reservation developments.

Irrigated farming is a means of providing a better standard of living for resident reservation Indians and is oftentimes the only means available to the local Indians for improving their economic standard.

There are three irrigation projects that have related power systems which furnish power for the respective irrigation projects and Indian reservations. On these Indian reservations where the generation and/or transmission and distribution of power are an integral part of the irrigation project, such power systems are not only serving the primary purpose of furnishing electrical energy for project purposes but are authorized to furnish power to residents of the reservation as well as to local industrial and commercial enterprises on or adjacent to the reservation. Because of the dependency the consumers have upon these power systems and the contractual obligations, the Bureau has the responsibility to furnish a firm, adequate, and dependable power supply. To meet these obligations, as well as new power demands of the constantly growing number of customers, requires that the system be continuously improved, upgraded, and extended as any other such utility.

The irrigation construction program for fiscal year 1974 provides for the continuation of the construction, extension, rehabilitation, and betterment of irrigation and power facilities on certain listed irrigation projects and power systems. The program also provides for the continuation of the preparation of engineering and economic feasibility reports for existing and proposed projects for which such reports have not been completed.

The largest single irrigation construction program is the development of the Navajo Indian irrigation project, as authorized by Congress in 1962 and embracing 110,630 acres.

Summary of Projects

	Total Estimated Cost	1974 Estimate	Justification
(a) Annual Contract Payments			
Fort Belknap.....	$250,000	$7,404	For payment of the 32nd fixed annual contract installment due the Bureau of Reclamation for storage in Fresno Dam (No. 1-1-Ind. - 18725) 8-16-46.
Tongue River.....	360,750	9,750	For payment of the 34th fixed annual contract installment due the Tongue River Water Users Association for storage in the Tongue River Storage Reservoir (Act of 8-11-39; 53 Stat. 1411).
(b) Irrigation Construction and Rehabilitation			
Arizona			
Colorado River			
Irrigation.....	35,382,000	1,000,000	See detailed justification
Power.....		600,000	See detailed justification
Pima Agency			
San Carlos Project			
Indian Works.....		100,000	See detailed justification
San Carlos Project			
Irrig. Joint Wks...	31,000,000	390,000	See detailed justification
Power.....		250,000	See detailed justification
Vaiva Vo.....	1,414,000	400,000	See detailed justification
California			
Pala.....	596,000	50,000	For replacement of existing pipelines in connection with rehabilitation of the distribution system. This completes the rehabilitation program.
Rincon.....	504,000	50,000	For replacement of existing pipelines in connection with rehabilitation of the distribution system. This completes the rehabilitation program.

Idaho			
Michaud Project (Fort Hall).....	$8,820,000	$202,000	See detailed justification
Montana			
Blackfeet.....	-	95,000	See detailed justification
Crow.....	2,618,800	130,000	See detailed justification
Fort Peck.....	3,788,300	200,000	See detailed justification
Flathead Project - Power.....	-	215,000	See detailed justification
Nevada			
Duck Valley.....	7,928,000	200,000	See detailed justification
Pyramid Lake.....	-	200,000	See detailed justification
Walker River.....	1,080,000	270,000	See detailed justification
New Mexico			
Navajo-Hogback.....	-	290,000	See detailed justification
Navajo Project.....	207,500,000	10,500,000	See detailed justification
Northern Pueblos.....	7,260,000	73,000	See detailed justification
Southern Pueblos.....	-	99,000	See detailed justification
Zuni Pueblos.....	-	70,000	See detailed justification
Utah			
Uintah and Ouray.....	-	100,000	See detailed justification
Wyoming			
Wind River.....	5,424,000	42,000	For the replacement of the Ray canal diversion structure.
(c) Surveys, Investigations and Plans.....	-	526,000	See detailed justification
(d) Engineering and Supervision.....	-	730,846	See detailed justification
Total Estimate.....		16,800,000	

The irrigation and power projects for which funds in excess of $50,000 have been requested and for which detailed justifications have been prepared are as follows:

Arizona

COLORADO RIVER PROJECT, $1,600,000. The funds requested provide $1,000,000 for irrigation construction and $600,000 for construction and rehabilitation of the related power systems.

Irrigation Construction, $1,000,000. The Colorado River irrigation project is one of the largest and potentially the most productive of the irrigation projects under the Bureau of Indian Affairs. Adequate water for the project's potentially irrigable area of 105,000 acres was assured in the decree issued by the Supreme Court in the case of Arizona vs. California. Extension of the project lateral system is essential if the Colorado River Indian people are to realize the income potential of the reservation area for which they have decreed water. The Colorado River Tribe desperately needs this program to continue its progress toward economic self-sufficiency. The entire economy of the reservation, except for relatively minor recreational development, is based on the agricultural-business complex growing from the direct use of the water-right resource. This growth with accompanying cash income and job opportunities has been significant. Of the Indian people employed on the reservation, approximately 59 percent are working on jobs related to agriculture and its development.

The proposed irrigation work for fiscal year 1974 is the extension and concrete lining of Lateral 90 for a distance of 6.7 miles at $1,000,000.

Power System Construction and Rehabilitation, $600,000. The power system of the Colorado River Indian irrigation project serves 2,189 customers which number includes commercial, agriculture, and government customers. The power demand brought on by irrigation development on the reservation and by recreation, home-site, and industrial development has increased steadily at the rate of about 16 percent per year. During the last five years the active customer accounts have more than doubled. With this continuing load growth sections of the system have reached or exceeded their capacity, causing voltage drops which adversely affect customer service. The deficiencies were brought out in the 1967 power system study and report by R. W. Beck and Associates. The Beck report is being used as a guide for reorganizing, rehabilitating, upgrading, and extending the power system to keep pace with the growing economy in the area.

The proposed program for fiscal year 1974 will permit the continuation of work relieving the existing overload and will provide capacity needed to serve power customers adequately. The planned construction will promote the growth and success of enterprises which will benefit the Colorado River Indian Tribe. All funds advanced under this request will be repaid from power revenues collected from the sale of electrical energy. All funds appropriated prior to the 1965 fiscal year were repaid to the United States Treasury as of June 30, 1965.

The proposed work for the power system for the fiscal year 1974 is as follows:

Construction of short extensions to existing power distribution system to serve new customers whose growth rate is between 250 and 300 customers annually.....	$90,000
Construction of 69KV Bay at Headgate Rock for the Upriver substation.....	201,000
Construction of 10 miles of 69 KV transmission line to serve the Upriver substation.....	111,000
Construction of the 69-12, 2 KV Upriver substation.....	198,000
Total.....	600,000

Arizona

SAN CARLOS IRRIGATION PROJECT, $740,000. The funds requested provide $100,000 for rehabilitation of irrigation facilities on the Indian portion of the project and certain preconstruction activities, $390,000 for construction and rehabilitation of facilities of the joint works and $250,000 for power system construction and rehabilitation.

The San Carlos irrigation project was authorized by the Act of June 7, 1924, and is designed to irrigate 100,546 acres of land of which 50,546 acres are on the Gila River Indian Reservation and 50,000 acres within the non-Indian San Carlos Irrigation and Drainage District. All of the non-Indian lands and 41,000 acres of the Indian land have been prepared for irrigated farming.

Irrigation Rehabilitation and Construction - Indian Works, $100,000. The funds requested for fiscal year 1974 will be used to rehabilitate the following irrigation facilities serving the Indian lands of the Gila River Indian Reservation:

Replacement of 200 inadequate crossings and turnout gates @$200 each	$40,000
Rehabilitation of 20 water control structures @$500 each.	10,000
Preconstruction activities relating to canal alignment and enlargement	50,000
Total	100,000

Irrigation Construction and Rehabilitation, $390,000. The flow of the Gila River is very erratic causing the project water supply to be unreliable. More than 120 wells have been drilled to supplement the river supply. In some years not more than 50 percent of the land can be farmed because of water shortages. Continuing severe drought conditions on the watershed of the Gila River have increased the need for pumping. The result has been a steadily declining groundwater table causing numerous wells to fail. New wells must be drilled to replace those that have failed and others must be deepened as the water table falls. Deepening requires additional well casing, column pipe assembly, larger electric meters, transformers, and protective equipment.

The irrigation construction work proposed for fiscal year 1974 is as follows:

The drilling and equipping of 7 new wells	$315,000
The construction of 3 new concrete water measuring structures (Parshalls) to replace old worn-out structures	20,000
Rehabilitation of 3 irrigation wells	55,000
Total	390,000

Power System Construction and Rehabilitation, $250,000. The power system was designed and constructed primarily for pumping purposes. It now serves more than 5,800 customers and distributes more than 150,000,000 kilowatt hours of electric energy per annum. The system consists of two generating plants, 180 miles of high voltage transmission lines, 800 miles of distribution lines, and 22 substations.

Distribution line extensions are continually being required to provide service to new customers in the project area. These new customers include

residential, commercial, agricultural, and industrial accounts.

The power construction work proposed for fiscal year 1974 is as follows:

Line extensions to new customers, build distribution lines, purchase transformers, conductor and metering equipment	$200,000
Rebuild Hayden substation to 69 KV from 44 KV and move 44KV transformer to Coolidge Dam to handle increasing load on San Carlos Apache Reservation	50,000
Total	250,000

VAIVO VO IRRIGATION PROJECT, $400,000. This project is a feature of the Santa Rosa Wash Multiple-Purpose Project, Papago Indian Reservation, Arizona, authorized by the Flood Control Act of October 27, 1965 (79 Stat. 1073).

The construction by the Corps of Engineers of the Tat-Momolikot Dam and St. Clair Reservoir on the Santa Rosa Wash will control, regulate, and store floodflows originating on 1,750 square miles of watershed of the Santa Rosa, Jackrabbit, and Kohatk Washes, which have their confluence immediately above the damsite.

The Bureau of Indian Affairs is responsible for the construction of the Vaivo Vo irrigation project which is estimated to cost $1,414,000 (based on 1962 prices). The project will provide facilities for use of the stored waters for the irrigation of 1,640 acres of land within the Papago Indian Reservation. The work of this Bureau should be coordinated with the work of the Corps of Engineers and should go forward not later than fiscal year 1974.

The irrigation construction work proposed under this request is the initiation of the construction of the main canal and the drilling and equipping of twelve wells.

Idaho

MICHAUD UNIT, $202,000. This project was authorized under the Act of August 31, 1954 (68 Stat. 1026). The construction was started in the fiscal year 1957 with an appropriation of $500,000 and has continued each year since as funds were made available. This unit of the Fort Hall project will irrigate 21,000 acres of excellent land (20,195 acres Indian owned and 805 acres non-Indian owned) lying between the cities of Pocatello and American Falls. The water supply for the unit is derived from stored water in American Falls and Palisades Reservoirs constructed by the Bureau of Reclamation. However, the water actually used is pumped from the Portneuf River in exchange for the stored water. A series of wells will also provide underground water to supplement the water pumped from the river.

The proposed work for the fiscal year 1974 is the drilling of 7 deep wells.

Montana

BLACKFEET PROJECT, $95,000. The Two Medicine Canal serves approximately 28,000 acres in the Two Medicine unit of the project. In order to supply sufficient water, the capacity of the canal must be maintained at 500 cubic feet per second (cfs) of water. At the present time, because of restrictions in the canal, the capacity is below the amount required. The funds will be used to continue the enlargement of the canal to the required capacity.

For continuing enlargement of the Two Medicine Main Canal to a 500 cfs capacity..... $95,000

Montana

CROW, $130,000. The Crow irrigation project consists of seven irrigation units. Three of the units have working agreements with private ditch and drainage districts or associations. Construction work authorized under the Act of June 28, 1946 (60 Stat. 333) is included in the conditions set forth in current contracts with the three irrigation districts. The work proposed for the fiscal year 1974 is the continuation of rehabilitation work and extension of the distribution systems serving these units prior to the take over of the operation and maintenance programs of these units by the districts involved. The work includes the rehabilitation of diversion dams, canals, laterals, and structures. The purchase and replacement of heavy equipment is very necessary in order to carry on the rehabilitation program. It is proposed, therefore, to purchase such equipment during the fiscal year 1974.

FORT PECK PROJECT, $200,000. This project is located in northeastern Montana and was authorized by the Act of May 20, 1908 (35 Stat. 558). Construction was started in 1909 and continued as funds were made available and the need for additional farm land arose. The project originally consisted of five separate irrigation units. Three units are no longer in operation. The two operating units, which embrace an ultimate irrigable area of 24,623 acres, are the Wiota (Big Porcupine) Unit and the Frazer-Wolf Point Unit. Of the ultimate irrigable area, 24,623 acres, facilities have been constructed to serve 15,520 acres.

The basic industry on the reservation is livestock production. In order to meet the demand for winter feed there is an urgent need to extend irrigation facilities to certain of the lands not now irrigated and to rebuild and replace deteriorated irrigation facilities to certain of the other lands not now irrigated because of the need for rehabilitation.

The construction and rehabilitation work for this project is nearing completion. The program for the fiscal year 1974 is the construction of 14.5 miles of laterals and 83 structures..... $180,000

Five miles of drains with structures..... 20,000

Total..... 200,000

FLATHEAD PROJECT, $215,000. The power system on the Flathead Indian Reservation is now serving approximately 7,900 customers. The expansion of the Flathead Lake and Arlee areas are adding over 150 accounts per year. In order to meet this load growth, it will be necessary to increase Kerr substation capacity by the installation of a 15-MVA transformer as well as increase the number and size of distribution transformers. Consequently, the above funds will be used as follows:

Kerr Substation-15 MVA Transformer..... $150,000

Distribution Transformers..... 65,000

Total..... 215,000

Nevada

DUCK VALLEY PROJECT, $200,000. The Duck Valley irrigation project is within the Duck Valley Indian Reservation, which is located on the Nevada-Idaho State line with portions of the reservation lying in both states. This region is primarily a stock-raising country where the irrigated base properties are used to produce forage crops for winter livestock feed. Since about 1874 these hay crops have

been the most important crop produced and there is every indication that hay production will continue to play a very important role in the economy of the reservation.

The project embraces 12,000 acres of which 11,045 acres are irrigated, in production, and are totally used by tribal members. Of the irrigated land, 4,100 acres have been developed to modern high standards of land development, and in addition 640 acres will be developed under the 1973 fiscal year program. Much of the unimproved irrigated land is still irrigated by sloughs and meandering small ditches used back in the days when the irrigation water sources were from natural flooding of the Owhee River. The main and firm source of water is from the normal flow of the East Fork of the Owhee River and from storage at Wildhorse Dam. These two sources will provide an adequate supply of water for the 12,000 acres when fully developed.

The features of work proposed for the fiscal year 1974 are as follows:

Construct 10 miles of canals and laterals with necessary structures	$78,000
Clearing and leveling 550 acres, construction of farm ditches, and establishment of first crop	122,000
Total	200,000

PYRAMID LAKE, $200,000. The Pyramid Lake irrigation project has an ultimate acreage of 5,963 acres of which 970 acres are presently in production and assessed. Irrigation facilities serving these lands include Numana Diversion Dam, a loose rock diversion dam, 15 miles of canals, 7 miles of laterals, and 141 water control structures.

The irrigated lands are farmed by Indians and are divided into assignments ranging in size from 2 to 83 acres with the average being about 16 acres. The overall development program provides for approximately 26 land units on the bottomlands. Each unit will provide for a 100-head cattle operation. Full utilization of the rangeland will be attained when the cattle count reaches 2,600 head. This minimum land use unit meets the general needs as recommended by the University of Nevada, Fulcher's Economic Report, and the Nevada Indian Agency.

The proposed program for fiscal year 1974 by feature and estimated cost is as follows:

Construction of pumping station	$10,000
Construct 8 miles of canals and laterals with necessary water control structures	60,000
Brush and level 485 acres, construct farm ditches with necessary control structures, and seed first crop	130,000
Total	200,000

WALKER RIVER, $270,000. The Walker River irrigation project is located along the north end of Walker Lake in Mineral County, Nevada, and has an ultimate irrigable area of 4,000 acres, of which 2,750 are presently being served. The acres now being served include 200 acres of non-Indian owned land and 2,550 acres of Indian owned and operated land. The water supply is obtained from the natural flow of the Walker River and from storage in Weber Reservoir.

The distribution system serving the project was constructed in the early 1900's and is badly in need of major repairs.

At the present time some 81 Indian families of the resident population of approximately 500 individuals are engaged in agriculture, deriving all or part of their income from crops and livestock production.

The construction and rehabilitation program provides for the rehabilitation and improvement of the irrigation system now serving 2,750 acres and the extension of facilities to serve an additional 1,250 acres.

The work proposed for the fiscal year 1974 under this request is as follows:

Canal #1 (0.9 mi.)	$35,920
Lateral - 1A (5.25 mi.)	124,080
Canal #2 (3.21 mi.)	67,303
Drainage Canal (4.30 mi.)	4,480
Engineering	38,217
Total	270,000

New Mexico

HOGBACK PROJECT, $290,000. This project embracing 9,614 acres is the largest and most important of the existing projects or units on the Navajo reservation. A dependable water supply is obtained from the San Juan River. When this project is fully developed, it will provide 250 farm units and support approximately 2,000 Navajo Indian people.

The Act of July 12, 1960 (74 Stat. 470) authorized the Secretary of the Interior to transfer all irrigation units on the Navajo Reservation to the Navajo Tribe. Under an agreement made pursuant to this Act by and between the Secretary of the Interior and the Navajo Tribe, the tribe accepted the responsibility for operation and maintenance of all completed portions of the Hogback Unit. This unit should be completed at the earliest possible time in accordance with the agreement.

The work proposed for the fiscal year 1974 is the continuation of the concrete lining of the Hogback main canal for a distance of 3.5 miles.

REGION SOUTHWEST

PROJECT DATA SHEET

PF-65 (12-68) Bureau of Reclamation

Project and State	Completion Date	% Complete	Date
NAVAJO INDIAN IRRIGATION PROJECT, NEW MEXICO - BIA	After F.Y. 1979	24	1-1-73

AUTHORIZATION Public Law 87-483, June 13, 1962, Amended September 25, 1970
Public Law 91-416

B/C RATIO 1.50 Date 1966

LAND CERTIFICATION None required

DEFINITE PLAN REPORT None required 1/

SUMMARIZED FINANCIAL DATA

Total Federal Obligations (Reclamation)	$	Allotments to June 30, 1972	$ 46,646,385
Total Federal Obligations (Other)	205,780,000	Allotments for F.Y. 1973	10,500,000
Net Property and Other Transfers	1,500,000	Allotments to Date	57,146,385
Cash Advances--Non-Federal	220,000		
Adjustment	.....	Allotments Required for F.Y. 1974	10,500,000
Total to be Allocated	$ 207,500,000	Balance to Complete after F.Y. 1974	$ 138,133,615

ALLOCATIONS 2/		REPAYMENT		AMOUNTS PER ACRE		
Irrigation	$ 207,500,000	Amount Repaid by Irrigators	$	Irrig. Invest. per Acre	$	Payment Capacity per Acre $
Power	.....	Amount Repaid by Power		Repayment of Investment per Acre:		Annual Charges:
M & I Water	.....	Amount Repaid by M & I Water		By Irrigators	$	O & M $
Recreation	.....			By Power Revenues		Construction
F & WL	.....			By M & I Water Users		
Flood Control	.....					
Other		Nonreimbursable	207,500,000			
Total	$ 207,500,000	Total	$ 207,500,000			Total $

STATUS OF REPAYMENT CONTRACT

3/

DESCRIPTION This project is located in Rio Arriba and San Juan Counties in Northwestern New Mexico. The project plan of development provides for placing a total of 110,630 acres under irrigation. The project plan will provide a livelihood for an estimated 6,550 Navajo families as farm operators, custom laborers and employees in related service activities, thus providing a higher standard of living for more than 33,000 Navajo Indians. The project also will provide a power supply of 23,000 kilowatts, primarily for operation of the project's pumping facilities. Included in the total cost is $9,298 for 510 acres of lands for right-of-way at an average cost of $18 per acre. Approximately 52 percent has been acquired. Included in the total cost is $390,000 for acquisition of 14,075 acres of privately-owned patented lands susceptible to irrigation lying adjacent to the Navajo Indian Reservation to increase the project area at an average cost of approximately $28 per acre; none of this has been acquired. Approximately 16 percent of the relocation work has been accomplished. The project lands are presently capable of providing only very poor grazing for livestock. When adapted to irrigation, they will be well suited for producing small grains, hay forage crops, vegetables and fruits.

PF-81 (12-68)
Bureau of Reclamation

PROJECT DATA SHEET--2
Navajo Indian Irrigation Project, New Mexico

Footnotes:

1/ Reevaluation Report of Navajo Indian Irrigation Project, dated July 1966, revised August 1966, approved by Secretary of the Interior December 20, 1966.

2/ No change in allocations from 1973 budget justifications.

3/ A form of contract between the United States, represented by the Bureau of Indian Affairs and the Bureau of Reclamation, and the Navajo Tribe of Indians, which provides for deferring the collection of construction costs so long as the benefited lands are in Indian ownership, is understudy.

New Mexico

NAVAJO INDIAN IRRIGATION PROJECT, $10,500,000

Work Proposed, F.Y. 1974 1/

Pumping Plants, $10,000. Provides for collection of field design data.

Canals, $10,563,000. Construction of the Main Canal Mile 13.4 - 16.7 and Mile 18.5 - 19.4 will be completed. Construction will continue on another 12.6 miles of Main Canal consisting of Armenta, Kutz, West Kutz and Horn Siphons, Highway 44 Tunnel, Tunnel No. 4 and 8.4 miles of open concrete lined canal. Construction will be started on a 9-mile section of concrete lined Main Canal Mi. 32.8 - 41.8, including pumping plant structures, a service road, and an intercepting drain. A contract will be awarded for furnishing and installing natural pumps in the pumping plant structures. The pumps will provide required pressure for sprinkler type irrigation to Block 1 lands. Various contracts for relocation, removal, rearrangement, and alteration of oil and natural gas pipelines and appurtenant facilities and utility lines crossing canal right-of-way will also be executed. Right-of-way for Main Canal will be acquired. Collection of field design data and and preparation of designs and specifications for ensuing contracts will continue.

Laterals, $900,000. A contract will be awarded for construction of 18.5 miles of closed pressure pipe distribution system with pipe diameters ranging from 6-inch to 42-inch to provide water for sprinkler irrigation. Various contracts for relocation, removal, rearrangement and alteration of oil and natural gas pipelines and appurtenant facilities crossing lateral right-of-way will also be executed. Collection of field design data and preparation of designs and specifications for ensuing contracts for construction of lateral distribution systems for serving succeeding blocks of lands will continue.

Drains, $400,000. Construction of the collector drains for Block 1 lands is included in the same contract for construction of the lateral system. Various contracts for relocation, removal, rearrangement and alteration of oil and natural gas pipelines and appurtenant facilities crossing drain right-of-way will also be executed. Collection of field design data and preparation of design data and preparation of designs and specifications for ensuing contracts for construction of drains for succeeding blocks of lands will continue.

Navajo Dam Powerplant (formerly Navajo Powerplant), $100,000. Provides for collection of field design data.

Power Transmission System, $60,000. Provides for initiating acquisition of right-of-way and to continue the collection of field design data.

Other Project Costs, $137,000. Represents costs for continuation of a program for developing a plan for settlement by the Navajos and for custodial operation and maintenance of completed project facilities.

Consolidated Expenditures and Credits, -$60,000. Represents nonappropriation cost transfers for space furnished by General Services Administration.

Change in Total Obligations	Obligations
1973 Estimate	$206,000,000
1974 Estimate	206,000,000
No change	-

1/ Includes a non-Federal advance of $110,000 in fiscal year 1974 by El Paso Natural Gas Company to cover additional costs due to change in the Main Canal alinement to accommodate the company's pipeline facilities. $1,500,000 of application of prior year funds, and $10,500,000 for an appropriation request.

NORTHERN PUEBLOS, $73,000. The work proposed for the Northern Pueblos for the fiscal year 1974 is the concrete lining of HiLine Ditch on the Nambe Pueblo, for a distance of 2.0 miles, and 1.0 miles of lining of the Taos Pueblo ditch.

SOUTHERN PUEBLOS, $99,000. The work proposed for the Southern Pueblos for the fiscal year 1974 and the projects or pueblos involved are as follows:

Acoma Pueblo, $42,000. The features of work are as follows:

Pipe wasteway structure-Sandoval Canal	$8,000
Concrete line Acomita Ditch for a distance of 1.0 mile	21,500
Drill one irrigation well	12,500

Jemez Pueblo, $57,000.

For concrete lining the east side main canal for a distance of 2.3 miles	57,000
Total	99,000

ZUNI, $70,000. The Zuni irrigation project consists of five separate units ranging in size from 100 acres at Tekapo to 1,600 acres at the Zuni Unit. Ultimate development of these units is limited by the available water supply. There are 4,727 acres of irrigable land under the present irrigation system. Preliminary hydrology studies indicate there is enough water available to irrigate 3,000 acres, provided adequate storage facilities and distribution systems are constructed.

A recent study by the U. S. Bureau of Reclamation indicates that under maximum probable flood conditions, the storage dams upstream of the Zuni Village are not safe. If a maximum probable flood occurred, it would cause a disaster such as that which occurred in the early 1960's on the Blackfeet Reservation in Montana. This would result in loss of life, property damages in the Zuni Village, and property damage to the Zuni Reservation lands. Future planning outlined in the Zuni Comprehensive Development Plan includes development of residential, industrial, and commercial investments in and around the Zuni Village, which would also be endangered.

The irrigation program for the fiscal year 1974 is the initiation of the program for the correction of structural deficiencies as disclosed by the recent Bureau of Reclamation study.

Utah

UINTAH AND OURAY PROJECT, $100,000. This project, located in northeastern Utah, was authorized by the Act of June 21, 1906 (34 Stat. 375). Construction of the project was initiated in 1906 and substantially completed by 1922. There are 78,950 acres of land with water rights included in the project. About 30 percent of the project area is affected by inadequate surface or sub-surface drainage. A drainage construction and rehabilitation program is needed to relieve this situation in order to maintain the productivity of the land and/or bring back into production lands that are now temporarily non-assessable because of drainage problems.

This feature of work and estimated cost will provide for the construction of 10 miles of main and lateral drains and installation of necessary structures which will ultimately affect 15,000 acres of project lands..... $100,000

Surveys, Investigations, and Plans, $526,000. This item represents the amount required for continuation of surveys, investigations, studies, and plans for the preparation of Feasibility, Completion (Definite Plan), and Rehabilitation and Betterment Reports to be made of all existing Indian irrigation projects under the jurisdiction of the Bureau of Indian Affairs. This work is necessary in order to establish a program for completing existing Indian irrigation projects presently authorized, developing additional Indian irrigation resources, and for the rehabilitation and betterment of existing irrigation works with a view to transferring the operation and maintenance of the completed projects from the Government to acceptable water user organizations. This item also provides funds for studies covering the safety of dams, studies of Pueblo lands included in the tributary units of the authorized San Juan-Chama Trans Mountain Diversion Project, studies relating to Ute Indian lands including within the Central Utah Project, and studies for improvement of project power systems.

Engineering and Supervision, $730,846. This item represents the amount required to pay salaries, office rent, travel expenses, and miscellaneous expenses incidental to executing the irrigation program proposed for the fiscal year 1974. Staff employees engaged in irrigation activities are located in Phoenix, Arizona; Billings, Montana; Portland, Oregon; Sacramento, California; Albuquerque, New Mexico; Window Rock, Arizona; and the Washington Central Office.

Personnel Summary

Construction

	1972 Actual	1973 Estimate	1974 Estimate
BUREAU OF INDIAN AFFAIRS			
Total number of permanent positions	343	343	115
Full-time equivalent of other positions	268	365	362
Average paid employment	574	671	462
Average GS grade	7.6	7.6	7.6
Average GS salary	$11,432	$11,565	$11,680
Average salary of ungraded positions	$9,005	$9,545	$10,500
ALLOCATION ACCOUNTS			
Total number of permanent positions	109	132	121
Full-time equivalent of other positions	3	5	5
Average paid employment	106	127	117
Average GS grade	8.4	8.3	8.3
Average GS salary	$13,335	$13,480	$13,750
Average salary of ungraded positions	$11,280	$11,506	$11,736

ITEMIZATION OF ESTIMATE

DEPARTMENT OF THE INTERIOR
APPROPRIATION TITLE: Construction — Bureau of Indian Affairs

	Actual 1972	Estimate 1973	Estimate 1974	Increase (+) Decrease (-)
Program and Financing				
Total obligations	$40,244,617	$45,117,718	$75,000,000	+$29,882,282
Transferred to other accounts	234,147	58,622	-	-58,622
Unobligated balance available, start of year	-17,328,603	-20,565,340	-31,467,000	-10,901,660
Unobligated balance available, end of year	20,565,340	31,467,000	467,000	-31,000,000
Appropriation	43,715,500	56,078,000	44,000,000	-12,078,000

ITEMIZATION OF ESTIMATE (con.)

	Actual 1972	Estimate 1973	Estimate 1974	Increase (+) Decrease (-)
Obligations by object				
BUREAU OF INDIAN AFFAIRS				
11.0 Personnel compensation...	$7,868,000	$9,138,000	$7,165,000	$-1,973,000
Personnel benefits:				
12.1 Civilian.....	570,000	822,000	992,000	+170,000
13.0 Benefits for former personnel.....	9,000	-	-	-
21.0 Travel and transportation of persons.....	578,000	600,000	600,000	-
22.0 Transportation of things.	442,000	500,000	500,000	-
23.0 Rent, communications, and utilities.....	419,000	500,000	500,000	-
24.0 Printing & reproduction..	52,000	100,000	100,000	-
25.0 Other services.....	1,812,000	2,000,000	2,000,000	-
26.0 Supplies and materials...	4,027,000	4,000,000	4,000,000	-
31.0 Equipment.....	3,933,000	4,500,000	5,000,000	+500,000
32.0 Lands and structures.....	10,047,617	6,105,718	42,143,000	+36,037,282
41.0 Grants, subsidies and contributions.....	1,472,000	7,486,000	-	-7,486,000
42.0 Insurance claims and Indemnities.....	1,000	-	-	-
Subtotal.....	31,230,617	35,751,718	63,000,000	+27,248,282
Quarters and subsistence charges.....	-12,000	-	-	-
Total, Bureau of Indian Affairs.....	31,218,617	35,751,718	63,000,000	+27,248,282
ALLOCATION TO BUREAU OF RECLAMATION				
11.0 Personnel compensation...	1,384,000	1,732,000	1,496,000	-236,000
Personnel benefits:				
12.1 Civilian.....	115,000	157,000	134,000	-23,000
21.0 Travel and transportation of persons.....	22,000	19,000	15,000	-4,000
22.0 Transportation of things.	48,000	132,000	101,000	-31,000
23.0 Rent, communications, and utilities.....	12,000	17,000	16,000	-1,000
24.0 Printing & reproduction..	3,000	6,000	4,000	-2,000
25.0 Other services.....	325,000	419,000	263,000	-156,000
26.0 Supplies and materials...	34,000	92,000	28,000	-64,000
31.0 Equipment.....	33,000	90,000	13,000	-77,000
32.0 Lands and structures.....	7,050,000	6,702,000	9,930,000	+3,228,000
Total, Bureau of Reclamation.....	9,026,000	9,366,000	12,000,000	+2,634,000
Total obligations.....	40,244,617	45,117,718	75,000,000	+29,882,282

Mrs. HANSEN. There is currently $31,467,000 impounded in this account. When will these funds be obligated?

Mr. SYKES. They will be released for obligation, Mrs. Hansen, after July 1.

Mrs. HANSEN. Are they going to be reimpounded?

Mr. SYKES. I hope none of them.

Mrs. HANSEN. What is the reason for the holdback on the various projects affected? Is it environmental statements, planning or low priority?

Mr. SYKES. When we were here on our first visit we went through them individually. Most of these are schools.

Mrs. HANSEN. We understand the reason for the impoundment of the $10 million for your Alaska schools. You plan to reprogram this $10 million?

Mr. SYKES. Not yet. We don't know yet what Alaska is going to desire.

Mr. HAWKINS. We now know. I was able to determine this this past week. The State of Alaska would like to see us use those funds to reconstruct the school at Chelan which was destroyed by fire, construct a small high school at Hooper Bay, and to construct another small high school at Galena on the Yukon River.

Mrs. HANSEN. I think those facilities will require planning money.

Mr. HAWKINS. Except for Chevak. Chevak is roughly $3 million.

Mrs. HANSEN.The rest of them will have to be planned.

Mr. HAWKINS. They will have to be planned, there is no question about that.

Mrs. HANSEN. Your kindergarten funds will be released.

Mr. HAWKINS. That is my understanding.

Mrs. HANSEN. And the funds for the Navajo Community College will be released.

Mr. SYKES. That has already been released.

Mrs. HANSEN. Zuni Rehabilitation Center?

Mr. NELSON. The plans have not been completed yet.

Mrs. HANSEN. Rocky Boy?

Mr. SYKES. Yes, ma'am.

Mrs. HANSEN. That is released.

Mr. SYKES. Those last two are public schools.

Mrs. HANSEN. Your public school planning assistance? Will that $200,000 be released?

Mr. NELSON. I believe public school land assistance is part of the educational program, is it not?

Mr. SYKES. No. We get that mixed up every time, don't we, Frank? Education is doing a separate study on the need for assistance to public schools. This was the $200,000 that the committee put in, in case public school districts wanted to come in and ask for planning money. We indicated that we had no applications for that $200,000.

Mrs. HANSEN. You haven't received any requests?

Mr. SYKES. No, ma'am.

Mrs. HANSEN. The committee has received numerous requests.

Mr. SYKES. Mr. Hawkins indicated that when he completed his study with the other $200,000 that it might point in the direction where there could be some applications made.

Mrs. HANSEN. The Phoenix Gym?
Mr. NELSON. The drawings are completed.
Mrs. HANSEN. Haskell Junior College?
Mr. NELSON. The contract has been awarded.
Mrs. HANSEN. Your deferred equipment?
Mr. NELSON. The same.

NAVAJO IRRIGATION PROJECT

Mrs. HANSEN. The Navajo irrigation project, $1.5 million? Is that going to be released by July 1?
Mr. NELSON. Hopefully.
Mrs. HANSEN. You don't sound quite as hopeful on this item. You have $10.5 million in the budget which should make a total of $12 million. The Navajo people want an additional amount of $4 million.
Do you want to review your request of $22.8 million for new construction?

NAVAJO COMMUNITY COLLEGE

Mr. NELSON. The Navajo Community College, of course, will complete with $1.6 million the total program of $1.5 million. They want some more money. The costs have gone up. I heard that yesterday.
Mrs. HANSEN. I think their priority is the operation funds. The Navajo Community College has requested $600,000 in operational costs which they said they had to have.
Mr. HAWKINS. That was for operations, Madam Chairman.
Mrs. HANSEN. They also are interested in an appropriation of $750,000 for staff housing. This is not in your budget this year. Where do you expect those people to live?
Mr. HAWKINS. We have not given them very much planning assistance because they didn't request it. This has been their planning. We have asked for what they have requested to us to ask for. I assume that they had something in mind.
Mrs. HANSEN. You are requesting $900,000 for the Gray Hill School.
Mr. NELSON. That would be a high priority as far as we are concerned.
Mr. HAWKINS. That is No. 1.
Mr. NELSON. That would be No. 1, to make the facility operational.

RAMAH HIGH SCHOOL

Mrs. HANSEN. The Ramah High School, $2.7 million?
Mr. NELSON. They have $3 million in the present 1973 budget, which is in reserve. This would complete another section.
Mrs. HANSEN. How much is in reserve?
Mr. NELSON. I believe there is $3 million in reserve.
Mr. SYKES. There is not $3 million in reserve on this project.
Mr. HAWKINS. They just got planning money.
Mrs. HANSEN. What do you expect to accomplish with the $2.7 million for the Ramah High School?
Mr. NELSON. This is all lined out in the budget which will start the first construction, Madam Chairman, of the total program. I believe you will find that here on page 71.

Mrs. HANSEN. This will construct a new day high school for an enrollment of 210 students in grades 7 to 12.

You say in the justification: In the future a dormitory for 150 additional classrooms, student center, et cetera, will be provided for a high school enrollment of 360.

Mr. NELSON. The drawings that are now being prepared will be the complete program as the total school facility.

ACOMA DAY SCHOOL

Mrs. HANSEN. $4 million is requested for the Acoma day school. What does this involve?

Mr. NELSON. This is just west of Albuquerque. It is high priority. The present school facility is not of the best.

Mrs. HANSEN. You propose 648 students for this facility.

Mr. HAWKINS. That is correct. It is a very difficult situation at the moment. We really need a new facility there very, very badly. It is on top of Mesa.

Mrs. HANSEN. Is your design complete?

Mr. NELSON. That is correct.

Mrs. HANSEN. How much are you going to be able to accomplish with $4 million?

Mr. NELSON. All of it, the complete school.

WAMBLEE SCHOOL

Mrs. HANSEN. You are requesting $6,000,000 for the Wamblee School in South Dakota. What does this involve?

Mr. NELSON. The Wamblee School is a very old, crowded facility. We currently have 215 students enrolled, which exceeds the capacity of the building by about 40 students. What we propose to do is to construct a new kindgarten through 12th grade school for 500 pupils. This will permit the return of pupils who are going elsewhere to their home community. This will be a day school. It will really permit a comprehensive educational program for that community. The complete plant will cost $6 million.

Mrs. HANSEN. Is this of higher priority than those I enumerated this morning, such as the Papago, Cherokee, Riverside, Chilocco?

Mr. HAWKINS. Yes, ma'am.

Mr. NELSON. Yes, ma'am. I would say this has a very high priority, higher than the other ones.

KINDERGARTEN CLASSROOMS

Mrs. HANSEN. $1.4 million is requested for kindergarten classrooms and quarters, Bureau-wide. What does this entail?

Mr. HAWKINS. There will be 10 locations at which kindergartens will be constructed. This includes, of course, Navajo kindergarten space and also quarters for teachers. You can see the locations on page 73. They range from Arizona to South Dakota to Mississippi to Alaska and back to Arizona again.

Mrs. HANSEN. Are you sure you are not going to put them on another list of low priority?

Mr. HAWKINS. I don't plan on putting them on any low list.

ADVANCE PLANNING PROJECT LIST

Mrs. HANSEN. You are requesting $300,000 for advance planning projects.

How are these projects selected?

The committee hasn't received requests for these projects?

Mr. HAWKINS. I think the reason for the fact that no one testified on these particular schools indicates two things. First of all of course the Indian community knew we had these schools in our list. This is a public budget. Secondly, I think that it is also indicative that a number of communities and Indian groups have learned the way of coming in to testify for what they feel is important in terms of things that are not on our list.

Mrs. HANSEN. I must say the list of things not on your list is longer than things that are on your list.

Mr. HAWKINS. Unfortunately I believe that is correct.

Mrs. HANSEN. I am struck by something, that your advance planning requests are so much lower in each instance than when the Indian people testify before the committee.

Mr. HAWKINS. I believe when the people come in and ask for planning money, Madam Chairman, they are not really asking for advance planning, which is not design drawing. They are asking for construction ready drawings, and that is always more expensive.

Mrs. HANSEN. What do you encompass in your advance planning besides conversation?

Mr. HAWKINS. Our advance planning does include a great deal of conversation with the community, and until they understand what they need, what they want and we understand what they need and what they want, we really have great difficulty in proceeding in a responsive way in the community to the construction drawing fees. We passed the stage where we just go out and set down a school in a community that is not responsive.

Mrs. HANSEN. An amount of $300,000 worth of conservation?

Mr. HAWKINS. Would you like us to present you a plan for providing this next year? We can cut the planning phase down by 1 year.

Mrs. HANSEN. It depends on the state of the budget. I am very sorry for the fact that we do not have the ability to complete these projects a little faster.

Mr. HAWKINS. Yes, and we have a plan now that we think is going to cut 1 year off of the process.

KINDERGARTENS

Mrs. HANSEN. What percentage of kindergartens will you have constructed of the total need. Each year the list becomes longer.

Mr. HAWKINS. The population is growing, Madam Chairman.

Mr. CARMODY. Projected we will have approximately 85 more classrooms and quarters to project through 1977. That is as much as a projection as we have right now.

Mrs. HANSEN. I think it is important to the learning process to increase the rate of kindergarten construction. If you are going to have the youngsters in the mainstream of the educational system, the earlier you do it the faster your acceptance is. If you don't have a

kindergarten program, then your first grade becomes a kindergarten, and you have a lag all through your school system. My own State had to face this at one time. At one point in time the kindergartens were abolished. You then had a mix of private kindergartens, and no kindergartens. There was a year's lag in the reading techniques and in all the other subjects.

The simple learning process of getting along with people and breaking that first barrier in language is done much more easily at the kindergarten level. I often think many of the reasons in your boarding school for drop outs goes back 12 years. You have only had the kindergartens in existence for about 6 years. I just wonder if 6 years from now you won't have a better experience with your education and your drop out situation.

Many of the Indian youngsters in school are very shy and very gentle. If they don't understand something it is not like them to speak up and ask a question. They are not impertinent. They are not rude. It seems to me that it is vital to the educational process to construct your kindergartens at a faster rate, because I think it will provide for a better school experience.

I hope you are keeping careful charts on what the experience has been. I think Head Start is another tremendously important program, because this involves your parents. It is sort of the first relationship you have with people and the opportunity to learn how to do some things that you don't do in the average home perhaps. It almost sets a pattern. These are the things that I think are tremendously important. The longer the Indian failures continue, the more indictments society is going to have on its conscience. I just feel we have to step up the effort that will make for more success. I think it is very sad to think that some youngster in an isolated area, merely because of the misfortune of being in an isolated area does not have the opportunity to get into the educational system and have an opportunity for success merely because of our failure to find a few dollars.

WATER EXPLORATION

You are requesting $100,000 for water exploration and development bureauwide. This is a relatively small amount. Is this more conversation?

Mr. NELSON. This is where we are exploring for water on proposed school sites at a later date. This is just for testing and looking for water.

Mrs. HANSEN. What progress have you made at Lame Deer?

Mr. NELSEN. We have done nothing yet except for some design or replanning work.

Mrs. HANSEN. The Lame Deer people requested $500,000 for the design of a school facility. It would seem to me that before you complete the design work you would have to complete their water system.

Mr. HAWKINS. Madam Chairman, this money for water exploration is for the new high school. What they have asked for is an expansion of the present elementary school and they would use their present well and water supply for that.

Mrs. HANSEN. You are requesting $1,200,000 for project design drawings, bureauwide. I thought you weren't building any more jails?

Mr. NELSON. No. We have a new name for it.

Mrs. HANSEN. You testified you didn't have jails any more.

Mr. NELSON. We have other types of buildings than jails.

Mr. HAWKINS Rehabilitation centers.

Mr. NELSON. There is another name also.

Mrs. HANSEN. You say in your justification: "San Carlos jail facility, Arizona."

Mr. SYKES. I will take the blame for that, Mrs. Hansen. That shouldn't have slipped through our budget shop.

Mrs. HANSEN. The committee will adjourn until 10 a.m. tomorrow morning.

TUESDAY, MAY 15, 1973.

ARTICLE ON U.S. COMMISSION ON CIVIL RIGHTS

Mrs. HANSEN. The committee will come to order.

I will begin the session this morning by reading an article on the U.S. Commission on Civil Rights. In view of some of the budget requests for add-ons it is very pertinent.

It says:

> Indians in New Mexico and Arizona are being denied jobs and education opportunities, health care, and access to water, the U.S. Civil Rights Commission said yesterday.
>
> In the report, based on hearings last November in Albuquerque and Phoenix, the Commission said it found "a grim picture of living conditions for American Indians."
>
> The report described a record of Indian employment by Federal, State, and local governments as deplorable.
>
> Indians are not represented in middle- and upper-grade positions in the BIA and Indian health services to the extent they are concentrated in lower grade levels, the Commission said.
>
> On health care the report said "Indians in both New Mexico and Arizona receive less adequate health care and treatment than is received by the non-Indian population in those States. Most if not all of this responsibility rests with the Federal Government."

This prompts me to hope that the administration will submit a budget amendment to correct some of these deficiencies. The committee has received $217 million worth of additional requests just for Indian affairs. Many of the requests could be funded by the $25 million self-determination grant fund. I suspect the fund will have to be a larger sum. There should be increased assistance for health aid and the community health representatives as well as increased assistance on the Navajo reservation.

I think the employment problem would be materially assisted if you proceeded more rapidly with your irrigation projects on the reservation.

In a typical school construction job, for example, what is the percentage of Indian workers employed?

PERCENTAGE OF INDIANS EMPLOYED

Mr. WILES. I do not know. Most are under contract. The Bureau does this work under contract. I imagine the skilled people the contractor brings with him and are part of his basic staff. My guess is that the Indian people could perform labor and other nonskilled jobs.

Mr. NELSON. On the regular contracts we let out the Indian participation, what he hires, is roughly about 20 percent.

Mrs. HANSEN. Why is it not higher?

Mr. NELSON. I believe they do not have the skilled mechanics at the present time.

Mrs. HANSEN. What are you doing about increasing the training of Indian people? Suppose you let a contract for the San Simon School for example. How many Indians could qualify for a job on such a school contract?

Mr. NELSON. I have no idea.

Mrs. HANSEN. Does the tribe in each instance have an inventory of those skilled people who can be hired?

Mr. NELSON. I don't know. I would have to look it up.

Mrs. HANSEN. I might suggest that this is one of the things that ought to be done so that the tribes can become more involved. In any area where you have construction, whether it be roads or anything else, the construction contracts are let according to availability of labor. It would seem to me that you could develop an Indian labor pool.

Here is a great opportunity for Indian employment.

I think it is high time you began to respond in this area.

If you are going to make the Navajos self-sustaining you need to have jobs on the reservation or near the reservation. It seems to me one of the first places to start is in the construction program itself.

Mr. VEYSEY. You make a very good point there, that unemployment and low levels of skills are involved and it is almost a "norm" among all Indian groups. They will continue to be that way unless we do something more affirmative about it.

I would like to see in every major contract for construction let by the Federal Government on the reservation an affirmative clause included in the contract which would require the contractor to take certain action to assure working toward a goal of including a certain number of Indians in the work force, as apprentices, or whatever, so they may gain training. Then the next time around they will not be up against the same problem of not having any of those skills. This has been done in many public works contracts. I am not aware it ever has been used in Indian work but it would be very appropriate.

INDIAN ACTION TEAM

Mr. FRANKLIN. I would comment that the Bureau of Indian Affairs, after consulting with the Indian people over a period of a couple years, did determine this is one of the things they, too, were interested in. Last year a program was started which we call Indian Action Team. In this manner the employment assistance funds are allocated to tribes which have a program of construction in which the people are not only taught but they do the construction on their own reservation,

their own priorities, under their supervision. This was actually started on the Calvo.

Mrs. HANSEN. That is correct. The committee added funds for a training program in the appropriation bill last year in the Forest Service budget. The program has been successful.

Mr. FRANKLIN. This has spread and it is being used universally on Indian reservations. They are building facilities for themselves.

Mrs. HANSEN. If I recall correctly it was about 6 years ago when the Quinaults had a housing program. The Grays Harbor Labor Council raised a question about the Indians performing the work without union labor. I believe they met later with the Indian people and came to an understanding. However, that is one of the problems. You will probably find growth of unions in Indian country. Those unions who do have skilled people in the building trades, can do a tremendous amount of training in an apprentice program. I would like to see the Bureau do some work with the unions and with the building trades people. I would also like to see each tribe begin to build an inventory of the skilled people so that when a contract is let they can go to the contractor and say, "We have available these people. We ask for their employment."

INDIAN EMPLOYMENT ON NAVAJO POWERPLANT

Mr. YOUNG. On the Navajo powerplant, the steamplant being constructed, there was quite a bit of contention about the employment of Indians. As a result of that the principal, the irrigation district involved there, has made a survey of the skills that are available not only for the additional construction but also for operation of the plant when it comes into effect. This also goes to the strip mining area.

With respect to the Bureau of Reclamation, we have in our contracts that the construction contractor must employ Indians that are certified as available apprentices, and we have actually recruited young Navajos who go through a Job Corps Center and are taught by union representatives of the various skills. Then they come back and are employed on the projects.

Within the office itself we have about 15 percent and so far the contractor's operation has about 15 or 20 percent Navajos.

SCHOLARSHIP PROGRAM

Mrs. HANSEN. I can understand to a certain extent why we do not have many Indians in the top brackets of the Indian Health Service, for example. We are lacking in Indian doctors. This is the top bracket of the Indian Health Service. However, there are young people attending medical schools and we have tried to urge more scholarships in this field.

Dr. Johnson testified before the committee that this is the most expensive education to acquire, and it is almost impossible for a person to work part time and obtain a medical education.

Therefore it seems to me the scholarship program should be increased with emphasis on special training.

Mr. Hawkins, how many of the Indian people who have received scholarships have returned to the reservation to take up positions of leadership either in the BIA or in the tribal councils?

Mr. HAWKINS. A great many are. Of course, the large number of scholarships which are currently being offered have been available for only the last 2 years, so we do not yet have the large number of graduates. The graduating class this year will be somewhere in the neighborhood of 1,800, but in another 2 years it will be up around 5,000. We are finding a large number do come back. There is more interest now in coming back and working on the reservation than there has been previously. This is through heightened awareness of being Indian.

Mrs. HANSEN. You can establish a policy to encourage Indian people to return to the reservation but unless the Indian himself or herself comes back to the reservation to take a high level job the situation will not be corrected.

Mr. HAWKINS. That is correct. One of the problems is this: For instance, let us take the Indian law school program. This year we will be graduating in June 35 Indian lawyers. They are not prepared yet, not immediately, to come back and assume either leadership roles or even a practicing attorney role on the reservation because they do need some additional experience with a law firm or in a role where they can learn the practical aspects of how one becomes an attorney who works on an Indian reservation. We are looking forward to a number of these young people going into law firms which serve the tribes right now as attorneys for the tribes and eventually to become the tribal attorneys.

HASKELL GRADUATES

Mrs. HANSEN. How about the graduates at Haskell? Do they return to the Indian community?

Mr. HAWKINS. Graduates of Haskell are divided into two groups. The larger group goes on to college, transfers into usually the third year of a full university and goes on to get a degree. The other one, the smaller group which has taken vocational training of various kinds, most of them return to the reservation.

VOCATIONAL TRAINING VS. COLLEGE TRAINING

Mrs. HANSEN. Society places a great deal of emphasis on a college education. But if we do not have people with skills to do the kinds of things such as building houses and constructing irrigation systems, you will be faced with the same problem Micronesia faced. They did have an adequate number of people to manage a construction project, but nobody could pound nails, nobody could do this type of work. Therefore they found themselves unable to do the kind of construction that was required. This was for the obvious reason that the labor costs were high and the failure of having Micronesians involved in the construction programs.

The thing we are talking about can happen on the reservations. If we have all lawyers and doctors we will have nobody to build the hospitals.

Mr. HAWKINS. That is right.

Mrs. HANSEN. I happen to be one of those people who believes that a good carpenter, a good plumber, and a good bricklayer is just as equal in society as a lawyer.

Mr. VEYSEY. More equal.

Mrs. HANSEN. That is right. I hope we never reach the point when a boy across the street who has a real talent as a carpenter will not be recognized in the social structure of the town unless he goes to college. Many people in America came from skilled trades and this is what made America. It was not necessary to be a Harvard graduate to settle the West.

Mr. FRANKLIN. We talk about the education program. My father was a graduate of an Indian school. That is a long time ago. He came out as a carpenter. While we had a very meager life we had a full life. This has been one of the things that has bothered me because his main goal in life was to make me a white-collar worker. I can tell you I have gone through a lot of pain and agony in that role, while I saw him very humbly build houses and barns, and those houses and barns stand today. Nothing I have done stands.

Mrs. HANSEN. I have become very concerned that the person who is a skilled worker has a desire to be sure his son doesn't have to work as he had to. I hope there is enough respect for the workingman. We can in the Indian world recognize that both paths lead to accomplishment. It would be very sad if we have just the unemployed and the elitist, and that is what we will have unless we correct this situation.

PROJECT DESIGN DRAWINGS BUREAUWIDE

You are requesting $1.2 million for project design drawings, bureauwide.

Does this eliminate the necessity of having A and E items for each project?

Mr. NELSON. This is what we are attempting to do; $1,200,000 is for design by architects/engineers. You can see the list here. The $2.4 million is to take care of the staff at Albuquerque to provide the necessary technical assistance to the Indians as well as to the A/E contracts, plus also the two in-house designs.

Mrs. HANSEN. At what breaking point do you determine whether it is in-house or by contract with architectural firms?

Mr. NELSON. Generally speaking we make this decision in the office.

Mrs. HANSEN. How many employees do you have in your office involved in design work?

Mr. NELSON. At the present moment it is 133.

Mrs. HANSEN. How much planning and design can they do in a year?

Mr. NELSON. Generally speaking we can do roughly about $15 million worth.

MAJOR ALTERATIONS AND IMPROVEMENTS

Mrs. HANSEN. $4.4 million is requested for major alterations and improvements. This is for the continued elimination of unsafe and unsanitary conditions existing in Bureau plant facilities; water, air pollution, et cetera. What priorities do you have in determining how the money will be used?

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Mr. NELSON. Generally speaking major improvement decisions are made at the agency level and then approved by the top management people.

Mrs. HANSEN. Suppose you have five agencies with equal problems and you have x number of dollars? How do you make the determination?

Mr. NELSON. Probably throw up a coin.

Mrs. HANSEN. How many deficiencies exist in your present facilities?

Mr. NELSON. That would be hard to determine right off. It is tremendous.

BACKLOG OF M.A.I. PROJECTS

Mrs. DONNELLY. The current backlog of our projects are about $50 million.

Mrs. HANSEN. What does this consist of?

Mrs. DONNELLY. Basically unsafe and unsanitary conditions.

Mrs. HANSEN. Where do the unsafe and unsanitary conditions exist? Is it in your schools?

Mrs. DONNELLY. Basically in our schools and in building this program, the $4.4 million, those projects that are in our dormitories where we house children have the highest priority. This program is really built on a Bureau priority basis where we have the listings coming in from the agencies through the areas into the Washington office and based on a Bureau priority we use the unsafe and unsanitary conditions as No. 1.

Mrs. HANSEN. The dormitories are in the unsafe rather than unsanitary category?

Mrs. DONNELLY. Yes.

Mrs. HANSEN. What type of facilities are you lacking? Not enough fire escapes?

Mrs. DONNELLY. That is right.

Mrs. HANSEN. Of your $50 million backlog how much involves unsafe dormitory conditions?

Mrs. DONNELLY. Not identifying it to just dormitories, I would say possibly 35 percent of the $50 million is within the school facilities, in the unsafe and unsanitary category.

Mrs. HANSEN. You recall the list of requests I read yesterday. How many of these facilities are on your backlog list?

Mrs. DONNELLY. We have a number of projects there.

Mrs. HANSEN. Is the Riverside facility?

Mrs. DONNELLY. I don't recall too many at Riverside.

Mrs. HANSEN. The Brockton school?

Mrs. DONNELLY. That is a public school.

Mrs. HANSEN. Mr. Hawkins, this is one of your major difficulties? If you don't settle this issue on funding of public schools you might be in the position of taking money away from your Bureau schools. How about the two Papago schools?

Mrs. DONNELLY. I do not have that listing with me.

Mrs. HANSEN. Will you send the committee the backlog list?

Mrs. DONNELLY. Yes, Madam.

Mrs. HANSEN. This backlog is becoming larger and larger. What do you add per year to your backlog?

Mrs. DONNELLY. About $10 million per year.

Mr. VEYSEY. I was going to ask that the backlog list be made part of the record.

Mrs. HANSEN. Yes.

Mr. VEYSEY. It needs sufficient identification so we can judge the nature of the deficiency.

[The information follows:]

The material requested requires detailed input from the field offices, which necessitates additional time for development. The committee will be provided the complete detail information as it becomes available.

WINGATE DORMITORY

Mrs. HANSEN. On the list, note what the conditions are in each facility, whether it is fire escapes, plumbing, roofs, et cetera. I visited Wingate. You had a dormitory there which is in very poor condition. Has it ever been replaced?

Mr. NELSON. No.

Mrs. HANSEN. The roof was leaking 6 years ago. You had tubs sitting around under the roof.

Mrs. DONNELLY. We can identify them as to the type, functional deficiencies, and list the projects.

CONSTRUCTION OF DORMITORIES

Mrs. HANSEN. This is exasperating because you are falling behind. You are requesting $350,000 for the future construction of a high school in North Dakota.

Mr. NELSON. That is a project which will be in A/E.

Mr. FRANKLIN. One of the problems in building deficiencies might be to declare a moratorium on new construction until the older buildings are brought up at least to a safe status.

Mrs. HANSEN. I don't think the dormitories I went through should be repaired. I think new facilities should be constructed.

What disturbed me, Mr. Franklin, is that these youngsters were away from home for the first time in their lives. They had to live in this dormitory which was in very poor condition, to say the least. It would have taken excellent discipline in the event of a fire to get the youngsters out of the building. You had one counselor at night. This was absolutely an impossible situation.

We had a meeting at the Wingate School, and the counselors were there. You had some emotional problems with these youngsters because some came from the very back country. More counselors were added, if I recall correctly. However, the condition of the dormitory was such that if you had to make an assessment you would not repair it. You would rebuild it.

Mr. HAWKINS. That was the elementary school.

Mrs. HANSEN. That is correct. Maintenance will not correct many of these conditions. You need a careful evaluation at this point in time as to whether you maintain or whether you have the courage to rebuild and say "Children's lives are at stake."

HAZARDS OF THE DORMITORIES

If you had a fire in one of these dormitories you would have a disaster which would rock the Nation. I don't know how you have escaped having some disasters.

I will say those who work at these dormitories are careful and dedicated, and I think that is the only reason you have escaped from having such awful disasters.

Mr. YATES. How many such dormitories are there?

Mrs. DONNELLY. I would now know the number exactly.

Mrs. HANSEN. In the new schools the dormitories are good.

Mr. YATES. Who would know how many such dormitories there are?

BOARDING SCHOOL POPULATION

Mrs. HANSEN. How many youngsters do you have in your boarding schools?

Mr. HAWKINS. About 35,000.

Mrs. HANSEN. The 35,000 comprise these youngsters who, because of either road conditions, water conditions, home conditions, or the inability of the public schools in the States to take care of them, have to attend these facilities. There is also one other facet. There are many of this 35,000 who would not receive any food at all, or meager diets, unless they were in one of your schools. Is this correct?

Mr. HAWKINS. That is approximately correct.

Mrs. HANSEN. There is a lot of discussion to immediately phaseout the boarding schools and construct public schools. This is not possible because of the districts' inability to construct public schools. Second, there is no adequate way of financing the total load for clothing, food, and sleeping facilities.

Alaska is several years behind in its schedule. They came to us and wanted us to rebuild one area. Halfway through they changed their minds. Now you are years behind in the Alaska situation. That is literally one of the problems. What is the situation at the Ramah school?

RAMAH BOARDING SCHOOL

Mr. HAWKINS. Ramah is a boarding school and day school.

Mrs. HANSEN. Operated under contract?

Mr. HAWKINS That is right. More and more of the tribes are going contract for the operation, which is great. However, you cannot turn over a facility to them that is completely dilapidated. This is the problem. A new facility is bad enough, but if you get into the business of operating a dilapidated school you have problems.

FIRE SAFETY CODE AT BOARDING SCHOOLS

Mr. VEYSEY. Is there any fire safety or sanitation code which is applied to all of these schools?

Mr. NELSON. Yes, we use the Federal Code.

Mr. VEYSEY. Are they in conformity with that Federal Code?

Mr. NELSON. That is correct. This has to do with construction.

Mr. VEYSEY. This does not apply, though, to existing construction?

Mr. NELSON. We stated using the Federal Building Code as far back as 1957. Prior to that we built as cheaply as possible. The dormitories the chairman is speaking of were built under restraining orders when we were supposed to get two for one.

Mrs. HANSEN. In what years?

Mr. NELSON. In the early fifties. The dormitories you see at Wingate, there is similar dormitory at Albuquerque and at Chinle.

Mrs. HANSEN. That is right, but they complied with fire regulations. However, the problem of handling youngsters in such a situation would be most difficult.

Mr. EVANS. Those buildings constructed prior to the effective date of your fire code do not meet the standards. Is that correct?

Mr. NELSON. They have been brought up to some standards, yes, but they would not meet the requirements of today's standards. Codes are modified every few years.

Mr. EVANS. So many of these buildings are in violation of current codes?

Mr. NELSON. Except where modified. Many of them have.

Mr. YATES. Talking about the local codes?

Mr. NELSON. Federal codes. Local codes have nothing to do with it. We generally follow the State codes and Federal codes.

Mr. YATES. That is what I am talking about.

[Discussion held off the record.]

IRRIGATION PROJECTS

Mrs. HANSEN. You are requesting $16,800,000 for irrigation projects. This will provide a program of $10,500,000 for the Navajo Indian irrigation project being constructed by the Bureau of Reclamation and a program of $6,300,000 for the Bureau of Indian Affairs for the improvement, rehabilitation, betterment, and extension of Indian irrigation projects and related power systems.

I would like you to explain to us to what extent this $10.5 million will improve the delivery of water. You also have $1.5 million in carryover funds. This makes a total of $12 million.

The Navajo community has asked for $14.5 million.

STATUS OF THE NAVAJO INDIAN IRRIGATION PROJECT

Mr. YOUNG. The status is about like this: The main canal from the Navajo reservoir, through the first block of land, is 32.8 miles long. Fifteen miles have been completed.

We have under construction the balance of the main canal which takes us to the beginning of block No. 1.

In the next fiscal year we should be extended along block No. 1 and sufficient work done so that water should be delivered in March of 1976. This is with the present program of $10.5 million.

Mrs. HANSEN. Suppose an additional $4 million is included in the bill. What will that accomplish?

Mr. YOUNG. At the present time it appears it will expedite the work and will insure that the March 1976 delivery will be met. I doubt we can advance it one season.

One of the reasons for this is that the Navajo Tribe and the Bureau of Indian Affairs came to us and said they would like to have the

project reformulated to use a sprinkler irrigation system. The previous plans called for the conventional delivery of water, flooding, and so forth.

We are now in the process of reanalyzing the plan to incorporate sprinklers.

Mrs. HANSEN. How much additional cost will be added because of the sprinkler system, if any?

Mr. YOUNG. There will be additional cost and it may be that the project might have to be reauthorized because of this change in plan. That is being worked on. I don't know when that decision will be made.

Mr. YATES. Why would it have to be reauthorized?

Mr. YOUNG. Because of change in concept of the plan and because it might exceed the amount authorized to be appropriated.

Mrs. HANSEN. Because of the increased cost of the sprinkler system?

Mr. YOUNG. Yes. There are offsetting advantages and these, too, will have to be taken into consideration and made available to the committee.

ADVANTAGES TO THE SPRINKLER SYSTEM

Mrs. HANSEN. What are the advantages of the sprinkler system?

Mr. YOUNG. There are many. No. 1, more efficient use of water. No. 2, reduction in the drainage system. No. 3 is the diversity of crops. It is most uneconomic to use sprinkler irrigation system and continue to go on crops that can be grown on dry land, but there is a greater diversity of high-yield crops which can be grown with the sprinkler system.

In order to provide this sprinkler there will be pumping plants which take off the main canal system. These pumping plants, as the plans now stand, will be operated by gas. Therefore in 1974 we propose to do work which will involve pipe laterals, pumps and motors for the sprinkler system for block 1.

As I understand it, you are asking what additional could be done.

Mrs. HANSEN. The Navajos testified and they listed the ongoing contracts, tunnels 3 and 3(a), required completion date of October of 1973; four siphons, highway 44 tunnel and concrete line canal January of 1975; tunnel No. 4, and concrete line canal, October of 1975. New contract awards—initial water-block 1 land, concrete line canal, loop 17–1 road, mi. 41.6 drain, February of 1976; furnish and install natural gas prime movers and pumps, February 1976; construct lateral drains to block 1 lands February of 1976. New contract awards initial water block 2, tunnel No. 5 and concrete line canal February of 1977; construct laterals and drain for block 2 land, February of 1977. They have the level of the funding to accomplish the program of $14.5 million.

Your 1975 program proposes $18 million and they propose $15.5 million. In 1976 you propose $18 million and they propose $15.5 million. In other words, they want to step it up, spend the extra money now rather than waiting until fiscal years 1975–76.

Mr. YOUNG. That sounds feasible. I cannot at this time say it could not be done. I can say that with the present funding we have had to give notice to our contractors on the exhaustion of funds, so work is not going as fast as it could be if the money were available.

IMPOUNDMENT OF PROJECT FUNDS

Mrs. HANSEN. You didn't have an exhaustion of funds because the $1.5 million was impounded.

Mr. YOUNG. I cannot speak to that.

Mrs. HANSEN. Is that true?

Mr. NELSON. That is right.

Mrs. HANSEN. I am comparing the original requests and the amounts you received. You can see that you have been falling behind in your appropriation requests.

Mr. YOUNG. No question about it. This project started in 1964 and we are still not down to block No. 1. It has been quite expensive, you must understand. These are large structures, 1800 second feet, and tunnels are 20 feet in diameter. About half of these 32 miles are in tunnels. It has been very expensive, and beginning with block No. 1 the costs will drop from about $2 million a mile down to something less than $1 million a mile.

Mrs. HANSEN. The most expensive part will be over after you complete block 1?

Mr. YOUNG. That is right.

Mrs. HANSEN. In my State we had some complicated irrigation programs in the Columbia Basin, one of the most extensive in the West. My feeling is that the sooner you can complete block 1 the faster you will be able to resolve the situation in many categories.

Mr. YOUNG. We hope so.

Mrs. HANSEN. This is a time when we need the agricultural production as well as the economic results for the Navajos. It is not economic to curtail $4 million because unemployment and welfare will increase. This is not common sense.

Mr. YOUNG. If the additional money were available we could expedite the work beginning on block 2.

Mr. VEYSEY. Do I understand there is now a proposal to change this over to sprinkler irrigation?

Mr. YOUNG. Yes.

ADDITIONAL COST FOR SPRINKLER SYSTEM

Mr. VEYSEY. I would like to know what that will do to the total cost of the project. If I understand what you said, the pumping system would be considered part of the irrigation project itself. Is that correct?

Mr. YOUNG. I am not sure I understand you. The pumping plant will take care of the normal open channel and the water then will be delivered to the lands through pressure pipes for sprinklers.

Mrs. HANSEN. Rather than through flooding?

Mr. YOUNG. That is right. With respect to the additional cost, we cannot say at this time.

Mrs. HANSEN. In the Columbia Basin one of their problems was the drainage. It cost the highway department of that State a sizable amount of money to provide drainage for some of the conditions which resulted. You have to write that off in the cost-benefit ratio.

Mr. YOUNG. That will be taken into account.

Mr. VEYSEY. You have a very substantial new increment of cost here.

Mr. YOUNG. That is recognized, but so are the benefits.

Mr. VEYSEY. What does it do to the cost? There is a major cost not only in capital outlay but also in operating costs.

Mr. YOUNG. Twenty percent is the best figure we can give you at this time.

Mr. VEYSEY. In what?

Mr. YOUNG. Total capital costs.

Mr. VEYSEY. And operating costs?

Mr. YOUNG. I cannot tell you.

Mr. VEYSEY. Take a good look at that. The cost of water goes up an awful lot after it goes through a pump.

Mr. YOUNG. That is true, but benefits go up considerably.

Mr. VEYSEY. Take a good look.

Mrs. HANSEN. And costs decrease in certain categories.

Mr. YOUNG. There is an additional water saving which is a big factor.

Mr. VEYSEY. What does water cost?

Mr. YOUNG. I don't have the answer.

Mr. VEYSEY. I would suggest that he take a good look, Madam Chairman.

Mrs. HANSEN. Regardless of whether you have the sprinklers, you have to complete the canals.

Mr. YOUNG. That is right.

Mrs. HANSEN. That is the immediate problem. I cannot imagine the authorizing committee suddenly deciding they will not have an irrigation project after they have this much invested.

Mr. VEYSEY. I am sure they will not decide that but they might decide they will not have a sprinkler irrigation system, at least sprinklers furnished in that manner.

COMPLETION DATE FOR PROJECT

Mr. EVANS. What is your estimated date of completion now from the original plan?

Mr. YOUNG. On the whole project?

Mr. EVANS. Yes.

Mr. YOUNG. I am not sure I have that with me. We can furnish it for the record.

Mr. EVANS. The original date of completion was 1980. Is that correct?

Mr. YOUNG. I believe that is correct.

Mr. EVANS. Would you furnish for the record your estimated date of completion?

Mr. YOUNG. Yes.

Mr. EVANS. And the level of funding you recommend this year and anticipated levels of funding for the future?

Mr. YOUNG. Yes, sir.

[The information requested follows:]

CONSTRUCTION—IRRIGATION SYSTEMS

Completion of the Navajo Indian irrigation project is based on a program of bringing irrigation service to approximately 10,000 acres each year, beginning in 1976. These increments were assumed to be the rate at which the Navajos could train for and put into production blocks of irrigable land. On this basis, full development would be accomplished by about 1986. At the time project construction was started in 1964, delivery of initial water was originally scheduled for the spring of 1970, with completion of the project in 1980.

The President's program for fiscal year 1974 calls for $10.5 million and use of $1.5 million of carryover, for a total of $12 million. This amount is adequate to support current activities and reach block 1 by fiscal year 1976.

If project construction is to continue on a schedule that will meet initial water available dates, commencing in the spring of 1976, it will require funding of about $18 million in fiscal year 1975 and $20 million in fiscal year 1976.

COLORADO RIVER PROJECT

Mrs. HANSEN. The committee has received a request from the Colorado River Indians amounting to $4,190,000. If you will remember these are the people who have been able to establish their own agriculture production.

Mr. NELSON. That is right.

Mrs. HANSEN. This is one of the tribes that is really trying to make a total commitment to agricultural production. Apparently it is a very productive area.

Mr. NELSON. That is right.

Mr. YATES. What tribe?

Mrs. HANSEN. The Colorado River Tribe. How much have you programed for the Colorado River project?

Mr. NELSON. $1.6 million.

Mrs. HANSEN. What will the additional $4,190,000 they are requesting accomplish?

Mr. NELSON. I don't know exactly, but I believe with the $4.1 million spoken of there it will certainly do a considerable amount of work on the power system which is necessary. The present power system is much overloaded.

Mrs. HANSEN. That is what they said, that they had brownouts.

Mr. NELSON. That is right. This is caused because of the extended amount of recreation facilities developed in the last few years and also the amount of tourism, housing, motels, and this type of thing.

Mrs. HANSEN. They propose $2.9 million for the irrigation work. That consisted of earth construction, 6.5 miles of main canal, 2-mile extension to lateral 27R20, finish construction of 12-mile drain, planning and design of upper 3 miles of canal, and drilling and equiping drain wells.

They have suggested some priorities in those items.

Mr. NELSON. That is right.

Mrs. HANSEN. All of their suggestions are listed in their justification book.

I wonder if you would review their priorities and provide a list for the record.

Mr. NELSON. Yes.

[The information follows:]

Composite priority listing for Colorado River Indian Reservation—Irrigation and Power System Construction

Irrigation and power construction	$4,190,000
1. Concrete line 3.7 miles of lateral 90–56 from Tsosi Rd. south to Mesa Drain. Includes shaping of existing lateral and structures	600,000
2. Earthwork and structures including rights-of-way to extend lateral 90 for 2.5 miles from main drain to Tyson Wash and and construction of siphon structure across wash	480,000
3. Complete construction of 69 kV transmission line from Headgate Rock substation to Poston substation and complete conversion of Valley distribution system from 4,160 volts to 12,500 volts	225,000
4. Construction of 6.5 miles of main canal from Rock Drop to Mohave Rd	800,000
5. Complete rearming and reinsulating Big River subdivision distribution system	140,000
6. Collection of data, design, plans and other preconstruction activities relating to the lining of upper 3 miles of main canal	100,000
7. Excavation, lining and installation of structures for the extension of 2 miles of lateral 27–R–20	160,000
8. Construction of 69 kV-12.5 kV day and substation of Headgate Rock substation to provide 12.5 kW power to upriver substation	375,000
9. Drill and equipment 2–10 in. by 160 ft. drain wells to lower water table affecting project lands in two areas	75,000
10. Install second 20,000 kWA 161 kV–69/34.5 kV transformer and associated equipment	350,000
11. Construct short line extensions to existing power distribution system	200,000
12. Deepen 12 mile drain to lower water table and installation of fish screen	25,000
13. Purchase of major construction equipment to replace worn out equipment as well as to obtain equipment not presently available (see listing under irrigation priorities 7)	635,000
14. Surveillance of long term leases to assure compliance with lease stipulations relating to land development	25,000
Total	4,190,000
Power construction	1,290,000
1. Complete construction 69 kV transmission line—Headgate Rock substation to Poston substation and complete conversion of valley distribution system from 4,160 volts to 12,500 volts [1]	225,000
2. Complete rearming of reinsulating of Big River subdivision-distribution system	140,000
3. Construct 69 kV-12.5 kV bay at Headgate Rock substation to provide 12.5 kV power to Upriver substation	375,000
4. Install second 20,000 kVA 161 kV-69/34.5 kV transformer and associated equipment at Headgate Rock substation	350,000
5. Construct short line extensions to existing power distribution system	200,000
Total	1,290,000
Irrigation construction	2,900,000
1. Concrete line 3.7 miles of lateral 90–56 from Tsosi Rd. south to Mesa Drain. Includes shaping of existing lateral, and structures	600,000
2. Earth work and structures, including rights-of-way to extend lateral 90 for 2.5 miles from main drain to Tyson Wash and construction of siphon structure across Tyson Wash.[1]	480,000

[1] This item appears as items 1 and 2 on the listing. These 2 items must go together.

Composite priority listing for Colorado River Indian Reservation—Irrigation and Power System Construction—Continued

Irrigation construction—Continued	
3. Excavation and installation of structures of 6.5 miles of main canal from Rock Drop to Mohave Rd	$800,000
4. Excavation, installation of structures and lining—lateral 27–R–20	160,000
5. For collection of data, planning, design, and other preconstruction activities relating to the lining of upper 3 miles of main canal	100,000
6. Rehabilitation of 12-mile drain and installation of fish screen	25,000
7. Purchase of needed heavy duty equipment including (1 G–1000 Gradall; 2 5 CY, dump trucks; 2 10 CY dump trucks; 2 600 CFM rotary air compressor; 1 2 CY front end loader; 1 motor grader; 2 D–8 tractor, with dozer; 1 D–7 tractor, with dozer; and 1 18 CY motor rod scraper)	635,000
8. Drill and equipment 2 ft. by 10 in. by 160 ft. drain wells to lower water table affecting project lands	75,000
9. Surveillance for compliance with stipulations as set forth in leases relating to the development of project lands	25,000
Total	2,900,000

NOTE.—The above program will directly affect the development of 13,700 acres of new land and indirectly serve another 10,000 acres.

[Discussion off the record.]

REQUEST FOR PAPAGO AIRSTRIP

Mrs. HANSEN. The Papagos want an airstrip according to their report. They say it is important for medical evacuation and in fire-fighting.

Mr. NELSON. I don't know anything about that.

Mrs. HANSEN. They are also requesting $2,594,900 for the Papago Tribal Utility Authority. Are you aware of these proposals?

Mr. NELSON. No; I have not.

Mrs. HANSEN. Obviously they have not consulted the BIA.

SAN CARLOS PROJECT

You are requesting $740,000 for the San Carlos irrigation project. What does this involve?

Mr. NELSON. For one thing, as far as the San Carlos irrigation project is concerned, irrigation rehabilitation and construction program for Indian works is $100,000. This is the first time this has ever been done. Funds requested for fiscal year 1974 will be used for the rehabilitation and replacement of inadequate crossings, rehabilitation of water control, and this type of thing. This is the first time this has been done. It usually has been incorporated in a general program; $390,000 and $250,000 will be joint work construction, rehabilitation, new wells which will be required for irrigation, as well as some power systems.

Mrs. HANSEN. Isn't this one of the older irrigation systems?

Mr. NELSON. Yes, 1903 was the time it was started.

IRRIGATION SYSTEMS

Mrs. HANSEN. You are requesting $202,000 for the Michaud unit; $640,000 is requested for irrigation projects in Montana. What do these involve? Do they involve repairs?

Mr. NELSON. Repairs, new wells, and this type of operation.

Mrs. HANSEN. What is the status with regard to the total irrigation systems?

Mr. NELSON. For years the Department has not been looking upon the irrigation problem as of too great importance, and neither has the OMB.

Mrs. HANSEN. Why?

Mr. NELSON. We have been getting some money to maintain and keep up our present irrigation system. I believe we are short.

Mrs. HANSEN. Why didn't they regard it as important?

Mr. NELSON. It seemed other things were more important. Irrigation was one thing where they thought that water comes and goes.

Mrs. HANSEN. Water is not very plentifuly in this country.

Mr. NELSON. They were not too concerned. They felt the Indian did not need water because he would not raise crops.

Mrs. HANSEN. Most of your tribes are making an effort to provide some agricultural production.

Mr. NELSON. They are now.

Mrs. HANSEN. This is part of their basic economy.

Mr. NELSON. At the present time that is correct. It appears almost all of our irrigation projects are very ancient. We have had them from 1902. I believe the Colorado River is the oldest one, 100 years old.

Mrs. HANSEN. The total money you will spend this year will provide for better conditions.

Mr. NELSON. It certainly will.

ROAD CONSTRUCTION

Mrs. HANSEN. Please insert justification pages 98 through 105 in the record at this point.

[The justification pages follow:]

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS

CONTRACT AUTHORITY AND LIQUIDATION PROGRAM

	Contract authority available	Obligations	Unliquidated obligations prior year	Obligations	Expenditures	Unliquidated obligations carried forward
			Fiscal Year 1972			
Federal-Aid Highway Roads..	$40,558,519	$39,086,163	$9,967,383	$49,053,546	$27,260,786	$21,792,760 1/
			Fiscal Year 1973			
Federal-Aid Highway Roads..	55,181,679	55,181,679	21,792,760	76,974,439	45,062,313	31,912,126 2/
			Fiscal Year 1974			
Federal-Aid Highway Roads..	57,000,000	57,000,000	31,912,126	88,912,126	57,000,000	31,912,126 3/

1/ Available cash for liquidation is $14,523,313; balance of $7,269,447 is unfunded.

2/ Available cash for liquidation is $15,000,000; balance of $16,912,126 is unfunded.

3/ Available cash for liquidation is $1,000,000; balance of $30,912,126 is unfunded.

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS

Status of Cash Appropriations for
Liquidation of Contract Authority

	1972	1973	1974
Appropriations.....	$33,600,000	$45,539,000	$43,000,000
Unexpended balance brought forward.....	8,184,099	14,523,313	15,000,000
Total available.....	41,784,099	60,062,313	58,000,000
Less: Outlays.....	27,260,786	45,062,313	57,000,000
Unexpended balance.....	14,523,313	15,000,000	1,000,000

JUSTIFICATION

ROAD CONSTRUCTION (LIQUIDATION OF CONTRACT AUTHORITY) $43,000,000

Liquidation Program (Cash)

Liquidation of Contract Authority (Cash Program) - 1972, $27,260,786; 1973, $45,062,313; 1974, $57,000,000.

The estimate for the Road Construction Cash Program for fiscal year 1974 is $57,000,000, including $14,000,000 unexpended balance. This amount is required to liquidate $14,000,000 of unliquidated prior year obligations and the 1974 program obligations that come due for payment during the fiscal year. This cash program will result in unfinanced obligations of $30,913,000 at the end of the 1974 fiscal year.

Contract Authorization Program (Obligations)

Indian reservation roads - 1972, $39,086,163; 1973, $55,181,679; and 1974, $57,000,000.

The contract authorization for this program originates in the Federal-Aid Highway Acts.

Need for Increase:

The basic objective of this program is to build an adequate road system on Indian reservations which will move the people, goods and services necessary for optimum economic, social, and educational development.

The Federal Government is responsible for the transportation system of 177 reservations, pueblos, and rancherias in 33 States. This responsibility is equivalent to providing a network of local roads to an area the approximate size of the combined States of Pennsylvania, Maryland, and West Virginia.

The reservations are in generally isolated rural areas thereby causing transportation to be an essential factor in the accomplishment of the development objectives. Tax-exempt Indian lands are not served adequately by state and county roads. There are reservations where county governments do not exist, and many instances where counties are not financially able to carry out the road function. This proposed program is planned to serve the Indian people and to

assist the social and economic development of the Indian communities through more efficient movement of people and goods.

No local roads were built on Indian reservations during the period from 1900 to 1935. This was the period when the rest of America was getting its foothold on its transportation system. Since that time the Bureau's road construction program has made some gains but has not kept up with the need for improved roads.

A comprehensive study of the reservation areas has been made pointing up an overall backlog of need of $979,000,000 to provide roads that are presently needed. From this total backlog of needs, an immediate goal is to improve to an adequate surface all of the arterial roads, all of the main connecting roads, all of the streets, and 50 percent of the local access roads. The cost of this immediate objective is $628,447,000. An accelerated road construction program geared toward meeting this immediate objective was initiated in fiscal year 1973. The need for the proposed level of program in fiscal year 1974 is necessary if definite and positive gains toward the immediate objective are to be made in reservation road improvement.

The following is a brief synopsis of the 1974 fiscal year program of Indian reservation roads:

1.	Grading and draining	458 miles	$23,617,400
2.	Paved surfacing	546 miles	19,762,600
3.	Gravel surfacing	130 miles	1,984,000
4.	Bridge construction	2330 linear ft.	2,521,000
5.	Surveys and plans	908 miles	9,115,000

Grading and draining - $23,617,400. We propose to grade and drain 458 miles of roads. This consists of acquiring the necessary right-of-way, providing adequate drainage and preparing a stable subgrade for the surfacing. The construction of this roadbed and providing proper drainage is the most important phase of road construction because without this all other phases of road construction are futile. The average cost if $51,565/mile.

Paved Surfacing - $19,762,600. We propose to pave 546 miles of roads. Paved surfacing consists of a mat type bituminous surfacing or equivalent. Such surfacing includes the necessary base course. The average cost for paved surfacing is $36,197/mile.

Gravel Surfacing - $1,984,000. We propose to gravel surface 130 miles of road. Such gravel surfacing includes the required base course. The average cost for gravel surfacing is $15,261/mile.

Bridge Construction - $2,521,000. We propose to construct 2,330 linear feet of bridges. Many bridges that are to be reconstructed have been declared unsafe or are carrying restricted load limits which limit free use of many roads. The average estimated cost is $1,080 per linear foot.

Surveys and Plans - $9,115,000. We prepose to survey and design 908 miles of road. This work consists of preliminary engineering, soil sampling, investigations of alternate routes, the preparation of easements for the acquisition of rights-of-way, location surveys, and the preparation of detailed plans and specifications for construction. Because of environmental impact studies and the open hearings now being required of all new roads, much more lead time and study effort are required from the planning stage to the construction stage.

The fiscal year 1974 funds have been tentatively programed to the area offices which sometimes have jurisdiction covering several states, and to agencies under the areas. Often several reservations comprise an agency. Tentative distributions have been made to individual projects based upon

engineering estimates of cost. Occasionally there may be a substitution of a specific project based upon unexpected development of other Bureau programs which affect priority, but, taken as a whole, the proposal is quite firm. The distribution is as follows:

Aberdeen Area - $5,872,000. The program will grade and drain 74 miles, gravel surface 52 miles, bituminous surface 103 miles, construct 137 linear feet of bridge, and produce 243 miles of surveys and plans for future construction in the States of North Dakota, South Dakota, and Nebraska.

Albuquerque Area - $4,867,000. The program will grade and drain 38 miles, bituminous surface 33 miles, construct 150 linear feet of bridge, and produce 87 miles of surveys and plans for future construction in the States of Colorado and New Mexico.

Anadarko Area - $1,064,000. The program will grade and drain 20 miles, bituminous surface 23 miles, construct 156 linear feet of bridge in the State of Oklahoma, and produce 34 miles of surveys.

Billings Area - $5,361,000. The program will grade and drain 86 miles, gravel surface 55 miles, bituminous surface 54 miles, construct 265 linear feet of bridge, and produce 13 miles of surveys in the States of Montana and Wyoming.

Juneau Area - $1,097,000. The program will grade and drain 6 miles and gravel surface 2 miles, and survey 20 miles in the State of Alaska.

Minneapolis Area - $1,471,000. The program will grade and drain 6 miles, bituminous surface 8 miles, construct 396 linear feet of bridge in the States of Michigan, Minnesota, and Wisconsin, and produce 37 miles of surveys.

Muskogee Area - $1,284,000. The program will grade and drain 13 miles, bituminous surface 23 miles, construct 150 linear feet of bridge, and produce 28 miles of surveys and plans in the State of Oklahoma.

Navajo Area - $16,491,000. The program will grade and drain 61 miles, bituminous surface 61 miles, construct 700 linear feet of bridge, and produce 242 miles of surveys and plans in the States of Arizona, New Mexico, and Utah.

Phoenix Area - $10,298,000. The program will grade and drain 90 miles, gravel surface 15 miles, bituminous surface 170 miles, construct 150 linear feet of bridge, and produce 63 miles of surveys and plans in the States of Arizona, Nevada, and Utah.

Portland Area - $4,823,000. The program will grade and drain 43 miles, bituminous surface 63 miles, construct 140 linear feet of bridge, gravel surface 6 miles, and produce 90 miles of surveys and plans for future projects in the States of Idaho, Oregon, and Washington.

Sacramento Area - $988,000. The program will grade and drain 6 miles, bituminous surface 2 miles, construct 86 linear feet of bridges, and produce surveys and plans for 28 miles of construction in the State of California.

Southeastern Agencies - $703,000. The program includes Central Office program supervision and central design at Albuquerque as well as operations at Cherokee, North Carolina; Choctaw, Mississippi; and Big Cypress, Brighton, and Miccosukee, Florida reservations. The field work will grade and drain 15 miles, bituminous surface 6 miles, and produce 23 miles of surveys and plans and design at Albuquerque.

Engineering Supervision and Training - $2,681,000. This item represents the amount required to pay salaries and related expenses for the Central Office administration of the road construction program and for on-reservation training of Indians in heavy equipment operation and maintenance as well as road construction.

Personnel Summary

Road Construction (Liquidation of Contract Authority)

	1972 Actual	1973 Estimate	1974 Estimate
BUREAU OF INDIAN AFFAIRS			
Total number of permanent positions.....	400	460	460
Full-time equivalent of other positions...	384	1,006	1,251
Average paid employment.....	748	1,417	1,675
Average GS grade.....	7.6	7.6	7.6
Average GS salary.....	$11,432	$11,565	$11,680
Average salary of ungraded positions.....	$ 9,005	$ 9,545	$10,500
ALLOCATION TO FEDERAL HIGHWAY ADMINISTRATION DEPARTMENT OF TRANSPORTATION			
Total number of permanent positions.....	7	7	7
Average paid employment.....	7	7	7
Average GS grade.....	7.8	7.6	7.6
Average GS salary.....	$12,121	$11,611	$11,765

ITEMIZATION OF ESTIMATE

DEPARTMENT OF THE INTERIOR
APPROPRIATION TITLE: Road Construction (Liquidation of Contract Authority) Bureau of Indian Affairs

	Actual 1972	Estimate 1973	Estimate 1974	Increase(+) Decrease(-)
Program and Financing				
Total obligations.....	$39,086,163	$55,181,679	$57,000,000	$+1,818,321
Unobligated balance available, start of year.....	-64,267,842	-55,181,679	-60,000,000	-4,818,321
Unobligated balance available, end of year..	55,181,679	60,000,000	78,000,000	+18,000,000
Contract authority (New) (Perm).....	30,000,000	60,000,000	75,000,000	+15,000,000

ITEMIZATION OF ESTIMATE (con.)

		Actual 1972	Estimate 1973	Estimate 1974	Increase (+) Decrease (-)
Obligations by Object					
BUREAU OF INDIAN AFFAIRS					
11.0	Personnel compensation....	$ 8,723,000	$14,447,000	$16,646,000	$+2,199,000
	Personnel benefits:				
12.1	Civilian.....	655,000	1,156,000	1,412,000	+256,000
21.0	Travel and transportation of persons.....	505,000	550,000	600,000	+50,000
22.0	Transportation of things..	358,000	400,000	500,000	+100,000
23.0	Rent, communications, and utilities.....	1,083,000	1,500,000	2,000,000	+500,000
24.0	Printing and reproduction.	---	100,000	100,000	---
25.0	Other services.....	9,577,000	2,000,000	2,500,000	+500,000
26.0	Supplies and materials....	2,749,000	10,000,000	12,000,000	+2,000,000
31.0	Equipment.....	2,480,000	2,000,000	2,000,000	---
32.0	Lands and structures.....	12,148,163	21,571,679	19,022,000	-2,549,679
41.0	Grants, subsidies and contributions.....	39,000	---	---	---
42.0	Insurance claims and indemnities.....	7,000	---	---	---
	Subtotal.....	38,324,163	53,724,679	56,780,000	+3,055,321
	Quarters and subsistence charges.....	-80,000	-80,000	-80,000	---
	Total, Bureau of Indian Affairs.....	38,244,163	53,644,679	56,700,000	+3,055,321
ALLOCATION TO FEDERAL HIGHWAY ADMINISTRATION, DEPARTMENT OF TRANSPORTATION					
11.0	Personnel compensation....	95,000	99,000	104,000	+5,000
	Personnel benefits:				
12.1	Civilian.....	8,000	8,000	8,000	---
21.0	Travel and transportation of persons.....	37,000	37,000	37,000	---
22.0	Transportation of things..	4,000	4,000	4,000	---
24.0	Printing & reproduction...	1,000	1,000	1,000	---
25.0	Other services.....	61,000	61,000	61,000	---
26.0	Supplies and materials....	1,000	1,000	1,000	---
32.0	Lands and structures	635,000	1,326,000	84,000	-1,242,000
	Total, Federal Highway Administration..	842,000	1,537,000	300,000	-1,237,000
	Total obligations.....	39,086,163	55,181,679	57,000,000	+1,818,321

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS

Federal-Aid Highway Roads

Area Budget Classification - Breakdown 1974

Area	Total Funds	Grade & Drain		Surfacing				Bridges		Surveys & Plans	
				Gravel		Bituminous					
		Miles	Amount	Miles	Amount	Miles	Amount	Lin. Feet	Amount	Miles	Amount
Aberdeen	$5,872,000	74	$2,290,000	52	$213,000	103	$2,574,000	137	$95,000	243	$700,000
Albuquerque	4,867,000	38	2,227,000	--	---	33	1,864,000	150	169,000	87	607,000
Anadarko	1,064,000	20	419,000	--	---	23	467,000	156	94,000	34	84,000
Billings	5,361,000	86	2,897,400	55	771,000	54	1,054,600	265	325,000	13	313,000
Juneau	1,097,000	6	806,000	2	105,000	--	---	---	---	20	186,000
Minneapolis	1,471,000	6	313,000	--	---	8	510,000	396	371,000	37	277,000
Muskogee	1,284,000	13	370,000	--	---	23	570,000	150	150,000	28	194,000
Navajo	16,491,000	61	7,350,000	--	---	61	5,700,000	700	1,000,000	242	2,441,000
Phoenix	10,298,000	90	3,910,000	15	760,000	170	4,889,000	150	100,000	63	639,000
Portland	4,823,000	43	1,946,000	6	135,000	63	1,840,000	140	151,000	90	751,000
Sacramento	988,000	6	598,000	--	---	2	176,000	86	66,000	28	148,000
Southeastern	703,000	15	491,000	--	---	6	118,000	---	---	23	94,000
Engineering Supervision & Training	2,681,000										2,681,000
Total	$57,000,000	458	$23,617,400	130	$1,984,000	546	$19,762,600	2,330	$2,521,000	908	$9,115,000

OBLIGATIONS AND EXPENDITURES

Mrs. HANSEN. Your obligations in 1972 were about $39 million. Expenditures were approximately $27 million. Is that correct?

Mr. NELSON. That is right. I would like to give you some pictures with regard to this.

Mrs. HANSEN. I have a good mental picture of this area.

Mr. NELSON. Here are some on Papago showing one of our better roads.

Here are pictures of roads now under construction in California.

Mrs. HANSEN. In 1974 you propose obligations of $57 million. What is involved in this request for your road program? You are going to embark on quite a sizable increase over fiscal year 1972.

Mr. NELSON. Under the Federal aid program of 1973 now before Congress, the House has indicated $100 million for construction for the next 3 years and the Senate is authorizing $75 million. This will be before the committee and I imagine it will be resolved.

Mrs. HANSEN. $75 million per year?

Mr. NELSON. Yes, for 1974, 1975, and 1976.

Mrs. HANSEN. What did you actually spend in 1972 for roads and how many miles did you construct? How many miles do you maintain per year?

Mr. NELSON. I do not have those records with me but I can supply you that information.

[The information follows:]

ROAD CONSTRUCTION

The fiscal year 1972 expenditures were $27,261,000. Construction included 245 miles grade and drain, and 439 miles surfaced. There are 21,559 miles being maintained per year.

ACCELERATION OF ROAD CONSTRUCTION PROGRAM

Mr. WILES. The Secretary is strongly behind the road program. It was at his initiative that this authorization is jumping from $50 million up to $75 million and $100 million. This 5-year program was his idea.

Mrs. HANSEN. If you do not provide adequate road construction you have no way to move the schoolbuses. You also have to consider economic development. Also your health programs are contingent on your ability to reach the health centers. Is that correct?

Mr. NELSON. That is correct.

Mr. SYKES. Our expenditures for roads were more than doubled in 1974 over 1972.

Mrs. HANSEN. How much of that will you be allowed to spend? How much do you have in the 1974 budget?

Mr. SYKES. $57 million.

Mrs. HANSEN. How many miles will that construct?

Indicate for the record the number of reservations, the number of people served, and the number of school bus miles traveled.

Mr. NELSON. I will give you a table for the record.

[The table follows:]

HIGHEST PRIORITY ROAD CONSTRUCTION PROJECTS F.Y. 1974

LOCATION Aberdeen

AREA FUTURE SURVEYS 450

P.L. 638	RESERVATION	RT. NO.	ROUTE NAME	CLASS	GRADE & DRAIN		GRAVEL		BITUMINOUS		BRIDGE		TOTAL FY	ADVANCED	
					M-$	MILES	M-$	MILES	M-$	MILES	L.F.	M-$			
1	Standing Rock	21	Bullhead-Walker Road	1					268.	9.0			268.		
2	Crow Creek	2	Grace-Mission Shelby	4	177.	6.0	30.	6.0			32'	25.	232.		
3	Sisseton	12	Owens Road	4	123.	3.8	5.	3.8					128.		
4	Lower Brule	10	Cedar Creek Road	1					365.	18.0			365.		
5	Cheyenne River	8	Bridger-Cherry Cr.-Promise	1					56.	1.6			56.		
6	Santee	4	Santee Streets	3					13.	0.3			13.		
7	Winnebago	30	Agency Loop Road	4					65.	3.0			65.		
8	Fort Berthold	1400	Lost Bridge Cut-Off	4	400.	12.9	30.	12.9	96.	4.0			526.		
9	Pine Ridge	41	Red Shirt-Chadron	2			61.	14.8					61.		
10	Fort Totten	6	East-West Road	4	45.	1.5			119.	4.0			164.		
11	Rosebud	9	Soldier Creek-Ring Thunder	4			20.	1.0					20.		
12	Yankton	31	Lake Andes Housing	3					40.	0.7			40.		
13	Turtle Mountain	23	West Reservation Line	4	130.	2.5	8.	1.0					138.		
14	Omaha	50	Macy Cut-Off	4	54.	2.5			50.	2.5	105'	70.	174.		
15	Cheyenne River	6	Red Scaffold Road	2	78.	1.5			307.	8.0			385.		
16	Pine Ridge	27	Porcupine-Rockyford	1					210.	10.2			210.		

HIGHEST PRIORITY ROAD CONSTRUCTION PROJECTS F.Y. 1974

AREA OFFICE Aberdeen

AREA FUTURE SURVEYS

PR. NO.	RESERVATION	RT. NO.	ROUTE NAME	CLASS	GRADE & DRAIN		GRAVEL		BITUMINOUS		BRIDGE		TOTAL FY74	ADVANCED	BALANCE DUE
					M-$	MILES	M-$	MILES	M-$	MILES	L.F.	M-$			
17	Rosebud	9	Soldier Creek-Ring Thunder	4	114.	4.0	36.	4.0					150.		
18	Standing Rock	34	Little Eagle Loop	3					31.	1.0			31.		
19	Turtle Mountain	5	East Bus Loop	4	250.	5.0	20.	5.0					270.		
	Sisseton	700	Oil Agency Road	4	66.	3.0	3.	3.0					69.		
21	Yankton	33	Wagner Streets	3					50.	1.0			50.		
22	Winnebago	17B	Big Bear Hollow	4					107.	3.0			107.		
23	Cheyenne River	2000	Cherry Creek Community Sts.	3	21.	0.4			44.	1.3			65.		
24	Pine Ridge	2	Wamblee Buffalo Gap	2					235.	10.0			235.		
25	Rosebud	7	Six Mile Corner-Rosebud-Parmelee	1	150.	6.0			200.	8.0			350.		
	Standing Rock	100	Cannon Ball Streets	3					52.	5.9			52.		
27	Yankton	29	Greenwood Streets	3					21.	0.6			21.		
	Cheyenne River	1000	Bridger Road	2	63.	1.5							63.		
29	Pine Ridge	17	Interior-Kyle	2					120.	5.0			120.		
30	Rosebud	12	Red Bird Road	4	28.	1.5							28.		
31	Standing Rock	600	Shields - Fort Yates	1					62.	3.8			62.0		
32	Pine Ridge	27	Porcupine - Rockyford	1	212.	12.0							212.0		

HIGHEST PRIORITY ROAD CONSTRUCTION PROJECTS F.Y. 1974

DISTRICT Aberdeen

AREA FUTURE SURVEYS

PRI NO	RESERVATION	RT. NO.	ROUTE NAME	CLASS	GRADE & DRAIN M-$	GRADE & DRAIN MILES	GRAVEL M-$	GRAVEL MILES	BITUMINOUS M-$	BITUMINOUS MILES	BRIDGE L.F.	BRIDGE M-$	TOTAL FY74	ADVANCED	BALANCE DUE
33	Standing Rock	3500	Bullhead Streets	3	8.	0.7			44.	1.4			520		
34	Pine Ridge	23	Porcupine Bus Spur Route	4					19.	1.0			190		
35	Standing Rock	400	Little Eagle Road	2	371.	9.0							3710		
												SUB-TOTAL	5,172.0		
												SURVEYS	450.0		
												AREA TOTAL	5,622.0		

HIGHEST PRIORITY ROAD CONSTRUCTION PROJECTS F.Y. 1974

AGENCY ALBUQUERQUE

AREA FUTURE SURVEYS 400

NO.	RESERVATION	RT. NO.	ROUTE NAME	CLASS	GRADE & DRAIN		GRAVEL		BITUMINOUS		BRIDGE		TOTAL FY'74	ADJUSTED	BALANCE
					M-$	MILES	M-$	MILES	M-$	MILES	L.F.	M-$			
x 1	JICARILLA	8(2)	Stonelake Road	1	314.	5.2			282.	5.2			596.0		
x 2	MESCALERO	4(3)	Carrizo School Road	2	282.	2.5			154.				436.0		
x 3	ZUNI	327 (4)	Zuni Streets	3	175.	2.5			121.	2.5			296.0		
x 4	ACOMA	34 (3)	McCartys - Seama	2	300.	6.5			326.	6.5			626.0		
x 5	Ute Mt. Ute	204 (2)	Mancos Canyon Road	2	283.	5.4			154.	2.4	150'	169.0	606.0		
x 6	Ramah	125 (4)	Ramah School Bus Route	2	131.	5.0			200.	5.0			411.0		
x 7	Mescalero	376 (1)	Housing Streets	3	355.	5.0			236.	5.0			591.0		
x 8	Zuni	5(2)	Nutria Road	4	307.	6.3			311.	6.3			690.0		
												SUB-TOTAL	4260.0		
												SURVEYS	400.0		
												AREA TOTAL	4660.0		

HIGHEST PRIORITY ROAD CONSTRUCTION PROJECTS F.Y. 1974

Area Office: Anadarko Area Office

AREA FUTURE SURVEYS 19

NO.	RESERVATION	RTE. NO.	ROUTE NAME	CLASS	GRADE & DRAIN M - $	GRADE & DRAIN MILES	GRAVEL M-$	GRAVEL MILES	BITUMINOUS M-$	BITUMINOUS MILES	BRIDGE L.F.	BRIDGE M-$	TOTAL FY 74	ADVANCED	BALANCE DUE
1	Anadarko	4416	West of Stinking Creek	4					150.	7.5			150.00		
2 X	Shawnee	477	Nocassin Trail	4	210.	10.0			92.	5.0	156.	94.	396.00		
3	Anadarko	452	P.H.S. Hospital Road	4					32.	1.5			32.00		
4 X	Pawnee ✓	6022	Ponca Road	4	84.	3.7			76.	3.7			160.00		
5	Concho ✓	552	Watonga Community Hall Road	4	55.	3.0			55.	3.0			110.00		
6	Concho ✓	571	Lamebull Road	4	70.	3.0			62.	3.0			132.00		
													980.0		
												Surveys	39.0		
												AREA TOTAL	1019.0		

HIGHEST PRIORITY ROAD CONSTRUCTION PROJECTS F.Y. 1974

L[illegible]on Billings

AREA FUTURE SURVEYS 157

PR.	RESERVATION	RT. NO.	ROUTE NAME	CLASS	GRADE & DRAIN M-S	GRADE & DRAIN MILES	GRAVEL M-S	GRAVEL MILES	BITUMINOUS M-S	BITUMINOUS MILES	BRIDGE L.F.	BRIDGE M-S	TOTAL FY 74	ADVANCED	BALANCE
1	Blackfoot	43-A-1	Townsite Housing (Blackfoot)		45.0	1.6	20.0	1.6	55.0	1.6			120.0		
2	Blackfeet	45-A-1	Heart Butte Housing		27.0	0.4	12.0	0.4	31.0	0.4			70.0		
3	Crow		Housing Access		15.0	0.3	10.0	0.3					25.0		
4	N. Cheyenne	5-A	Muddy Creek Road		58.0	1.7	30.0	2.7	22.8	5.7			110.8		
5	Rocky Boy's	5-AB(2)	Sangree School - Haystack						208.0	8.7			208.0		
6	Ft. Peck	9-A-1	Wolf Point Housing		140.0	3.5	70.0	3.5	100.0	4.5			310.0		
7	Crow	91A-2, A-3	St. Xavier - Pryor		439.3	5.0	89.0	7.7	102.8	10.7			631.1		
8	Wind River	20A	Plunkett Field Road		95.6	2.7			366.8	7.7			462.4		
9	Blackfeet	23-A-1	Birch Creek Valley Road		195.0	10.0	70.0	11.5					265.0		
	Ft. Belknap	8-A-1&2	Lodgepole - Dodson Rd.		487.0	7.0	100.0	10.0			90'-0"	100.0	687.0		
11	Blackfeet	1-B-5	Heart Butte Short Cut				55.0	4.3	10.0	4.3			65.0		
12	Blackfeet	4-A2	Heart Butte Old Agency						48.0	12.0			48.0		
13	Ft. Peck	1-80A&90A 1-110A	Oswego Fraser & Pyota-Blair		219.5	5.0					100	125.0	344.5		
14 X	Wind River	1-A	Sage Creek Road		108.0	3.0							108.0		
15	Northern Cheyenne	210-A	West Fork Muddy Creek		210.0	7.0	70.0	7.0	29.2	7.0			309.2		
16	Wind River	101-A-1	Maverick - Mail Camp Rd.		200.0	5.0							200.0		

HIGHEST PRIORITY ROAD CONSTRUCTION PROJECTS F.Y. 1974

ation Billings

AREA FUTURE SURVEYS 157

P.	RESERVATION	RT. NO.	ROUTE NAME	CLASS	GRADE & DRAIN M-$	GRADE & DRAIN MILES	GRAVEL M-$	GRAVEL MILES	BITUMINOUS M-$	BITUMINOUS MILES	BRIDGE L.F.	BRIDGE M-$	TOTAL FY 74	ADVANCED	BALANCE
7	Blackfeet	33A-1	Browning Housing Streets		65.5	1.0	20.0	1.0	32.0	1.0			117.5		
8	Rocky Boy's	9A-3	Laredo Road		204.5	5.0	80.0	5.0					284.5		
9	N. Cheyenne	6B-1	4th Street Bridge, Lame Deer								67'7"	70.0	70.0		
0	Blackfeet	15-2	Seal 17.2 Mi of Route 1						70.0	17.2			70.0		
	Flathead	44-B2	Little Bitter Route Bridge		275.0	4.5	100.0	4.5	25.0	4.5	75'	100.0	470.0		

SUB-TOTAL 4,976.0

SURVEYS 157.0

AREA TOTAL $,133.0

HIGHEST PRIORITY ROAD CONSTRUCTION PROJECTS F.Y. 1974

LOCATION JUNEAU

AREA FUTURE SURVEYS 140

PR. NO.	RESERVATION	RT. NO.	ROUTE NAME	CLASS	GRADE & DRAIN		GRAVEL		BITUMINOUS		BRIDGE		TOTAL FY	ADVANCED	
					M-$	MILES	M-$	MILES	M-$	MILES	L.F.	M-$			
1	SOUTHEAST	17	Hoonah Cannery Road	3	155.	0.1	55.	1.1					210.0		
X 2	ANCHORAGE	3	Barrow Streets, Block A	3	164.	0.9	50.	1.2					214.0		
X 3	ANCHORAGE	23	Gulkana Streets	3	100.	1.2							100.0		
X 4	FAIRBANKS	21	Northway Streets	3	85.	1.5							85.0		
X 5	FAIRBANKS	12	Nulato Streets	3	100.	1.2							100.0		
6	SOUTHEAST	4	Metlakatla Streets	3	202.	0.9							202.0		
												SUB-TOTAL	911.0		
												SURVEYS	140.0		
												AREA TOTAL	1051.0		

HIGHEST PRIORITY ROAD CONSTRUCTION PROJECTS F.Y. 1974

LOCATION MINNEAPOLIS

AREA FUTURE SURVEYS 215

PRJ NO.	RESERVATION	RT. NO.	ROUTE NAME	CLASS	GRADE & DRAIN		GRAVEL		BITUMINOUS		BRIDGE		TOTAL FY	ADVANCED
					M-$	MILES	M-$	MILES	M-$	MILES	L.F.	M-$		
1	WHITE EARTH	408-60	White Earth Village Streets	3	154.	3.2			243.	3.2			397.0	
2	BAD RIVER	430-9	Bad River Community Road	3	21.	0.4			35.	0.6	34'	34.0	90.0	
3	ST. CROIX	436-52	St. Croix Community Road	4	25.	0.5			25.	0.5			50.0	
4	LAC DU FLAMBEAU	432-11	Lac Du Flambeau Village Streets	3	15.	0.5			55.	1.5			70.0	
5	RED LAKE	409-50	Ponemah Village Streets	3	98.	2.0			152.	2.0			250.0	
6	RED LAKE	409-50	Ponemah Road								362	337.0	337.0	
											SUB-TOTAL		1,194.0	
											SURVEYS		215.0	
											AREA TOTAL		1,409.0	

HIGHEST PRIORITY ROAD CONSTRUCTION PROJECTS F.Y. 1974

AGENCY MUSKOGEE

AREA FUTURE SURVEYS 140

PR. NO	RESERVATION	RT. NO.	ROUTE NAME	CLASS	GRADE & DRAIN		GRAVEL		BITUMINOUS		BRIDGE		TOTAL FY74	ADVANCED
					M-$	MILES	M-$	MILES	M-$	MILES	L.F.	M-$		
1X	CHEROKEE	0608	Spavinaw Creek	2					190.	5.4			190.0	
2X	CHOCTAW	4003	Smithville Road	4	140.	4.9							140.0	
3X	CHEROKEE	1602	Elk Creek Road	4	55.	1.5					50'	50.	105.0	
4X	CHEROKEE	716	Beaty Creek Road	4	55.	1.8					100'	100.	155.0	
5X	CREEK	1807	Ryals-Graham Road	4	120.	4.8			190.	4.8			310.0	
6X	CHEROKEE	73	Kenwood - Jay (overlay)	2					190.	12.8			190.0	
											SUB-TOTAL		1,090.0	
											SURVEYS		140.0	
											AREA	TOTAL	1,230.0	

HIGHEST PRIORITY ROAD CONSTRUCTION PROJECTS F.Y. 1974

LOCATION NAVAJO

AREA FUTURE SURVEYS 1737

PR. NO.	RESERVATION	RT. NO.	ROUTE NAME	CLASS	GRADE & DRAIN		GRAVEL		BITUMINOUS		BRIDGE		TOTAL FY74	ADVANCED
					M-$	MILES	M-$	MILES	M-$	MILES	L.F.	M-$		
1	FT. DEFIANCE	27	Ganado to Nazlini Jct. N27(1)	2	1,400	12.7			1,400	12.7	250	500.0	3,300.0	
2	TUBA CITY	20	Coppermine - Page	4	2,550	19.0			1,700	19.0			4,250.0	
3	SHIPROCK	5	U.S. 666 - Burnham N5W		1,500	13.0			1,000	13.0	450	500.0	3,000.0	
4	EASTERN NAVAJO	9	White Horse - Pueblo Pintado N9(2)	1	1,900	16.0			1,600	16.0			3,500.0	
												SUB-TOTAL	14,050.0	
												SURVEYS	1,737.0	
												AREA TOTAL	15,787.0	

HIGHEST PRIORITY ROAD CONSTRUCTION PROJECTS F.Y. 1974

AGENCY PHOENIX

AREA FUTURE SURVEYS 200

PR NO.	RESERVATION	RT. NO.	ROUTE NAME	CLASS	GRADE & DRAIN		GRAVEL		BITUMINOUS		BRIDGE		TOTAL FY74	ADVANCED	BALANCE DUE
					M-$	MILES	M-$	MILES	M-$	MILES	L.F.	M-$			
1	GOSHUTE	1	Goshute Road	4 M					200.	20.0			200.0		
2	FT. APACHE	3	Cibegue Streets	3 M	180.	3.0			120.	3.0			300.0		
3	FT. MCDOWELL	102	Ft. McDowell Streets	3					50.	1.0			50.0		
4	SAN CARLOS	3	Old U.S. 70 Betterment	4					200.	5.0			200.0		
5	COLORADO RIVER	-	West Cocopah Road	4					100.	1.5			100.0		
6	HOPI	506	2ND MESA ACCESS ROAD	4	190.	3.2			60.	3.2			250.0		
7	HUALAPAI	18	18(20) Hualapai Trail	2	250.	5.6							250.0		
8	PAPAGO	1	Gu Vo to Menegers Dam	4					1,100.	19.0			1,100.0		
9	UINTAH & OURAY	6	Whiterocks & Ft. Duchesne Sts.	3	200.	3.0			150.	3.0			350.0		
10	SALT RIVER	11	Alma School Road	4					65.	3.8			65.0		
11	PIMA	177	McKay Road	4					100.	2.0			100.0		
12	FT. APACHE	4	Canyon Day Streets	3			150.	3.0	150.	3.0			300.0		
13	COLORADO RIVER	-	Chemehevi Streets	3			150.	3.0	150.	3.0			300.0		
14	NEVADA	1	Carson Colony Streets	3			10.	0.3	30.	0.3			40.0		
15	PAPAGO	19	Vamari Road	4			450.	8.5	150.	8.5			600.0		
16	UINTAH & OURAY	7	East-West Trail	2	400.	5.0							400.0		

HIGHEST PRIORITY ROAD CONSTRUCTION PROJECTS F.Y. 1974

LOCATION PHOENIX

AREA FUTURE SURVEYS

P.A. NO.	RESERVATION	RT. NO.	ROUTE NAME	CLASS	GRADE & DRAIN		GRAVEL		BITUMINOUS		BRIDGE		TOTAL FY'74 ADVANCED	
					M-$	MILES	M-$	MILES	M-$	MILES	L.F.	M-$		
17	SALT RIVER	19	North Mesa Drive	4	40.	1.3			20.	1.3			60.0	
18	PIMA	108	108 (1)	4	75.	2.0			25.	2.0			100.0	
19	HUALAPAI	18	18(18)(A) Hualapai Trail	4					338.	13.5			338.0	
20	SAN CARLOS	8	Geronimo Trail	1	200.	2.0							200.0	
21	FT. McDowell	102	Ft. McDowell Community Streets	3					30.	1.3			30.0	
22	HOPI	56	Stace Highway 264 to Low Mtn.	4	800.	17.0							800.0	
23	PAPAGO	34	Santa Road to Sil Nakey	4	400.	12.0			200.	12.0			600.0	
24	PAPAGO	35	Santa Rosa to Queens Well	4	220.	12.0			320.	12.0			540.0	
25	NEVADA	101	Reno Sparks Colony Streets	3	40.	0.5			40.	0.5			80.0	
26	PIMA	200	Casa Blanca Streets	3	100.	4.0			100.	4.0			200.0	
27	COLORADO RIVER		Agnes Wilson Road - 2 Bridges	3							2 - 75'	100.0	100.0	
28	COLORADO RIVER		Fort Yuma Farm Roads	4	180.	2.5			45.	2.5			225.0	
29	NEVADA	Var.	Farm Roads	4					250.	12.0			250.0	
30	PAPAGO	23	Route 34 to Kaka	4	300.	9.0			240.	9.0			540.0	
31	FT. APACHE	12	Cibecue Road - Align & Overlay	1	100.	1.0			300.	12.0			400.0	
32	FT. APACHE	5	Seven Mile - Community Streets	3	50.	1.5			50.	1.5			100.0	

HIGHEST PRIORITY ROAD CONSTRUCTION PROJECTS F.Y. 1974

LOCATION PHOENIX

AREA FUTURE SURVEYS

PRI NO	RESERVATION	RT. NO.	ROUTE NAME	CLASS	GRADE & DRAIN M-$	GRADE & DRAIN MILES	GRAVEL M-$	GRAVEL MILES	BITUMINOUS M-$	BITUMINOUS MILES	BRIDGE L.F.	BRIDGE M-$	TOTAL FY	ADVANCED
33	SALT RIVER	15	Country Club Drive	4	60.	2.5			56.	2.5			116.0	
34	PIMA	104	Blackwater Road	4					125.	5.0			125.0	
35	SALT RIVER	102	Lehi Subdivision	3	50.	1.0			50.	1.0			100.0	
36	PAPAGO	101	Sells Streets	3	75.	1.5			75.	1.5			150.0	
												SUBTOTAL	9659.0	
												SURVEYS	200.0	
												AREA TOTAL	9859.0	

HIGHEST PRIORITY ROAD CONSTRUCTION PROJECTS F.Y. 1974 (Revised 12/13/72)

Portland

AREA FUTURE SURVEYS $476.0

	PRESERVATION	RT. NO.	ROUTE NAME	CLASS	GRADE & DRAIN		GRAVEL		BITUMINOUS		BRIDGE		TOTAL FY74	ADVANCED	FAS DUE
					M-$	MILES	M-$	MILES	M-$	MILES	L.F.	M-$			
1	Colville	13-1	Cache Creek Road	2	100.	2.0			100.	2.0			200.		
2	Yakima	64-1	White Swan Streets	3	83.	1.0			83.	1.0			166.		
3	Warm Springs	2-1	Whitewater-Beaver Creek Road	4	53.	1.3							53.		
4	Warm Springs	2B-2	Whitewater-Beaver Creek Road	4							43	63.	63.		
5	Quinault	26-8	Moclips-Olympic Highway	2	247.	2.3							247.		
6	Fort Hall	33-1	Sand Road	4					73.	6.0			73.		
7	Kalispell	1-1	LeClere Highway	4	88.	3.6			100.	3.6			188.		
8	Spokane	27-8	Wellpinit-Little Falls Road	2	94.	0.6			30.	0.6			124.		
9	Colville	1-6	Silver Creek Road	2	259.	8.0			260.	13.0			519.		
	Warm Springs	8003-2	Kah-Nee-Ta Lodge Road	4					53.	0.6			53.		
10	Warm Springs	9-7	Simnasho-He He Road	2	120.	1.3			198.	1.3			318.		
	Warm Springs	9B-8	Simnasho-He He	2							100	88.	88.		
	Quinault	6-1	Smokehouse Road	4	40.	1.8			69.	1.8			109.		
4	Fort Hall	89-1-2	Ariwite Road	4					73.	5.8			73.		
5	Fort Hall	15-1	Lincoln Creek-Little Indian Road	4					40.	1.4			40.		
6	Fort Hall	73-1	Hawthorne Road	4	163.	4.0							163.		
7	Spokane	27-9	Wellpinit-Little Falls Road						60.	7.4			60.		

HIGHEST PRIORITY ROAD CONSTRUCTION PROJECTS F.Y. 1974

...ON Portland Page 2

AREA FUTURE SURVEYS $476.0

...	RESERVATION	RT. NO.	ROUTE NAME	CLASS	GRADE & DRAIN		GRAVEL		BITUMINOUS		BRIDGE		TOTAL FY74	ADVANCED	...
					M-$	MILES	M-$	MILES	M-$	MILES	L.F.	M-$			
8	Spokane	24-2	Drum Road	4	199.	2.6			70.	2.6			269.		
9	Yakima	255-3	Klickitat River Road	2			135.	6.1					135.		
0	Coeur d'Alene	24-1	Moctileme-Lovell Road	4	80.	4.0			79.	4.0			159.		
1	Yakima	140-3	Signal Peak Road	2	60.	3.0			452.	10.0			512.		
	Colville	13-2	Cache Creek Road	2	210.	6.0							210.		
3	Warm Springs	3-15	Agency Simnasho Road	2	150.	2.0			100.	2.0			250.		
4	Fort Hall	68E-1	Sheepskin Bridge	4							90	70.0	70.		
											Sub-Total		4142.0		
											Surveys		476.0		
											AREA TOTAL		4618.0		

HIGHEST PRIORITY ROAD CONSTRUCTION PROJECTS F.Y. 1974

LOCATION SACRAMENTO

AREA FUTURE SURVEYS 106

PR. NO.	RESERVATION	RT. NO.	ROUTE NAME	CLASS	GRADE & DRAIN		GRAVEL		BITUMINOUS		BRIDGE		TOTAL FY74	ADVANCED	
					M-$	MILES	M-$	MILES	M-$	MILES	L.F.	M-$			
1	BISHOP	159	Reservation Streets	3	200.	1.1			90.	1.5			290.0		
2	HOOPA	116	Tish-Tang Road	4	100.	0.7			72.	0.1			172.0		
3	SOUTHERN CALIF.	42	Los Coyotes	4	275.	4.0							275.0		
4	HOOPA EXT.	3	Tully Creek Road	4							86'	66.0	66.0		
5	HOOPA EXT.	10	Weitchpec Village	2	23.	0.1			14.	0.1			37.0		
											SUB-TOTAL		840.0		
											SURVEYS		106.0		
											AREA TOTAL		946.0		

HIGHEST PRIORITY ROAD CONSTRUCTION PROJECTS F.Y. 1974

...ATION Southeastern Agencies

AREA FUTURE SURVEYS 65.0

PR. NO	RESERVATION	RT. NO.	ROUTE NAME	CLASS	GRADE & DRAIN M-$	GRADE & DRAIN MILES	GRAVEL M-$	GRAVEL MILES	BITUMINOUS M-$	BITUMINOUS MILES	BRIDGE L.F.	BRIDGE M-$	TOTAL FY74	ADVANCE	REMARKS
1	Cherokee	410	Big Cove Loop Road	4M	150.	2.8			42.	2.8			192.0		
2	Big Cypress	1299	Cowbone Island	4R	105.	2.6							105.0		
3	Choctaw	451	East Tucker Loop	4N	58.	4.5							58.0		
4	Cherokee	438	Adams Creek Road	4M	108.	2.0							108.0		
5	Seminole	1295	Hollywood Street	3M	50.	1.5			30.	1.5			80.0		
6	Choctaw	26 & 263	Loop Road	4N	20.	1.7			46.	1.7			66.0		
												Sub-Total	609.0		
												Surveys	65.0		
										AREA TOTAL			674.0		

ROAD CONSTRUCTION

There are 177 reservations and 533,700 reservation Indians being served. There are 11,922 school-bus miles traveled.

UNEXPENDED BALANCE

Mrs. HANSEN. Please explain the $15 million unexpended balance at the end of 1973.

Mr. NELSON. That was money put in which was held in reserve.

Mr. YATES. Why?

Mr. WILES. The amount in reserve is obligational authority under the Highway Act. The cash is available for expenditure.

Mrs. HANSEN. But the obligation is in reserve.

Mr. WILES. The Highway Act authorizes obligations for 2 years and moves it forward a year. We have never used the advance authority. We have used it for the year it is authorized. Most roads authority in reserve is authority which is not scheduled for use in that year.

I don't know what the Bureau has in reserve.

Mr. SYKES. Only about $3 million.

Mr. WILES. It is very small.

EXPENDITURE OF FISCAL YEAR 1974 FUNDS

Mrs. HANSEN. What assurances do we have that you will be capable of spending the full $58 million requested to be available in 1974?

Mr. NELSON. I am sure we can let out contracts immediately because all our design is completed. We will be able to contract it out immediately.

Mrs. HANSEN. As long as the funds are not impounded.

Mr. WILES. Coming into fiscal 1974 they will have $31,912,000 of unliquidated obligations. These are obligations where contractors are on the job and have to be paid out of the $57 million. There is $32 million gone right there.

Mr. YATES. You have $17 million left.

Mr. WILES. You have contractors working now and they are paid on a monthly basis as they complete the work. At the end of the year there will be $31.9 million of unliquidated obligations which will have to be paid off in 1974 as these contractors continue to work. Out of that $57 million, $32 million is for ongoing work.

INDIAN EMPLOYMENT IN ROAD PROGRAM

Mr. YATES. How much employment does the roadbuilding provide?

Mr. NELSON. Roadbuilding construction program is very good. It employs somewhere in the neighborhood of 65 to 70 percent Indians.

Mr. YATES. Any idea as to the number?

Mr. NELSON. No.

Mrs. HANSEN. If you had them trained as laborers you could employ a higher number. Isn't that correct?

Mr. NELSON. Yes. As mentioned, the Indian action team is involved and next year we will have the training complete so the Indians can bid the projects for maintenance and construction of some roads.

Mrs. HANSEN. Do you want to review the Indian action program?

Mr. YATES. I am sorry I missed that. I am very much interested in it.

Mr. FRANKLIN. We discussed moving the Indian at the local level into the employment field. This was a program which started in cooperation with the tribes about 2 years ago and it is now becoming a program in full bloom. Sums of money are given to a tribe or tribal organization. We call this the Indian action team program. These funds then are used by the local people to do those priority things with their own people. Sometimes they construct roads, public facilities. We have one case in Oklahoma where they are putting up a building for one of their industries.

This is the type of thing the Indian people always have said they wanted. It relates something back to the old days of the CCC camps and things of that nature which they remember where they had jobs at the local level. Of course, it is refined and sophisticated training. They are being taught many facets of the work, not just heavy equipment operation but skills of many different types.

Mr. YATES. How many people are engaged in the action teams?

Mr. FRANKLIN. There were 30 demonstration projects.

Mr. NELSON. In 1973 we have programs in 14 locations. They are all over the country.

Mr. YATES. How many people are involved?

Mr. NELSON. They teach so many per year and this program runs for a whole year. Generally the number of people has been running at 70 per program.

Mr. YATES. Seventy people who are learning?

Mr. NELSON. Students per program.

Mrs. HANSEN. In 14 locations.

Mr. YATES. How many teachers are there? How many people are on your action team?

Mr. FRANKLIN. You will be surprised to hear that they teach themselves. People are coming back to the reservations and dedicating a portion of their time and effort here. This is the great thing we see happening now. Not only are the professional people returning to assist in their own tribal effort but many of the people qualified and working in local skills who are now returning.

Mr. YATES. I think this is wonderful but I am trying to find out the numbers of people so engaged. How many returnees are there of the type you have described? I am trying to find out what is available for teaching the Indians. You have your action teams and 70 Indians participating in 1 project which has been described. I am wondering the number of people you send out. If I understand correctly the Indians teach themselves which means you are not sending many out. Therefore I do not have a picture of what an action team is.

Mr. FRANKLIN. Let me give you a written description of it.

Mrs. HANSEN. Suppose you have 70 people within a tribe and they need to learn the skills of carpentry, plumbing, bricklaying, et cetera.

You have people within the Indian world who have had experience in this kind of work. They are returning to the reservation and they are teaching the people on the Indian reservations how to do these types of things. Is that correct?

Mr. FRANKLIN. Yes. You see, this is the fruit of the programs which have been in existence for a number of years, such as the manpower development training program.

Mr. YATES. This is fine. I am trying to find out how many there are and what the relationship is between the Indians and those who are trying to teach them these skills.

I am wondering who will teach them to operate the cats.

Mrs. HANSEN. A cat skinner.

Mr. YATES. The answer given is that you have action teams. What is the action team that will do it?

[Discussion held off the record.]

Mr. YATES. I would like to know how much power you have in your action teams for training people of the various tribes.

[The information requested follows:]

ROAD CONSTRUCTION

All Indian action team projects are under contract with tribal groups. The Bureau has a contracting officer representative that assists the tribe in the execution of the contract.

INSTRUCTIONAL STAFF

Mr. BUTLER. For fiscal year 1973 there are 35 people who are classified as instructors. By and large the instructors are BIA staff who are qualified bulldozer operators, qualified painters, qualified carpenters, plumbers, lathe operators, and so on, part of the BIA local agency, plant management staff or road maintenance staff. They provide the training.

As an individual trainee may progress in the program he will end up being promoted to a foreman level, to a 6-month apprentice level, depending upon the skill he is learning, so he in turn then becomes a part-time instructor over the new apprentice.

ADMINISTRATIVE EXPENSES

Mrs. HANSEN. Please insert justification pages 106 through 109 in the record.

[The justification pages follow:]

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS

General Administrative Expenses

Appropriation, 1972	$6,161,000	
Total appropriation, 1972		$6,161,000
Appropriation, 1973	6,200,000	
Total appropriation, 1973		6,200,000

Summary of Decreases, 1974

	Base for 1974	Decrease 1974	
General administrative expenses	$6,200,000	$ -881,000	
Net decrease, 1974			-881,000
Budget estimate, 1974			5,319,000

General Administrative Expenses

Analysis by Activities

Activity	Fiscal Year 1972 Amount Available	Fiscal Year 1973 Total Appropriation	Fiscal Year 1973 Amount Available
General Administrative Expenses.....	$6,158,824	$6,200,000	$6,200,000
Unobligated balance lapsing.....	2,176	- - -	- - -
Total.....	6,161,000	6,200,000	6,200,000

Activity	F.Y. 1972 Amount Available	F.Y. 1973 Amount Available	F.Y. 1974 Estimate	Increase (+) or Decrease (-) 1974 Compared with 1973	Page Reference
General Administrative Expenses.....	$6,158,824	$6,200,000	$5,319,000	$-881,000	IA-108
Unobligated balance lapsing.....	2,176	- - -	- - -	- - -	
Total.....	6,161,000	6,200,000	5,319,000	-881,000	

General Administrative Expenses

Administrative expenses: Fiscal year 1973, $6,200,000; fiscal year 1974, $5,319,000; decrease $881,000. The decrease consists of:

Increase (+) or Decrease (-)				
Amount	Positions	Total Program	Total Positions	Explanation
$-881,000	-	$5,319,000	327	Decrease of administrative costs.

Program of Work:

This program provides for Bureau-wide executive direction, budget, finance, personnel management, property management and management analysis.

PERSONNEL SUMMARY

General Administrative Expenses

	Actual 1972	Estimate 1973	Estimate 1974
Total number of permanent positions.....	327	327	327
Full-time equivalent of other positions..	33	28	22
Average number of all employees.....	340	335	329
Average GS grade.....	7.6	7.6	7.6
Average GS salary.....	$11,432	$11,565	$11,680
Average salary of ungraded positions.....	9,005	9,545	10,500

ITEMIZATION OF ESTIMATE

	Actual 1972	Estimate 1973	Estimate 1974	Increase (+) Decrease (-)
Program and Financing:				
Total obligations...	$6,158,824	$6,200,000	$5,319,000	$-881,000
Unobligated balance lapsing.....	2,176	- - -	- - -	- - -
Appropriation.....	6,161,000	6,200,000	5,319,000	-881,000
Obligations by objects:				
11 Personnel compensation..	4,329,494	4,459,000	4,444,000	- 15,000
12 Personnel benefits.....	440,010	453,000	452,000	- 1,000
21 Travel and transportation of persons....	361,001	205,000	205,000	- - -
22 Transportation of things.....	9,690	10,000	- - -	- 10,000
23 Rent, communications and utilities.....	416,086	422,000	- - -	-422,000
24 Printing and reproduction..	30,317	35,000	35,000	- - -
25 Other services..	364,861	375,000	- - -	-375,000
26 Supplies and materials.....	166,003	188,000	190,000	+ 2,000
31 Equipment.....	48,015	60,000	- - -	- 60,000
Subtotal.....	6,165,477	6,207,000	5,326,000	-881,000
Deduct quarters and subsistence charges.	-6,653	-7,000	-7,000	- - -
Total obligations	6,158,824	6,200,000	5,319,000	-881,000

Mrs. HANSEN. You are requesting a decrease of $881,000, with no decrease in personnel funded by this account. What accounts for the decrease?

Mr. GREEN. In our administrative fund there will be a cutback in the operating expenses, travel and other types of expenses which have been paid out of this account.

Mr. SYKES. This is tied in——

Mrs. HANSEN. In other words, personnel will go from the Washington office into the area?

Mr. GREEN. That will cut down on the overhead.

Mr. SYKES. Not so much from the central office into the area but we will just reduce our staff. We will actually reduce Federal employees.

Mrs. HANSEN. You are requesting no decrease in personnel.

Mr. SYKES. These are overhead positions. Personnel are assigned to other programs.

Mrs. HANSEN. What programs?

Mr. SYKES. All the programs we have been going through across the board.

TRIBAL FUNDS

Mrs. HANSEN. Please insert justification pages 110 through 118 in the record.

[The justification pages follow:]

TRIBAL FUNDS

Highlight Statement

Tribal funds have been deposited into the Treasury pursuant to various acts of the Congress to be made available for expenditure for the use and benefit of the respective tribal groups. About 300 Indian tribes, bands or identifiable groups have approximately 600 accounts in the U. S. Treasury which are used for the conduct of tribal financial programs, enterprises, businesses, and other tribal affairs. The source of these funds is largely from income derived from Federal management of tribal real properties, the title of which is held in trust by the United States for the tribes. Another significant source is judgments or awards made pursuant to either general or specific acts of Congress.

Tribal funds are available for various purposes, under various acts of Congress and are also subject to the provisions of tribal constitutions, bylaws, charters, and resolutions of the various tribes, bands or groups. Tribes who need their own funds which are on deposit in the U. S. Treasury are required to prepare budgets for approval. Funds are then programmed under three categories: Permanent Authorization, Annual Authorization, and Indefinite Authorization.

Funds programmed under the Permanent Authorization are made available under legislation which gives the Secretary of the Interior continuing authority to carry out the provisions of specific acts. Examples of such legislation are: Fort Peck Indians, Montana (68 Stat. 329), Minnesota Chippewa Tribe of Indians (58 Stat. 271), and the Navajo Indians (64 Stat. 44). Funds programmed under Permanent Authorization can be disbursed either through the Indian Service disbursing agent's accounts or advanced to a tribe for disbursement by the bonded tribal treasurer under an approved plan of operation. These funds do not require annual approval by Congress but are reported annually in the budget schedules to give the Congress an opportunity to review the activity conducted under the authorities extended to the Secretary of the Interior.

In the absence of permanent expenditure authorization, annual appropriation by the Congress is required to permit the use of tribal funds. Such authority is provided annually in the Department of the Interior Appropriations Act and covers two categories: (1) Annual definite; and (2) Annual indefinite.

Annual definite encompasses the use of funds, primarily of those tribes which are not sufficiently organized to be represented by a recognized governing body. Funds programmed under this type of authorization are not otherwise available for expenditure without Congressional action and the $3 million requested for fiscal year 1974 is to provide the Secretary of the Interior with expenditure authority for the execution of programs, including such items as education of Indian children, compensation and purposes benefiting the particular Indian tribes. Expenditures made under this authority are individually made through Treasury regional disbursing offices, subject to the same regulations and procedures as appropriations from the general fund of the Treasury, and require annual approval by Congress.

The annual indefinite authorization in the Appropriation Act, under the heading Tribal Funds, provides the necessary authority, on an annual basis, for the Secretary of the Interior, for such purposes as are designated by a particular tribe, to withdraw from the tribal accounts in the Treasury, funds to carry out programs approved by the Secretary and the conduct of tribal operations, including, but not limited to, management of tribal resources and other programs designed to improve the situation of the general membership. These funds are advanced to tribes for disbursement by Indian Service disbursing agents or by bonded tribal treasurers under a plan of operation.

Some tribes employ more than one of the foregoing methods in conducting their affairs. In the last 15 to 20 years, many tribes have progressed to the point that they have taken over the management of their affairs and the disbursement of their funds under a plan of operation previously approved by the Secretary and it is the policy of the Bureau of encourage tribes in this respect. Annual audits made of tribal funds by certified accountants of commercial auditing firms are submitted to the Bureau for review and information.

Plan of work: No part of the funds contained in this estimate represents a charge upon the Federal Treasury. This item reflects the disbursement of funds to the credit of Indian tribes or bands under numerous special acts of Congress in compliance with the terms of the various trusts and for carrying out tribal programs recommended by the tribal governing bodies with the approval of the Commissioner of Indian Affairs.

The budget schedule reflects under the Permanent Authorization disbursements from the tribal trust funds authorized by permanent legislation, and under the Annual and Indefinite Authorizations amounts requested annually by the various tribes for carrying out various tribal activities.

The estimate,therefore, is restricted to the funds requested annually as required by section 27 of the Act of May 18, 1916 (39 Stat. 158).

Status of Programs

The amount of $14,841 for miscellaneous tribes shown as the last line item of "Comparative Statement of Annual Authorization by Tribes" is required to provide for additional anticipated resolutions during the fiscal year.

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS

Indian Tribal Funds

	1972	1973	1974
1. Annual Authorization	$ 2,903,684	$ 3,000,000	$ 3,000,000
2. Indefinite Authorization	13,555,459	13,530,000	13,505,000
3. Permanent Authorization	106,718,492	152,178,000	129,005,000
Total	123,177,635	168,708,000	145,510,000

Comparative Statement of Annual Authorization Activities

1. Education and Welfare Services	$ 87,067	$ 104,599	$ 104,599
2. Resources Management	675,783	593,535	593,535
3. Construction and Land Acquisition	356,482	317,000	317,000
4. General Tribal Affairs	1,784,352	1,984,866	1,984,866
Total	2,903,684	3,000,000	3,000,000

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS

TRIBAL FUNDS

Analysis of Annual Authorization by Activity

Activities	Fiscal Year 1973	Decreases	Increases	Fiscal Year 1974
1. Education and Welfare Services.....	$ 104,599	...	...	$ 104,599
2. Resources Management.....	593,535	...	...	593,535
3. Construction and Land Acquisition.....	317,000	...	...	317,000
4. General Tribal Affairs.....	1,984,866	...	...	1,984,866
Total.....	3,000,000	...	...	3,000,000

Analysis of Activities

Activities	F.Y. 1972 Amount Available	F.Y. 1973 Amount Available	F.Y. 1974 Estimate	Increase (+)or Decrease(-)1974 Compared w/1974
1. Education and Welfare Services.....	$ 87,067	$ 104,599	$ 104,599	...
2. Resources Management.....	675,783	593,535	593,535	...
3. Construction and Land Acquisition.....	356,482	317,000	317,000	...
4. General Tribal Affairs.....	1,784,352	1,984,866	1,984,866	...
Total.....	2,903,684	3,000,000	3,000,000	...

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
INDIAN TRIBAL FUNDS

Statement Relating to 1972, 1973 and 1974 Programs

1972 Appropriation (Annual Authorization)	$3,000,000
1973 Budget Estimates (Annual Authorization, including supplements submitted to Congress)	$3,000,000
Total Appropriations for 1973	$3,000,000
Deductions: (None)	...
Additions: (None)	...
Total Estimate for 1974 (Annual Authorization)	$3,000,000

Tribal funds: Fiscal year 1973, $3,000,000; fiscal year 1974, $3,000,000; no change.

Status of Programs

Funds programmed under the annual authorization as shown on the following tabulation are to be used for various education and welfare programs, resources management, construction and land acquisition and general tribal affairs, including taxes and attorneys' fees. All amounts in the estimate have been requested properly by the Indians except the sum of $14,841 shown for miscellaneous tribes. The amount under miscellaneous tribes is required to provide for additional tribal requests that can be anticipated during the fiscal year.

COMPARATIVE STATEMENT OF ANNUAL AUTHORIZATION BY TRIBE

STATE-AGENCY-TRIBE	1972	1973	1974
Arizona	$911,314	$877,500	$877,500
Fort Apache Agency--White Mt. Apache	25,000	...	...
Navajo	858,214	850,000	850,000
Salt River Agency--Salt River-Pima	22,600	22,000	22,000
San Carlos Agency--San Carlos Apache	5,500	5,500	5,500
California	422,468	480,817	480,817
Agua Caliente	115,261	116,452	116,452
Barona	284	525	525
Baron Long	325	650	650
Hoopa Valley	207,000	320,000	320,000
Morongo	33,463	...	...
Round Valley	17,500	...	...
Santa Rosa Rancheria	120	120	120
Santa Rosa (Kings County)	575	9,950	9,950
Torres and Martinez	1,400	1,900	1,900
Tule River	46,540	31,220	31,220
Colorado	4,762	3,800	3,800
Southern Ute	4,762	3,800	3,800
Idaho	50,200	52,500	52,500
Coeur d'Alene	16,700	17,200	17,200
Nez Perce	33,500	35,300	35,300
Minnesota	52,131	71,867	71,867
Red Lake	52,131	71,867	71,867

STATE-AGENCY-TRIBE (Continued)	1972	1973	1974
Mississippi	$ 6,436	$ ...	$ ...
Mississippi Band of Choctaws	6,436	...	...
Montana	73,633	70,000	70,000
Blackfeet	18,000	18,000	18,000
Fort Peck	55,633	52,000	52,000
New Mexico	114,296	135,985	135,985
Jicarilla	101,080	122,785	122,785
Navajo and Ute Mountain	13,216	13,200	13,200
Oklahoma	343,262	382,567	382,567
Cherokee	15,000	15,000	15,000
Chickasaw	37,500	45,867	45,867
Choctaw	68,600	33,600	33,600
Creek	19,387	72,600	72,600
Kiowa, Comanche and Apache	2,500	...	...
Osage	200,275	215,500	215,500
Oregon	7,000	7,000	7,000
Umatilla	7,000	7,000	7,000
Washington	775,296	763,123	763,123
Colville	181,945	103,200	103,200
Hoh	1,250	1,250	1,250
Makah	20,600	67,500	67,500
Quinault	20,400	20,400	20,400
Shoalwater	30	...	...
Spokane	51,000	32,450	32,450
Yakima	500,071	538,323	538,323

STATE-AGENCY-TRIBE (Continued)	1972	1973	1974
Wyoming	$ 142,886	$ 140,000	$ 140,000
Arapahoe	71,443	70,000	70,000
Shoshone	71,443	70,000	70,000
Miscellaneous Tribes	...	14,841	14,841
GRAND TOTAL	$2,903,684	$3,000,000	$3,000,000

Administrative Provisions

Mrs. Hansen. Please insert justification page 119 in the record.
[Page 119 follows:]

Administrative Provisions

Explanation of language change

The language provides for the purchases of 56 police-type vehicles of which 50 shall be for replacement only. The additional vehicles are needed to carry out the law and order responsibilities of the Bureau.

Alaska Native Fund

Mrs. Hansen. Also insert justification pages 120 and 121 in the record.
[The justification pages follow:]

Department of the Interior, Bureau of Indian Affairs, Alaska Native fund

Supplemental appropriation 1972	$12,500,000
Total available, 1972	12,500,000
Appropriation, 1973	50,000,000
Decreases:	
Alaska Native fund	50,000,000
Subtotal	
Increases:	
Alaska Native fund	70,000,000
Budget estimate 1974	70,000,000

ALASKA NATIVE FUND—ANALYSIS BY ACTIVITY

	Amount available 1973	Fiscal year 1974 budget estimate	Total available 1974 compared to total available 1973
Alaska Native fund	$50,000,000	$70,000,000	+$20,000,000

The Alaska Native fund will be used for the settlement of certain land claims of Alaska Natives and for other purposes. This settlement will be accomplished with certainty, in conformity with the real economic and social needs of Natives, with maximum participation by Natives in decisions affecting their rights and property, without litigation, without establishing any permanent racially defined institutions, rights, privileges, or obligations, without creating a reservation system or lenghy wardship or trusteeship, and without adding to the categories of property and institutions enjoying special tax privileges, or to the legislation establishing special relationships between the U.S. Government and the State of Alaska, as provided by Public Law 92-203 (85 Stat. 688) approved December 18, 1971.

Alaska Native claims payments

Mrs. Hansen. The payment increases from $50 million to $70 million in 1974. What payments are due in future years? Are these payments mandated by the Alaska Native Claims Act?

Mr. Sykes. They are. In 1974 and 1975 and 1976 it will stay at the $70 million level. In 1977 it drops back to $40 million. Then for fiscal 1978 through 1982 it is $30 million per year. That is all set out in the public law.

Mrs. Hansen. We have received several pieces of correspondence from individuals who fear that the magnitude of these payments is

having an adverse effect on funding levels for other BIA programs. Would you please comment on that?

Mr. SYKES. I do not think it is having an adverse effect. What it amounts to is that there were sizable amounts of money which had to be picked up——

BIA FISCAL YEAR 1974 FUNDING LEVEL

Mrs. HANSEN. Were you required to make reductions along the line?

Mr. SYKES. I don't think they made us take a reduction. The total planning is $544 million that you asked about a moment ago. This is the same amount of money that we had in 1973.

Mrs. HANSEN. That is no great——

Mr. SYKES. When you add on the $25 million bloc grant and when you add the tribal funds——

Mrs. HANSEN. You don't have those funds yet.

Mr. SYKES. That is right. According to the front sheet on our budget it indicates the same level for 1973.

Mrs. HANSEN. You say you are at about the same funding level as fiscal year 1973. Yet every agency that appears before us admits, that there is an escalation factor of about 10 percent. You know as well as I do in the operation of your Indian boarding schools you will pay more money for food this year than you did last year.

You will pay more for almost every item that you use. Therefore, when you present a budget that is approximately the same level of funding it is really a reduction. You mention $544 million. That $544 million is based upon what we added as well. You didn't start with $544 million.

Mr. SYKES. Roughly $10 million was added.

Mrs. HANSEN. If it were not for the $10 million that was added by this committee your budget would have been lower. You would have had a lower base than you have now.

INFLATION FACTORS

Mr. EVANS. You state an interesting fact. I would like to know how you plan to handle this 10-percent inflation factor. Will you cut across the board 10 percent? What will you do?

Mr. SYKES. It is not a cut across the board.

Mrs. HANSEN. Your programs will have to meet that 10 percent in escalation of costs. You know it.

Mr. SYKES. No question about that.

Mrs. HANSEN. Suppose your food costs last year were $1 million for your boarding schools. This year you will not receive $1 million worth of food for $1 million. What will you do? You will cut the cost of maintenance in the boarding schools?

Mr. SYKES. Hopefully we will be better managers.

Mrs. HANSEN. If you did not have so many old facilities I'd say you could cut a lot of costs. There are some fixed costs, as you are well aware. Your teachers received a 5-percent raise.

Mr. SYKES. That is right.

Mrs. HANSEN. That is 5 percent right there which you have to account for.

Then your price of food is increasing. The price of gasoline is increasing. The price of doing business generally is increasing. It costs you more to repair your building and facilities today than last year.

Mr. SYKES. That is right.

Mrs. HANSEN. You also have to add in another item you did not have before, and that is the environmental quality services. You have additional costs which you did not have before.

Mr. SYKES. We had it in 1973.

Mrs. HANSEN. This will increase. However you have not decreased your demands by this amount——

Mr. SYKES. It did not provide, our total planning allowance, for all of those things that the Indians were asking for.

Mrs. HANSEN. You have about $70 million which could have been part of your request.

Mr. SYKES. It is possible.

HOUSING PROGRAM

Mr. EVANS. Now that we are toward the end of the BIA hearings if I may go back to one item. An item appears on page 15 of the justification. One this page you show a need, current estimated need, of 48,300 new homes. You speak of the 1974 budget providing enough funds for the construction of 475 in fiscal year 1974. If you divide 475 and 48,300 it seems as though we are on a 100-year program.

Mrs. HANSEN. They are.

Mr. EVANS. To me this is intolerable and not acceptable. I would like to hear from Mr. Franklin what his views are on this point. We are talking about places where people live. Is this 48,000 a reasonable estimate of the new homes that will be needed?

Mr. FRANKLIN. Those are the result of a survey which did indicate the necessity to replace that number of dwellings.

I think I mentioned in the first session we had here that for Indian housing we should give it some reconsideration.

For instance, instead of our building an elaborate home which we are accustomed to in the cities we should think in terms of building shelters. I am particularly pleased to note that in this Indian action team we are talking about there is an example where they built three houses for $30,000.

Mr. EVANS. I remember your testimony. I am hoping that whatever the best decisions are for providing shelters for the Indians that your decision to move ahead would be not only doubled but quadrupled in terms of providing shelters over certainly a shorter period of time than 100 years.

Mr. FRANKLIN. The figures you read there are 400 houses to be built out of the home improvement program within the Bureau itself. You must also remember that it is possible we may get as many as 6,000 housing units per year under the HUD programs throughout the United States.

I certainly agree greater emphasis needs to be placed upon the housing progrram. I just met last week with a representative of HUD. I called in two of the experts in tho Bureau and I asked them to move rapidly toward developing a program which would make the Indian housing program an outstanding program in the Nation.

Mr. EVANS. At this time are you able to say whether or not more funds would be beneficially used?

Mr. FRANKLIN. First I would like to see how we can take full advantage of other housing programs in the Federal structure. Of course, you can always use more money in the development of almost any project. We have talked about many projects here today.

I personally would have a feeling that we should move rapidly toward bringing facilities that the Government operates, for instance for students, up to a level of acceptability and safety. That would be one of my first concerns.

A No. 2 concern is in the personal area, to assist the individual in every respect, all of the programs to bring about better housing for himself.

Mr. EVANS. If you felt you could use more funds through BIA in construction of new family shelters. I would be personally sympathetic.

ALASKA NATIVE CLAIMANTS

Mrs. HANSEN. I am quoting from an AP article: "Global search is turning up thousands of unexpected claimants. The searchers say the settlement pay may be shared by as many as 80,000 Natives instead of the 55,000 or 60,000 estimated when Congress authorized the payment." Do you have any comment on this?

Mr. BUTLER. In the enrollment of the Alaska Native Claims Settlement Act, the deadline was March 30 of this year.

In our computerization of this enrollment we had received prior to the deadline acceptable enrollment applications numbering 79,019 applications.

Mrs. HANSEN. Do these all have to be adjudicated as to whether or not they are legitimate?

Mr. BUTLER. Yes. It will be on a computer. At the present time the status of the action on the enrollment application procedure as of April 12 shows that we had adjudicated 41,070 of those 79,000 applications as eligible. We had found that 1,181 were determined not eligible. This left us a balance——

Mrs. HANSEN. What was the basis of ineligibility?

Mr. BUTLER. Basically lack of identification of Alaska Native or Indian blood. The balance remaining is 36,788 applications yet to be adjudicated.

Mrs. HANSEN. When do you think those will be completed?

Mr. BUTLER. We are moving forward as rapidly as we can on this. Now that the enrollment application procedure has ceased by virtue of the deadline of March 30 we will be able to move along more rapidly I would suggest that perhaps by late summer most of them may be adjudicated. Then we will have the problem of the appeals of those who were found administratively not eligible and appealing to the Secretary for review.

Mrs. HANSEN. Senator Young is interested in the Devils Lake Sioux Road.

Mr. NELSON. I will check on it.

[The information requested follows:]

ROAD CONSTRUCTION

Regarding the schoolbus routes on the Fort Totten Reservation adjacent to the town of Devils Lake, N. Dak., the Bureau has realized the need for upgrading the roads on the Fort Totten Reservation, especially the schoolbus routes. These routes are receiving top priority by the tribal council on the reservation. The Bureau's plans for road construction in fiscal year 1974 are for grading and draining 1.5 miles and applying a bituminous surface to 17.6 miles of the East-West Road for approximately $364,000. Also, the fiscal year 1975 tentative road construction program on the Fort Totten Reservation is to apply an additional 1.5 miles of bituminous surfacing to the East-West Road for $60,000; and applying a bituminous surface to the St. Michael Road of 2.7 miles for $110,000.

SCHOOL CONSTRUCTION PROGRAM

Mr. WILES. If I may say something about the school construction program. I believe it was in 1962 when I was working for the Bureau that we came in with a supplemental of $20 million to step up the school construction program. This committee and the Senate committee allowed it. Ever since that time, with the help of this committee and the Senate committee, we have been getting sizable amounts for construction, so this administration, the one before this, and the one before that, with the help of both committees, has greatly improved Indian school facilities. While we still have out-of-date facilities we have improved them greatly during that period of time. We have built many new schools and replaced many dilapidated schools.

Mrs. HANSEN. I want to make it plain that this committee has not been remiss in any of the fields—economic development, housing, education, health. In 1960 the health funds were very small. The committee has increased them some three times over the years. We have had continuing add-ons. The same is true with school funds.

The very fact is we had about 800 youngsters in college in 1960 and today we have 13,500 planned under the scholarship program. This is an indication of how far we have come.

Also you will find we have had a betterment in Indian employment in the BIA.

We now find ourselves faced with all the public school demands. When one Member of Congress submits requests for seven public schools, I can foresee we will be funding all the public schools in his district. This has complicated the picture of school construction.

BIA INVESTMENT OF INDIAN TRUST FUNDS

Mr. EVANS. Speaking of funds and shortage of funds, I noted that last year in April the GAO issued a report which was critical of the manner in which the BIA was investing Indian trust funds. Could someone here tell the committee what action, if any, has been taken? First, did you agree with this criticism? If so, what changes have occurred in the policies of investing these funds?

Mr. FRANKLIN. It would be well to look back further than that when the only action taken by the BIA was in the investment of tribal funds in the Treasury of the United States. It was about 8 years ago that the Bureau made a concerted effort to attempt to find a better form of investment for the funds owned by tribes and devised a program which, with the concurrence of the tribal council, those funds could be placed in financial institutions where the backing was by a

Federal agency and as a result changed the rate from 4 percent up to 6 percent and sometimes 6½ percent. That has been a trend.

I wanted to lay that up as a background. I will let someone more knowledgeable explain where the program is today.

Mr. SYKES. I don't think we did agree with all the findings of the GAO. I think we have answered that. I don't have the report with me but we didn't quite agree with them on all that they mentioned in that report.

IMPROVEMENT OF INVESTMENT PROCEDURE

We do at the present time have various improvements shown in the investment procedure. Right now we have $447.8 million of tribal funds invested. The per annum earnings for those funds is $28.9 million. Average return is around 6.46 percent. Those earnings break down into about $79,000 a day earned for the tribes.

We are servicing about 105 tribes through this process. We estimate that serves about 150,000 individual Indians.

As a case in point, this money which has been appropriated and not yet paid under the Alaska Native claims bill, we fought for a long time with Treasury in the fact those are tribal funds and could be invested. As a result of that as of March 31, there have been over $2 million in accrued interest earned from that money which has been appropriated in the past few years up until the time it will have to be paid out to corporations.

Mrs. HANSEN. Congress itself is to blame for part of the lack of return. If we don't promptly expedite this judgment money there is a cost—a lack of interest going to the tribe. Is that correct?

Mr. SYKES. That is right.

Mrs. HANSEN. For every day we delay in the appropriations it is costing the Indians interest money. Congress should shoulder part of the blame.

Mr. SYKES. There is one other item I should have pointed out. The safety of our investments is 100 percent. They are 100-percent guaranteed. Every banking institution we deal with has to put up a guarantee of 100 percent for the money invested. We do this out of the Albuquerque office. We have three or four people in constant contact with banking institutions throughout the United States.

I also would like to point out this is not done without the specific consent of the tribe or the specific request of the tribe. There are other funds which could be invested but it is entirely up to the tribe as to whether they want us to handle it. These are guaranteed investments. This return is perhaps lower than if we were in a speculative market but it is guaranteed.

Mr. WILES. All these investments have to be guaranteed as to principal and interest. The bank has to put up Government securities to cover the investments.

Mr. SYKES. It has been speeded up. Once Congress appropriates this we had a cumbersome system up to a couple years ago. It took up to 45 days to get the money so we could invest it. We have gotten it down to where it is done within a period of 3 or 4 days once the appropriation is made.

Mrs. HANSEN. Mr. Franklin, I want to thank you and your staff. We have had a comprehensive review of the BIA and the problems you have. I must say I think we have benefited from having a sort of interlude when public witnesses appeared so we could review the request accurately with the staff. This has been most helpful.

Mr. Wiles, you have sat in these hearings as long as I have and I think this has been one of the better BIA hearings in the entire history of your appearances before the committee since I have been a member. I do appreciate this presentation.

Mr. FRANKLIN. We are grateful to you. I am sure I can speak in behalf of the entire staff. We have worked diligently in trying to prepare this budget in a manner which best serves the American Indian.

Mrs. HANSEN. You have done an excellent job and I would like to express the appreciation of the committee to you and the Department.

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