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HEARING

BEFORE THE

KANSAS STATE UNIVERSITY

COMMITTEE ON

INTERIOR AND INSULAR AFFAIRS

UNITED STATES SENATE

NINETY-THIRD CONGRESS

SECOND SESSION

ON

THE NOMINATION OF JACK W. CARLSON TO BE ASSISTANT SECRETARY OF THE INTERIOR FOR ENERGY AND MINERALS

AUGUST 5, 1974



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INTERIOR AND INSULAR AFFAIRS

UNITED STATES SENATE

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NOMINATION OF JACK W. CARLSON TO BE ASSISTANT SECRETARY OF THE INTERIOR FOR ENERGY AND MINERALS

MONDAY, AUGUST 5, 1974

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

The committee met at 10 a.m. pursuant to notice, in room 3110 Dirksen Office Building, Hon. Howard M. Metzenbaum, presiding. Present: Senators Metzenbaum, Hansen, Buckley, and Bartlett.

Also present: Jerry T. Verkler, staff director; D. Michael Harvey, special counsel; and Gerald Gereau, legislative assistant to Senator Metzenbaum.

OPENING STATEMENT OF HON. HOWARD M. METZENBAUM, A U.S. SENATOR FROM THE STATE OF OHIO

Senator METZENBAUM. This is an open hearing on the nomination by the President for Mr. Jack W. Carlson to be Assistant Secretary of the Interior for Energy and Minerals.

Mr. Carlson is a career public servant presently serving in the Office of Management and Budget. Among his duties as Assistant Secretary for Energy and Minerals will be mine and mine safety.

This places him in the position of promoting development of coal and other minerals and on the other hand being responsible for the safety and well-being of many miners throughout the Nation.

We will hear later from Mr. Carlson as to how he intends to approach the subject.

At this point, I would like to place in the record a biographical sketch of Mr. Carlson.

[The document follows.]

BIOGRAPHY OF JACK W. CARLSON

Currently, Assistant to the Director of the Office of Management and Budget (Economic Policy), Executive Office of the President; Director of the Economic Policy Division and responsible for Troika and Quadriad activities, and for coordinating changes in credit, tax, and regulatory policies; Member of the Cabinet Committee on Economic Policy; Director of the Federal Study of Commodities in Short Supply (mineral, agricultural, and processed); Deputy Member of the Cost of Living Council, which was established to help stabilize wages and prices; Chairman of the United Nations Senior Economic Advisers to the governments of the Economic Commission for Europe.

Formerly, Assistant Director of the U.S. Bureau of the Budget (1968-1970) and responsible for the Federal Planning-Programming-Budgeting System; Senior Staff Economist with the President's Council of Economic Advisers (1966-1968); Assistant to the Secretaries of the Air Force and Defense (1964-1966); served in the U.S. Air Force and resigned as a Major; served as Professor of Economics or Management at several universities at various times.

B.S. and M.B.A. (Business Administration) degrees from the University of Utah (1957) and M.P.A. (Public Administration) and Ph. D. (Economics) degrees from Harvard University (1963); Fellow of the School of Public Administration at Harvard University (1968); public writings have been published in Government publications (e.g., "Evaluation of Public Expenditures"), professional journals (e.g., "American Economic Review"), public magazines (e.g., "The Washington Monthly"), and newspapers (e.g., "The New York Times"); congressional testimony has been given before the Joint Economic, Senate Aeronautical and Space Sciences, Senate Public Works, House Ways and Means, House Science and Astronautics, and House Armed Services committees.

Born in Salt Lake City, Utah, in 1933 and lived in Utah, Idaho, and Colorado. Married to the former Renee Pyott in 1954. The Carlsons have seven children, ages 4-18.

Senator METZENBAUM. Our first witness, a distinguished Member of the Senate who is here to introduce the nominee, Senator Bennett.

STATEMENT OF HON. WALLACE F. BENNETT, A U.S. SENATOR FROM THE STATE OF UTAH

Senator BENNETT. Thank you very much, Mr. Chairman. It is a great privilege for me to be here today to introduce Hon. Jack W. Carlson, who is both a distinguished American and a fellow Utahan. He appears before you today as the President's choice to serve as Assistant Secretary of the Interior Department, a nomination I applaud and hope you will soon approve.

His experience is wide-ranging and his qualifications are outstanding. Since 1972, he has directed the Economic Policy Division of the Office of Management and Budget, as Assistant to the Director.

There, he coordinates changes in tax, regulatory and credit policies and has been responsible for economic forecasting and fiscal year recommendations.

In addition, he is serving as a member of the Cabinet Committee on Economic Policy, the Director of the Federal Studies of Imported Commodities in short supply, including mineral, agricultural and process commodities; a deputy member of the Cost of Living Council, Chairman of the United Nations Senior Economics Advisers to the Government's Economic Commission for Europe.

From 1968 to 1970, he was Assistant Director of the U.S. Bureau of the Budget and responsible for the Federal planning, programing and budgeting system.

From 1966 to 1968, he was Senior Staff Economist with the President's Council of Economic Advisers and from 1964 to 1966 he served as Assistant to the Secretary of the Air Force and the Secretary of Defense.

He is a former Air Force major and professor of economics and management. He holds B.S. and master's degrees in business administration, degrees from the University of Utah; and a Master of Public Administration and a Ph.D from Harvard University.

Jack and his wife Renee have seven children, four of whom are here today to see their father, I hope, approved for this position.

I have known Jack unofficially and outside of Government circles for most of the years I have been in Washington. I have come to have tremendous respect for his personal capability, and for his high standards in integrity and responsibility.

I am sure he will make an excellent Assistant Secretary to carry these very heavy responsibilities as we begin to develop our hoped-for-energy independence.

Thank you.

Senator METZENBAUM. Thank you for an excellent statement, Senator Bennett.

If you would like to introduce Mr. Carlson's family, we would be pleased to have you do so.

Senator BENNETT. I will ask him to introduce them.

Senator METZENBAUM. We are pleased to have them here with us. We hope that Mr. Carlson does.

[Laughter.]

Senator BENNETT. Out of order, I suggest, since the chairman has raised the question, that he take a minute and do it now.

Mr. CARLSON. I am pleased to introduce my family. Starting with my wife on the left, Renee Carlson.

Senator METZENBAUM. We thought that was one of your daughters.

Mr. CARLSON. And my next to oldest daughter, Christine Carlson; my oldest daughter, Kathy Carlson; and my next oldest daughter, Diane; and my next to youngest son, David.

There are three others off at camp who are unable to be here.

[Applause.]

Senator METZENBAUM. We are also pleased to have with us today the Honorable Rogers C. B. Morton, the Secretary of the Interior.

STATEMENT OF HON. ROGERS C. B. MORTON, SECRETARY OF THE INTERIOR

Secretary MORTON. Thank you, Mr. Chairman, and members of the committee.

It is also a pleasure for me to introduce Jack Carlson. We are very excited about having recruited him. We are very excited about his having accepted.

Mr. Chairman, I have a very short statement.

I think the Government faces a reconstruction of itself in regard to the management of the role in bringing about the kind of policy and direction we need in the development of our fuels and development of our minerals and materials.

Hopefully, in the not too distant future, we will see a Department of Natural Resources that can coordinate the Federal effort with other Government efforts at the State level, and I think it will result in a much more beneficial policy as far as the turn-on benefit is concerned, a more beneficial program for the people.

What I think Jack can do in the Department, having worked with other Government agencies in this field, as well as the budget process, will be to very substantially set the Department in a posture that will make it more effective when it becomes part of a Department of Natural Resources.

This is a very important interim step, in my opinion. A Department must not be a conglomerate of individual efforts or new kind of chart you put on the blackboard.

It must be a more closely integrated effort in developing policy and the implementation thereof. I think Jack's experience not only with commodities but in dealing with this very kind of problem, but also his in-depth knowledge of the economic forces that lie behind the things we must do will be very valuable.

I would be delighted to answer any questions the committee might have.

Senator METZENBAUM. Mr. Secretary, in bringing Mr. Carlson on board, do you have any policy statement or directives handed down to him on the Department's position with respect to the development of energy and minerals vis-a-vis our concern for the environment and the preservation of the environment?

Secretary MORTON. The policy statements are pretty well delineated in the statutory base under which we operate. The NEPA Act itself is a policy act and the Department is carrying out the spirit of the NEPA Act which is basic departmental policy, but in the course of assimilation to this job, the Assistant Secretary will receive and review and discuss the secretarial objectives as well as other objectives and an important group of those objectives deal with the mating of those resources and the protection of our environment. They permeate almost everything we do in terms of development of the OCS, in terms of development of minerals on public lands, in terms of all the things we do. We have a new ethic. It is not all compressed into one policy unless that would be the NEPA Act itself.

As his responsibilities are clarified, the environmental aspect of each will be delineated and, hopefully, fully understood, not only by him but by his entire staff.

Senator METZENBAUM. Do you feel there is any variation in the strict construction or language of the NEPA Act by reason of the President's injunctions vis-a-vis the matter of more energy, the need for greater energy, more energy and we are talking about licensing of nuclear plants, the number of suggestions that he made on the subject.

I am wondering how you have interpreted this with respect to your responsibilities under the statute.

Secretary MORTON. There is no question as the curve of development ascends and the number of facilities accelerates, the environmental problem becomes more obvious. It becomes more to the foreground.

I think the ethic we are now trying to perfect in our time, the ethic of balance between the environment and the development is beginning to come forward.

The NEPA Act itself was a first step. We are just beginning now, really, to learn how to respond to it, but I think nobody belittles the fact. We have got a long way still to go in terms of making the productivity of America fit into the environmental demands.

I think we are moving well in that direction. Sometimes I think we are moving a little too fast. The productivity has been inhibited in one or two cases. But, that does not mean we cannot bring about this balance, and I think the NEPA Act does this.

If you were to ask me to provide some perfecting amendments to the NEPA Act, I do not think I could do it.

Senator METZENBAUM. The NEPA Act calls for a great deal of decisions.

Secretary MORTON. Yes, and it is, itself, a decision process—when the environmental impact itself is a decision document. It provides you with the alternatives. It provides you with a better understanding of the environmental impact of any given project of Federal significance before you make the decision to either approve or disapprove it.

Senator METZENBAUM. When you are in total balance between the need for more energy and the need for protecting the environment, and there is just that equa-balance, in view of the pressure for more energy and the pressure for more energy which is the policy of the Department to weight each side down.

Secretary MORTON. I don't think we weight either side down. The policy of Interior is, first, to make sure the project is necessary in terms of power development, of mineral development, in terms of whatever it is.

The second thing is to look at it and see if it has been done or is projected in a way that has, hopefully, a beneficial effect on the environment and at least where the degrading effects on the environment are minimized.

The Alaska Pipeline, the job there was to build a system to transfer Arctic oil to the marketplace. The mission was to do it in a way that had the least impact on the environment and gave maximum recognition to other interests such as wildlife, esthetics and all of the rest. That is the way the Department of the Interior is operating, to try and bring about the best possible environmental protection and to approve those projects which are obviously needed.

We have some tough decisions to make in this area, some projects are not needed and some projects are projected in such a way the environment would be unduly damaged; things like the Kaiparowits decision is a very difficult thing to do.

Senator HANSEN. I have no questions.

Senator BARTLETT. I have no questions.

Senator BUCKLEY. I have no questions.

Secretary MORTON. Thank you, Mr. Chairman and members of the committee.

[Secretary Morton's prepared statement follows:]

STATEMENT OF HON. ROGERS C. B. MORTON, SECRETARY OF THE INTERIOR

Mr. Chairman and members of the committee, it is my privilege to appear before you today to endorse the nomination of Jack W. Carlson to be Assistant Secretary of the Interior for Energy and Minerals.

As you know, the Department of the Interior has embarked on a far reaching research and development program in the related fields of energy and critical minerals. It is paramount to the successful operation of this effort that we obtain the service of a man with proven ability in this field of expertise. From his record of leadership as Assistant to the Director for Economic Policy in the Office of Management and Budget, I believe that Mr. Carlson is well qualified for the position for which he has been nominated by the President.

At the Office of Management and Budget, Mr. Carlson directed the Economic Policy Division and coordinated analyses of credit, tax and regulatory policies. His varied duties included directing the Federal Study of Critical Imported Commodities in Short Supply—mineral, agricultural and processed—an area of study of vital importance to the welfare of his Nation.

His other duties included membership in the Cabinet Committee on Economic Policy; Deputy Member of the Cost of Living Council, and Chairman of the United Nations Senior Economic Advisers to the governments of the Economic Commission for Europe.

From 1968 to 1970, Mr. Carlson served as Assistant Director of the former Bureau of the Budget, responsible for the Federal Planning-Programming-Budget system. Earlier he was Senior Staff Economist with the President's Council of Economic Advisers, and Assistant to the Secretaries of Defense and of the Air Force.

His educational background is as equally distinguished as his service to this government. Mr. Carlson earned a doctorate in economics and a master's degree in public administration awarded at Harvard University, in addition to a bachelor's degree and master's degree in business administration at the University of Utah.

At the Department of the Interior he would supervise development of the energy and minerals resources of the Outer Continental Shelf, oil and gas from conventional sources, oil from shale, coal and geothermal energy.

The post of Assistant Secretary for Energy and Minerals oversees the Office of Research and Development, Office of Minerals Policy Development, Office of Coal Research, Bureau of Mines, U.S. Geological Survey, Mining Enforcement and Safety Administration, and Bonneville, Alaska, Southwestern and Southeastern Power Administrations. Those responsibilities also include the emergency preparedness planning functions, which are provided by the Defense Electric Power Administration, the Emergency Minerals Administration, the Emergency Solid Fuels Administration, and the Emergency Petroleum and Gas Administration.

This is a big order, and I believe we have found a big man, big enough to handle it.

I am confident that Mr. Carlson will do an outstanding job providing the focal point in the Federal government for identifying and recovering adequate supplies of energy minerals and materials, in both the short term and in the long range viewpoint.

His initial duties will be to improve the capabilities of the Federal government to assess potential shortages of critical energy minerals and materials.

He will be responsible for the research and development programs aimed at overcoming such shortages.

I am pleased that he has been nominated as Assistant Secretary for Energy and Minerals in the Department entrusted to me. Thank you.

Senator METZENBAUM. Mr. Carlson.

STATEMENT OF JACK W. CARLSON, NOMINEE TO BE ASSISTANT SECRETARY OF THE INTERIOR FOR ENERGY AND MINERALS

Mr. CARLSON. Mr. Chairman, I appreciate the opportunity to appear before this committee concerning the President's nomination of me as Assistant Secretary of the Interior for Energy and Minerals.

Senator Bennett and Secretary Morton have just described my background and proposed assignments. I understand the importance of the assignment and appreciate their confidence in me.

I pledge to Secretary Morton and this committee my best efforts, cooperation and integrity in this new assignment.

I think it would be best to end my statement here and be prepared to answer any questions you might have.

SENATOR METZENBAUM. I have some questions of Mr. Carlson from Senator Nelson who wanted to express his deep regret over his inability to be with us today, but being both a member of the Interior Committee as well as the Labor Committee, Senator Nelson has a dual interest in your department.

Senator Nelson requested a few questions, of particular interest to him, be asked in his absence, and I shall proceed to do so.

The Mining Enforcement Administration is a subagency of your section of the Interior Department. Are you aware of the current—even historic—degree of controversy surrounding the administration of MESA and if so, do you have any plans to deal with this agency's seeming inability to enforce the safety, assessment and other standards of the Coal Mine Health and Safety Act?

Mr. CARLSON. I am aware of some of the controversy as to its location and the possible conflict between objectives. I am also aware of the Interior Department's efforts to minimize that conflict by taking MESA out of the Bureau of Mines and operating it separately.

Also, Mr. Chairman, I would have to identify the fact there are a lot of complementaries. If you want optimum health and safety in the future, you will want to design, into the opening of new mines and new technologies, more safety features and health protection features and you will get significant improvement there.

Your R. & D. in that area is in the extracting and processing part of your Government which is, at the present time, in the Interior Department, so there are some possible conflicts. But there are some complementaries, when you take into account its present location.

At the present time, where prices in the mineral industry are driven by the demand side as opposed to the cost side, the conflict of these two objectives is not as great and not likely to be so great in the next 2 or 3 years.

Senator METZENBAUM. Continuing on with Senator Nelson's questions.

As a specific example, it is my understanding that the Interior Department has assessed the mine operators some \$44 million in fines for numerous safety violations but has managed to collect only \$7 million. What seems to be the problem and what, if anything, do you intend to do about it?

Mr. CARLSON. Mr. Chairman, I am not fully up to speed on the intricacies of the collection process. I have had briefings on it. I understand the nature of the problem, but I am not fully conversant with the alternatives in resolving the problem. Obviously, the assessments have to be followed up with collections to have this a binding process, to carry out changes that might be necessary.

We will be reviewing this shortly to get a feel, at least from my standpoint, as to what is feasible.

Senator METZENBAUM. Do you think it would be appropriate to consult the Solicitor's Office on this whole question of the settlement policy whether it would be beyond saying you are attempting to get a fix on it. Do you feel that there is anything specific you would advocate doing in this area since the amount is so modest, what has been collected, as compared to what has been assessed?

Mr. CARLSON. I think you have to treat this as a system from a standpoint of an enforcement or assessment process going in to the actual collection and see what possible problems you have along the way.

This, of course, fits into how stringent do you as legislators feel the Government should push health and safety upon the extraction industry. So I think you and I should look at the whole process from infractions to assessments and subsequently to the Solicitor's role, where he is trying to actually collect the funds.

There are several places along the way where we can check to see where we have problems or where we can find we do not have problems.

It would be premature from my standpoint to give any conclusions. I don't have the knowledge at this point to make any suggestions, if there is a need for improvement in the process.

I am aware of Senator Nelson's numbers you have expressed here, as to how much has been assessed and how much collected and also as to the backlog that exists.

Senator METZENBAUM. I am not certain whether you have fully answered the question relative to the degree of controversy that surrounds the Administration of MESA. Are you aware of the controversy in that situation?

Mr. CARLSON. Obviously, Mr. Chairman, I would not be fully aware. I have just been briefed as to what seems to be the major problems, the interest as to the conflict of interest between Interior and possible location of the functions within the Department of Labor, the assessment process and lack of collection of the assessment process, and whether there is legitimate criticism that the assessments are not written up in a way so as to sustain themselves in the legal process.

I am aware of the kind of problems that exist in this area, but, Mr. Chairman, it is premature from my special-knowledge standpoint, to comment about solutions at this particular point in time.

Senator METZENBAUM. Despite the availability of modern technology or devices or new concepts of safety, 1969 safety laws on the books have demonstrated improvement in many coal mine safety statistics.

It is my understanding, in quoting Senator Nelson, that U.S. coal mine fatalities in the first part of 1974 have actually increased. Do you plan any overview of this situation with the objective being the elimination of this killing in American coal mines?

Mr. CARLSON. That is obviously the objective of the program, to reduce deaths and injuries that occur in the coal mines, and we would be pursuing that objective under the act that we have from the Congress. To the extent the statistics show, we are going in the reverse direction per ton mined or in the aggregate basis with more tons mined, this is of particular concern to me.

Senator METZENBAUM. Would you consider this matter a priority as you assume your responsibility?

Mr. CARLSON. Yes, sir.

Senator METZENBAUM. Upon reviewing a recent Labor Committee study of MESA's 1-year operation, it was my impression that a principal problem seems to be the marked lack of in-depth mining experience possessed by key administrators in charge of this enforcement program. With so many men's lives at stake, do you plan to review your department's structure with a view to perhaps obtaining the services of more dedicated and experienced administrators and enforcement personnel?

Mr. CARLSON. This is always a concern, the skill mix of our personnel. We have started to review a number of bureaus to see if we have the right skill mix and we have found in a few areas, given the problems we have now, we do not have the right skill mix. I will exercise proper oversight over that bureau, as I intend to exercise with my other bureaus.

Senator METZENBAUM. Then Senator Nelson's last question is: Should you undertake such a review, and you indicate you intend to do so, might I receive a written report on your findings, actions taken and proposals for the future that would make MESA the effective agency for safety that it ought to be?

Mr. CARLSON. We would be pleased to report to the Congress any proposed changes and improvements that we have under consideration in that area.

Senator METZENBAUM. I think Senator Nelson is asking for a report as promptly as possible, and I think he is asking whether you would feel you would be in a position to make that report to him, after you take office.

Mr. CARLSON. If he is willing to give us some flexibility as to timing when we have had a chance to review the situation, we will be pleased to report to any Member of the Congress about any steps we feel we should be taking in that area.

I understand we already have some recommendations for improvement before the Congress, especially relating to the judicial review aspects of MESA's responsibility. In terms of assessing where we find ourselves, if there are any additional ones, we will be pleased to look at them and provide a report to the Senators that are interested.

Senator METZENBAUM. Senator Williams, the chairman of the Senate Labor and Public Welfare Committee also had some questions he wanted to ask and on his behalf, I will do so at this moment.

President Nixon, in his recent economic policy speech, spoke of the trade-off between increasing supplies and improving safety.

Would you comment on this proposition that our economic ills can be cured by lowering the health and safety standards for American workers in light of the fact that safety can only increase productivity and reduce indirect costs to business enterprises such as the loss and injury of valuable manpower resources, damage to our capital equipment, and lost production time?

Do you understand the question?

Mr. CARLSON. I do, Mr. Chairman. I think our starting point is in the mining or extracting industry. There are many complementary industries where additional health and safety factors add to production, so I do not see them in conflict.

Beyond that point, one has to look at the objectives of society. One of the most important concerns of people is the value of human life. I have had a chance to do some studying in this area. The value of life as expressed by decisionmakers exceeds a very large sum of money, so we trade off heavily to protect life. A key purpose of life is to sustain life. I will pursue the law and try to increase the health and safety of our workers. In most instances, I think it is going to be complementary to production.

Senator METZENBAUM. Do you think there is any need at all to lower the health and safety standards in order to obtain greater production in this area?

Mr. CARLSON. I don't know of any specific proposals that have been made in that area and would generally find that they are not complementary.

Senator METZENBAUM. I think, implicit in Senator Williams' question as they talk of the trade-off between increasing supplies and improving safety, that is the basis of the question.

Mr. CARLSON. Mr. Chairman, the only thing I can comment on at this time is that I just do not see many instances where that would be the case.

Senator METZENBAUM. Another question from Senator Williams: While fuel production goals are very important to us in these days of energy shortage, they cannot be justified in terms of sacrifice of human lives.

I have been very concerned, speaking for Senator Williams, that the Interior Department not subvert safety goals for miners to the production goals which have come to the front in this time of energy consciousness.

Since all of us share Chairman Williams' concern, especially in light of the implications of the President's economic message of July 25, would you please give us your understanding of the meaning of the President's message as it applies to the job for which you have been nominated?

Mr. CARLSON. Mr. Chairman, let me broaden that question. Obviously, Government is in the business of pursuing many objectives. At any one time we find one objective has not been treated adequately, we tend to emphasize it; people say we overemphasize it and then we have to have a balance. We have an objective of warm homes, clean air, health and safety. Sometimes these objectives are in conflict with each other. We have to have a democratic process to come to a consensus, to the extent it is in the public sector to make those kinds of decisions.

We are trying to sort out how much weight we give to objectives or, as the Secretary said, the balance we have among the objectives and how we weigh them.

This would be a continuing process—for those of us who administer the laws and those of you who set the laws, to come out with a proper balance at any one time.

It is conceivable to me that you can have fewer conflicts among those objectives, at this particular point in time, because the demand is so great for energy resources. This is what is pulling up the price up, not the cost of the resource being mined, except at the margin, then you do not have conflict between development and health and safety as you might have on other occasions. I anticipate that we will have these kinds of conditions for a few years. I do not anticipate any large conflict in this area now, as compared to 5 years ago, or, as may be the case 5 years from now.

Senator METZENBAUM. Another question from Senator Williams: As Assistant Secretary for Energy and Minerals, you will be in the difficult policymaking position of determining a course which both maximizes the efficient production of fuel resources and reduces mining accidents to an absolute minimum.

What is your position as to how these goals should be weighed against each other in setting departmental policy?

Mr. CARLSON. Mr. Chairman, we will pursue the law as passed by the Congress until amended, and we will pursue these objectives.

If we come up with irreconcilable differences in seeking out these differences, we will be back to the Congress for instructions on these points

If you are asking us the intent of whether we are going to carry out the law. We are going to carry out the law.

Senator METZENBAUM. Senator Jackson had a question to be asked.

In April, Senator Jackson wrote to the Secretary about the need to control oil and gas exploration operations on lands in Alaska being considered for possible addition to the National Park and Wildlife Refuge Systems.

The committee has had no reply. Meanwhile, the exploration activities have continued uncontrolled all summer.

What is your view on the question of regulating these activities?

Mr. CARLSON. Mr. Chairman, I am not familiar with the special circumstances in this case and therefore, cannot comment.

Senator METZENBAUM. Mr. Secretary, since you are present, would you care to add anything?

Secretary MORTON. I am not exactly familiar with the letter the Senator sent to us, so I would reserve comments on his letter.

I think from what you have said, the Senator is concerned with the exploration of oil and gas on those lands which have been set aside by Executive order under the Alaska Native Claims Act awaiting disposition by the Congress. Is this correct?

Senator METZENBAUM. No. The question, as I understand it, talks about the need to control oil and gas exploration on lands in Alaska being considered for possible addition to the National Park and Wildlife Refuge Systems.

Secretary MORTON. This is correct. There is some exploration going on, but there is no development going on on these lands that I know of. This will be a decision that will really have to be made by the Congress.

The Congress has 5 years on which to act on these, or set itself to have 5 years, a set aside called D-1 and D-2 lands.

So, the ball is really in the congressional court. We are operating these lands on a very restricted basis under the authorities we have.

The lands, I can assure the committee, are not being damaged.

Senator METZENBAUM. I think the chairman's concern relates to the fact a switching is taking place from a known system to a permit system for exploration.

Secretary MORTON. I will have to check on this. I will be glad to inform the committee.

Senator METZENBAUM. I think I stated that action in reverse but, on behalf of the chairman, I think it would be appreciated if a response could be had to his earlier communication.

Now, Senator Metcalf had a question: I am very concerned about the possibility of serious shortages of minerals in the future. Also the United States is already heavily dependent on imports of minerals. You will supervise the activities of the Bureau of Mines which should play a major role in developing information on mineral supplies and assisting in research and development of new technology for mineral recovery and recycling.

What are your views about this work? Will you give the committee, by the end of this year, your recommendations for new or revised legislation needed to assure that the Bureau of Mines plays a leading role?

Mr. CARLSON. I am familiar with the problem Senator Metcalf referred to, having chaired the interagency study group; however much of the policy analysis is not complete.

One of our initial conclusions from the study was, fortunately, that we are not as vulnerable in other areas, other than oil, and consequently any potential actions of a foreign government or consortium of producers abroad cannot affect us on anything like the magnitude in the case of oil.

However, we did find about six mineral commodities where we could have price gouging or cartel action against U.S. consumers and thereby cause the price to rise, which does give rise to Senator Metcalf's concern that we ought to take into account alternative sources, particularly from safe areas within the United States.

I would be pleased to provide some response to Senator Metcalf as to steps we think might be appropriate in the area of mineral R. & D., as one way to provide access to safe sources of minerals.

Senator METZENBAUM. I interpret your answer as "yes", about your giving recommendations by the end of the year. Can I take it your answer is "yes"?

Mr. CARLSON. We would be pleased to provide a report to him. I would like to reserve, at this point, whether, or not it should be new legislation, because it might be possible under existing legislation; but, nevertheless, we will report to the Congress on steps we are taking to adequately protect the consumer.

Senator METZENBAUM. There is one other question Senator Metcalf had: We have been very interested in the Northern Great Plains resources program which deals with the potential impact of Federal coal leasing.

What role do you expect to play in coal leasing decisions?

Mr. CARLSON. Mr. Chairman, we have many bureaus in Interior as you know and BLM has primary responsibility in that area.

As my assignment has been outlined to me, even though those minerals may be located elsewhere in Interior, I will have an opportunity to participate in providing a leadership role in those areas.

Senator METZENBAUM. Again quoting Senator Metcalf; On May 16 I wrote to Secretary Morton about the May 10 meeting of the Program Review Board. Since 11 weeks have passed without a reply, would you expedite a reply to my questions?

I gather, Mr. Carlson, part of your purpose in being here is for you to provide answers to questions that have been addressed to the Secretary.

Could you lean over and ask him about these?

[Laughter.]

Secretary MORTON. Did you say the letter was on May 16 about a meeting that occurred on May 10?

Senator METZENBAUM. Yes.

Secretary MORTON. I will have to check into that, Mr. Chairman.

Senator METZENBAUM. I am sure Senator Metcalf will appreciate it.

Secretary MORTON. We try to get our replies out as soon as possible. I suffered under the same frustrations you are during the 8 years I was in Congress, and I must admit I have not improved it as much as I would like to.

We have increased the tempo of replies. Some of the questions require considerable amount of research and investigation before they can be fully and completely answered.

Normally, the process is to acknowledge the letter, do the work as fast as we can and then complete the instructions or interrogations in the letter.

I am rather surprised the letter has not at least been acknowledged.

Senator HANSEN. Would the chairman yield at that point? It may be of interest. I was talking with the senior Senator from Iowa, Senator Hughes, a few weeks ago and to his great chagrin, he discovered several bags of Senate mail, I am not sure if it was outgoing incoming mail, but it had been stored in a room, either in this building or some other building around here, and had been down there several weeks.

Senator METZENBAUM. Was one of them marked "Rogers Morton"? [Laughter.]

Senator HANSEN. I was dying to look at them, Mr. Chairman. I did not get a chance to.

Secretary MORTON. I do not think I could get by with it that easily, Senator Hansen, but the whole mail problem is one I must admit we have not fully resolved.

We get 4,000 to 5,000 letters a day from all over the world. I wish we had a much better system, not only to acknowledge them and reply to them, but then to get back. Hopefully, Assistant Secretary Kyl, who is concentrating on trying to improve our communications system with the Congress, is making some progress. I know he is working very hard at it.

Senator METZENBAUM. Thank you. We will pass that response on to Senator Metcalf.

Another question from Senator Metcalf: Do you think that the Geological Survey is adequately funded and staffed to carry out its significant responsibilities for supervision of development of Federal mineral revenues?

I am particularly concerned about the greatly expanded development activities being discussed. Can the Geological Survey assure that environmental protection and mineral conservation regulations will be enforced?

Mr. CARLSON. Mr. Chairman, my intent is to go through each of the bureaus assessing their mission with their resources.

After that period of time, I will have greater ability to judge. As you know, there has been considerable increase with our thrust in the energy situation, and we would want to monitor these to make sure we are pursuing our objectives.

Senator HANSEN. I yield to the Senator from Oklahoma.

Senator BARTLETT. I yield to the Senator from New York.

Senator BUCKLEY. I must confess I was interested in seeing in your list of credentials the fact you served perhaps at the same time as the Director of the Federal Study of Critical Imported Commodities in Short Supply and also as Deputy Member of the Cost of Living Council. Was that simultaneous?

Mr. CARLSON. The Cost of Living Council was being phased out.

Senator BUCKLEY. I realize that. Were you at the same time sitting in those two positions?

Mr. CARLSON. The Cost of Living Council only had one meeting after that started.

Senator BUCKLEY. I was curious if you saw any relation between the Cost of Living Council and the Commodities in Short Supply.

Mr. CARLSON. Anytime you have a shortage of resources, any control program is going to lead to some distortion and, if extended over a period of time, can lead to inadequate investment in a particular area.

Senator BUCKLEY. If you fix at a price of commodity—

Mr. CARLSON. That is correct. I think we found, in the case of steel, the rate of return was inadequate under the controls program for them to take care of their long-term expansion needs and the needs of the country for additional steel and we saw an adjustment in price occurring after the program was over.

That is one of the concerns, when you have a control program. You have bottlenecks and demand pressures. You do not run into that kind of a problem if inflation is caused by people pushing up the price or pushing up the wage.

Senator BUCKLEY. It is very difficult for me to determine, from the analysis of the positions you have held, to what extent you have had actual experience with the exploratory phase of the extracting industries. Have you had any chance to familiarize yourself with how you would go about setting up exploration programs? How the money is mobilized? How it is invested?

Mr. CARLSON. My experience in this area, other than having grown up in the West and observed this as a child, has been to observe it in terms of the analysis of a particular industry and, from the analysis side. I have had some experience especially in the area of energy and some of the other mineral resources over a number of years.

However, in terms of being a geologist I have not participated.

Senator BUCKLEY. One other thing that concerns me is that when people talk of an analysis of an industry, they tend to start at the top 20 or 30 in a particular field and, therefore, are apt to miss the flavor of the independent sector which more often than not ends up taking larger risks than your huge companies need to take, but in the process manage to turn out some of their greatest discoveries, proportionately, both in oil and gas and in hard rock minerals.

Mr. CARLSON. I agree with that. You don't even need to go into those industries on a national basis. Your largest companies do not carry the highest proportion of R. & D. in terms of sales. It turns out to be the next sized companies below them that do the largest proportion of R. & D. in relation to sales.

When you talk about industries, you have to look at the whole mosaic of the industry. They are quite different in terms of sales: 25 percent of the bottom industry members versus the top 25 percent, particularly in coal extraction industry.

Senator BUCKLEY. In terms of exploration, if we are to come remotely close to achieving the objective of Operation Independence, we are talking not only of research and development in esoteric areas in the immediate future, but in finding and developing more traditional sources of energy in terms of other minerals.

It seems to me an important focus has got to be on what is required to assure maximum investment in the most speculative, risky ends and, of course, your responsibilities, if you are confirmed by the Senate,

would put you in the rulemaking area which would have an enormous impact on the decision of private investors, whether or not to part with their money and, of course, you would have enormous discretionary authority in such areas, information, for example, as to what ought to be disclosed.

I am concerned, if you do not already have it, that you would intend to develop a familiarity with the lowest levels and the broadest levels of exploration, prospecting, and so on, that would give you some understanding of the need for certainty in regulation.

People will accommodate themselves to rules and that the rules, if not unreasonable, will work with them; but, if the rules change every few months, it will discourage investment also; to know, if at one stage of investment, inclination and so on is derived, that is applicable to the second stage, that the individual will not be robbed of any opportunity from going from exploration to development. For example, they will not be required to be deprived of that information which gives them a competitive edge against somebody who has not taken those initial risks.

So, I judge you are not very personally familiar in this area. I would hope you see the importance of maintaining the broadest possible incentives for mineral investment.

Mr. CARLSON. I agree with you, Senator. Certainly that is good advice. Government innovation would be lower if we tend to move in that direction. We shall watch out for that, both in terms of our budget, in terms of tax policies, and regulatory policies. We should look at each industry, not only in terms of extraction of minerals but at each level of processing, for example, bauxite into alumina and then into aluminum. That is of concern to us.

Senator BUCKLEY. Mr. Chairman, I have no further questions.

Senator METZENBAUM. Senator Bartlett.

Senator BARTLETT. Mr. Chairman, thank you. Mr. Carlson, I understand part of your responsibility will be to make decisions in connection with privileged information as it pertains to the operations on the Outer Continental Shelf and that there have been hearings on regulations promulgated by the USGS and those hearings are still underway. Is that correct?

Mr. CARLSON. Yes, sir. I understand the hearings will close around August 23.

Senator BARTLETT. Some people reason, because the OCS is owned by the people of this country, they have ownership of the wealth that may underlie the Outer Continental Shelf or lie on top of the Outer Continental Shelf; that people are entitled to all of the information concerning their property.

I would reason the people would probably care less; that they would not know how to use the information and I am speaking broadly of the general public not knowing how to use the information, but there would be a few businessmen who would know very well how to use it. They would sit back and let someone else take the risks that the Senator from New York was talking about and then try to profit from those risks.

It seems to me the responsibility the leaders of this country have to the people in the ownership of oil and gas and other minerals on the Outer Continental Shelf is to see that they are efficiently, properly,

environmentally, and in every way most fully developed according to proper means of development.

It is my opinion that means of development would be by private enterprise. Is there any reason you think private enterprise, as it has been operating, would not be capable of doing it better than any other way we know of?

I am speaking of the American companies who have operated all over the world.

Mr. CARLSON. Our extractive industries, particularly in oil, have been reasonably effective over a great number of years. In contrast, one is not overly impressed with the efficiency of some State-owned systems in other countries. Moving toward a State-owned system, I don't think that should be encouraged, from an efficiency standpoint.

Senator BARTLETT. What value do you see of the general public having knowledge of exploratory information that amounts to very valuable capital assets of exploratory companies?

Mr. CARLSON. As you mentioned, Senator, we have multiple objectives we have to pursue and one of them is the environment as well as the efficient extraction of resources in those areas.

What is required to make sure we pursue the objective of the environment as we extract the resource, is a question of considerable concern, as the Secretary referred to, as a proper balance one works with.

As I understand, we already receive information from private companies; however, we keep it confidential.

At this particular time, it is used in our evaluation processes and in seeking after some other objectives.

I have not been able to review the hearing testimony completely. I went over it briefly this weekend. I cannot comment on that particular measure.

However, we have a tradition in this country not to appropriate private property and not to do it without proper due process. I support that objective. It is a basic part of our American system.

Senator BARTLETT. Are you saying there are areas in which the general public needs to have knowledge or are you saying that there are areas completely pertaining to environment where the Department should have information on a privileged basis?

Mr. CARLSON. I understand most of the conflict is dealing with the public release of the information after a certain delayed time period; not the Department's use of it.

The Department has use of some data and when it needs more, has the capability to get it. So it is the public release for environmental purposes that creates the problem.

Senator BARTLETT. Could you give me some examples?

Mr. CARLSON. I understand the location of gas near the surface, in terms of a platform being put in the ocean and drilling into it, can cause environmental hazards.

Knowing about it, one can, from a regulatory standpoint, protect against those environmental hazards. That is one bit of information useful to know.

A question comes up, is that information useful to know by the regulatory authority, the Geological Survey or whether it is useful to be known by a broader group of people, the public or some other group of regulatory authority?

On the special knowledge side, I will be willing to admit, Senator, I am not fully familiar with the regulations and the testimony that has been given on that.

Senator BARTLETT. I think the history of the oil industry is that they are vitally concerned about casing programs and requirements being made of them.

I think the Secretary knows of the west coast problem, that most of the majors were following the State requirements, which were more stringent than the Federal requirements, and the trouble occurred when one operator followed the Federal requirements which were not as strict and got into trouble.

I think they are interested, too, in having good programs and they will certainly cooperate, but I am talking about privileged information from the point of view of exploration that would be valuable for that purpose.

Do you see any value in the public having this?

Mr. CARLSON. Senator, I am not familiar enough with the rationale for the regulations in the first place to fully appreciate the extent the public knowledge of it would be to environmental quality or competition. However, we will be closing the hearing books on the 23d of August and we can come up with an assessment after we have had a chance to review it.

Senator BARTLETT. Do you agree with me that private enterprise has worked very well? In my opinion, it can be improved, but I feel public information—well, I believe privileged information is basic to the private enterprise system, and that competition is an important safeguard to the general public and without privileged information, is forced to be made public.

Then, there would be a sharp reduction in the competition and a sharp reduction, really, in the safeguards; the public would suffer. They would be the ones who would be shortchanged.

Do you agree with that line of reasoning?

Mr. CARLSON. I concede conceptually without referring to an actual case. If we imposed the requirement that information gained through an investment of private companies were to be made public, we would find the investment made in that endeavor would diminish rapidly.

Then you face the question of whether you retreat back from your designed regulations so the private sector could go ahead and do the task or whether the Government would step in to do the task.

I do agree with you, Senator, that that is a concern any time we set up regulations, and I also agree with you, Senator, in that the mainstay of our enterprise system is competition. We want to maintain competition and, by maintaining it, there is one further reason for Government intervention to be removed.

Senator BARTLETT. You agree that privileged information is basic to the private enterprise system?

Mr. CARLSON. Yes.

Information about the product, the marketing of it, the market usually is a high cost for the firm to go ahead and gain that information. That is part of his investment, and we believe in a rate of return adequate to go with that investment.

Senator BUCKLEY. The Department is now acquiring information that it requires. It seems to me if, in the opinion of the Department of

the Interior, there is information that should be made public, then it certainly would have the opportunity to purchase that information, pay for it in its entirety and have it available to the general public.

Would that not be a way of providing information to the general public?

Mr. CARLSON. Yes, Senator.

Senator BARTLETT. Would that not be a superior way than confiscation of private property?

Mr. CARLSON. If you are referring to a particular instance, I cannot comment on that, but certainly we did not support a policy of confiscation of private property.

When there is an overriding public purpose to be served, due process and compensation has to be provided. However, for an alternative, the Government should pay for information it needs to fulfill its objective. Yes, it is an important alternative.

Senator BARTLETT. My line of questioning has been on making public information primarily, but as far as your Department having privileged information, do you see any concern there later or is there apt to be a change of policies that might prove that out to be a good policy and are there some risks involved with personnel leaving the Department of Interior and going to private enterprise and taking with them privileged information that would be useful?

Mr. CARLSON. Senator, I think we have to take into account on the administrative side, and you gentlemen certainly have to take into account, when you make up laws, how you are setting up a law for one objective which can be used for another objective down the road and what kind of safeguards you want to put in the system and also to have somebody use privileged information for their personal gain after leaving employment of the Government, I think those have to be considered at the time we make our laws and regulations.

Senator BARTLETT. If you have privileged information available to you and you are asked subsequently by members of this committee to divulge it, will you divulge it?

Mr. CARLSON. Senator, I don't know a particular instance. Obviously, if I am directed by the law not to reveal it to anybody, we will not reveal it to anybody, including yourselves, but if we are directed by the law to share it with this committee, we will share it with the committee.

Senator BARTLETT. Thank you very much.

Senator METZENBAUM. Mr. Carlson, two other questions. Are you willing to appear before this or any other congressional committee, if requested and given reasonable notice?

Mr. CARLSON. Yes, sir.

Senator METZENBAUM. Is there anything in your financial data previously submitted or any other arrangement which, in your judgment, might present a real or even apparent conflict of interest?

Mr. CARLSON. No, sir.

Senator METZENBAUM. Senators Metcalf, Nelsen, and Williams were unable to attend because of previous commitments and have asked that their questions be presented to you. I will place in the record these questions and we will leave the record open for 2 weeks for your reply.

[The questions of Senators Metcalf, Nelson, and Williams follow:]

QUESTIONS SUBMITTED BY SENATOR LEE METCALF

1. We have been very interested in the Northern Great Plains Resources Program which deals with the potential impact of Federal coal leasing.

What role do you expect to play in coal leasing decisions?

On May 16 I wrote to Secretary Morton about the May 10 meeting of the Program Review Board. Since 11 weeks have passed without a reply, would you expedite a reply to my questions?

2. In April Senator Jackson wrote to the Secretary about the need to control oil and gas exploration operations on lands in Alaska being considered for possible addition to the national park and wildlife refuge systems. The Committee has had no reply. Meanwhile, the exploration activities have continued uncontrolled all summer.

What is your view on the question of regulating these activities?

3. I am very concerned about the possibility of serious shortages of minerals in the future. Also the U.S. is already heavily dependent on imports of minerals. You will supervise the activities of the Bureau of Mines which should play a major role in developing information of mineral supplies and assisting in research and development of new technology for mineral recovery and recycling.

What are your views about this work?

Will you give the Committee by the end of this year your recommendations for new or revised legislation needed to assure that the Bureau of Mines plays a leading role?

4. Do you think that the Geological Survey is adequately funded and staffed to carry out its very significant responsibilities for supervision of development of Federal mineral revenues? I am particularly concerned about the greatly expanded development activities being discussed. Can the Geological Survey assure that environmental protection and mineral conservation regulations will be enforced?

5. What do you regard as your most important objectives as Assistant Secretary?

U.S. SENATE,
COMMITTEE ON INTERIOR AND INSULAR AFFAIRS,
Washington, D.C., August 5, 1974.

HON. HENRY M. JACKSON,
Chairman, Senate Interior Committee, Dirksen Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: I will be unable to attend this morning's hearings on the nomination of Jack W. Carlson to be Assistant Secretary of Interior for Energy and Minerals.

In my absence I would greatly appreciate if you would ask Mr. Carlson the enclosed questions.

Sincerely,

GAYLORD NELSON,
U.S. Senator.

1. Mr. Carlson, the Mining Enforcement and Safety Administration is a sub-agency of your section of the Interior Department. Are you aware of the current—even historic—degree of controversy surrounding the administration of M.E.S.A.? If so, do you have any plans to deal with this agency's seeming inability to enforce the safety, assessment and other standards of the Coal Mine Health and Safety Act?

2. As a specific example: It is my understanding that the Interior Department has assessed the mine operators some 44 million dollars in fines for numerous safety violations but has managed to collect only 7 million dollars. What seems to be the problem?

3. Even these collections have averaged some 30 cents on the dollar. Do you plan to consult the solicitor's office on this settlement policy?

4. Despite the availability of modern technology, the '69 safety law on the books and a demonstrated improvement in many foreign coal mine safety statistics, it is my understanding that U.S. coal mine fatalities in the first part of 1974 have actually increased. Do you plan any overview of this situation with the objective being the elimination of this killing in American coal mines?

5. Upon reviewing a recent Labor Committee study of M.E.S.A.'s one-year operation, it was my impression that a principal problem seems to be the marked lack of in-depth mining experience possessed by key administrators in charge of this enforcement program. With so many men's lives at stake, do you plan to review your department structure with a view to perhaps obtaining the services of more dedicated and experienced administrators and enforcement personnel?

6. Should you undertake such a review—and I would hope that you will—might I receive a written report on your findings, actions taken and proposals for the future that would make M.E.S.A. the effective agency for safety that it ought to be?

U.S. SENATE,
COMMITTEE ON LABOR AND PUBLIC WELFARE,
Washington, D.C., August 2, 1974.

HON. HENRY M. JACKSON,
Chairman, Committee on Interior and Insular Affairs, U.S. Senate, Washington,
D.C.

DEAR MR. CHAIRMAN: On Monday, July 29, 1974, the Senate received the nomination of Mr. Jack W. Carlson to be Assistant Secretary of Interior to fill the vacancy created by the resignation of Mr. Wakefield. This position, Assistant Secretary for Energy and Minerals, is extremely important because it encompasses the operations of the Mining Enforcement and Safety Administration (MESA) and of the Bureau of Mines.

As you know, I have been concerned for some time now that this dual responsibility has resulted in a conflict of interest with the Assistant Secretary urged to maximize the production of fuel and mineral resources, and at the same time, charged with the responsibility for reducing mining accidents to an absolute minimum.

This potential conflict is not an easy one to resolve, especially with the existing energy crisis. No one can deny that these conditions create the temptation to relax safety standards as a solution to the problem. I am sure you realize the position Mr. Carlson will be in when he is confronted with this conflict, and it is my sincere wish that this issue will be explored at the confirmation hearings.

We have a responsibility to the nation's 120,000 coal miners and 122,000 metal and nonmetallic miners to see that they are provided with safe and healthful working conditions. Our responsibility goes even further because of the consideration for the families of these men. No woman wants to be deprived of her husband nor do the children want to lose their fathers. I believe we are all too familiar with the family tragedies caused by past mine disasters. I would like to be assured that Mr. Carlson, if confirmed, will be fully aware of this very grave responsibility with which he is charged.

Sincerely,

HARRISON A. WILLIAMS,
Chairman.

QUESTIONS FOR MR. CARLSON

President Nixon, in his recent economic policy speech, spoke of the trade-off between increasing supplies and improving safety.

Could you comment on this proposition that our economic ills can be cured by lowering the health and safety standards for American workers in light of the fact that safety can only increase productivity and reduce *indirect costs* to business enterprises such as the loss and injury of valuable manpower resources, damage to our capital equipment, and lost production time?

Mr. Carlson, while fuel production goals are very important to us in these days of energy shortage, they cannot be justified in terms of sacrifice of human lives. Senator Williams, who chairs the Committee on Labor and Public Welfare which is considering the nomination of James Day to be Administrator of MESA, has been very concerned that the Interior Department not subvert safety goals for miners to the production goals which have come to the front in this time of energy consciousness. We share Chairman Williams' concern, especially in light of the implications of the President's economic message of July 25. Would you please give us your understanding of the meaning of the President's message as it applies to the job for which you have been nominated?

As Assistant Secretary for Energy and Minerals you will be in the difficult policy-making position of determining a course which both maximizes the efficient production of fuel resources and reduces mining accidents to an absolute minimum. What is your position as to how these goals should be weighed against each other in setting Departmental policy?

Senator METZENBAUM. I have nothing further. Is there anything further—

Senator HANSEN. I have nothing.

Senator METZENBAUM. We do not have a quorum present. This meeting will stand adjourned for a meeting of the committee which I don't think you will have to be present on although I am not certain of that and we will proceed forward at that time.

The hearing is closed.

[Whereupon, at 11:15 a.m., the hearing was adjourned.]

[Subsequent to the hearing answers to questions asked of Mr. Carlson follows:]

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., October 21, 1974.

HON. HENRY M. JACKSON,
Chairman, Senate Interior Committee, Dirksen Senate Office Building,
Washington, D.C.

DEAR MR. CHAIRMAN: When your Committee held hearings on my nomination to become Assistant Secretary of the Interior for Energy and Minerals, some questions were presented in writing. My replies are attached.

If further information is needed, I shall be very pleased to cooperate with the members of the Committee.

Sincerely yours,

JACK W. CARLSON,
Assistant Secretary of the Interior.

SENATOR JACKSON'S QUESTIONS AND ANSWERS SUBMITTED BY MR. CARLSON

Question. In April Senator Jackson wrote to the Secretary about the need to control oil and gas exploration operations on lands in Alaska being considered for possible addition to the national park and wildlife refuge systems. The Committee has had no reply. Meanwhile, the exploration activities have continued uncontrolled all summer.

What is your view on the question of regulating these activities?

Answer. Oil and gas geophysical explorations on leased and unleased public lands are controlled by the provisions of 43 CFR 3045 administered by the Bureau of Land Management. The regulations include procedures for protecting the lands from damage incident to the exploration. Exploratory drilling for oil and gas on public lands leased for oil and gas are governed by the regulations of 30 CFR 221 administered by the Geological Survey.

Energy resources on public lands should be identified, to guide both the Congress and the Executive Branch in their deliberations which settle the questions of the best possible use of those lands, for the good of all the public.

SENATOR WILLIAMS' QUESTIONS AND ANSWERS SUBMITTED BY MR. CARLSON

Question. President Nixon, in his recent economic policy speech, spoke of the trade-off between increasing supplies and improving safety.

Could you comment on this proposition that our economic ills can be cured by lowering the health and safety standards for American workers in light of the fact that safety can only increase productivity and reduce indirect costs to business enterprises such as the loss and injury of valuable manpower resources, damage to our capital equipment and lost production time?

Answer. I did not interpret the President's message as suggesting that human life be placed in jeopardy to increase supplies.

I agree wholeheartedly with your opinion of the importance of health and safety standards for American workers, and I do not see a serious conflict between the twin objectives of increasing production and making working conditions safer. It is my belief that safety and increased productivity should go hand-in-hand.

Question. Mr. Carlson, while fuel production goals are very important to us these days of energy shortage, they cannot be justified in terms of sacrifice of human lives. Senator Williams, who chairs the Committee on Labor and Public Welfare, which is considering the nomination of James Day to be Administrator of MESA, has been very concerned that the Interior Department not subvert safety goals for miners to the production goals which have come to the front in this time of energy consciousness. We share Chairman Williams concern, especially in light of the implications of the President's economic message of July 25.

Would you please give us your understanding of the meaning of the President's message as it applies to the job for which you have been nominated?

Answer. I do not feel that there is a serious conflict between safety and production. I feel that a safe worker is a productive worker; and a safe mine is a productive mine.

Question. As Assistant Secretary for Energy and Minerals, you will be in the difficult policy-making position of determining a course which both maximizes the efficient production of fuel resources and reduces mining accidents to an absolute minimum.

What is your opinion as to how these goals should be weighed against each other in setting Departmental policy?

Answer. Senator, I believe that a safe and healthy worker is a productive worker. I believe that a safe and healthy mining environment is a productive mining environment.

I do not believe that there is a conflict between maximizing production and minimizing accidents. The mine operator who violates health and safety standards for the sake of short-term increases in production is wrong.

The mine worker who takes an unsafe shortcut in his work is equally wrong. In the long run, the safe way is the productive way. I intend to be guided by that principle in my decisions.

SENATOR GAYLORD NELSON'S QUESTIONS AND ANSWERS SUBMITTED BY
MR. CARLSON

Question. Mr. Carlson, the Mining Enforcement and Safety Administration is a sub-agency of your section of the Interior Department. Are you aware of the current—even historic—degree of controversy surrounding the administration of MESA? If so, do you have any plans to deal with this agency's seeming inability to enforce the safety, assessment and other standards of the Coal Mine and Safety Act?

Answer. The enforcement of laws and regulations is almost always controversial. When we deal with a matter of such great importance to the safety and health of the miner under the Occupational Safety and Health Act, and the Coal Mine Health and Safety Act, the controversy does not shrink in size. I intend to make a study of the Mining Enforcement and Safety Administration and its operations under the provisions of these two Acts which Congress provided for the health and safety of the miner. I will implement improvements as indicated by the study and as I exercise oversight responsibility. Also, I will recommend legislation to the Congress in 1975 should legislative improvements be required.

Question. As a specific example, it is my understanding that the Interior Department has assessed the mine operator some 44 million dollars in fines for numerous safety violations, but has managed to collect only 7 million dollars. What seems to be the problem?

Answer. The assessment problem is complex. We intend to make every effort to collect as high a percentage of payments as can be collected without denying due process of law to those assessed. More importantly, we are reviewing the process to see if enforcement can be made more effective, including the imposition of penalties so that collection backlogs do not grow in the future. We may have recommendations to the Congress to improve the existing legislation to insure more effective processes.

Question. Even these collections have averaged only 30 cents on the dollar. Do you plan to consult the Solicitor's office on this settlement policy?

Answer. Yes, I do intend to consult regularly with the Solicitor's office, as part of the review which I promised you.

Question. Despite the availability of modern technology, the '69 safety law on the books and a demonstrated improvement in many foreign coal mine safety statistics, it is my understanding that U.S. coal mine fatalities in the first part of 1974 have actually increased. Do you plan any overview of this situation with the objective being the elimination of this killing in American coal mines?

Answer. Coal mine fatalities have not increased, but are in fact down from 1973, and are dramatically reduced from the 1970 figures. 1970 was the first year, of course, after the Coal Mine Health and Safety Act was passed. Disabling injuries are also down substantially, despite the fact that America's need for energy fuels has resulted in more miners putting in more man-hours in more mines this year.

However, no safety record is ever good enough, and we will not be satisfied as long as any miner is injured in a mine. As we identify sections of the safety act which need to be strengthened, we will recommend to Congress that strengthening legislation be enacted.

Question. Upon reviewing a recent Labor Committee study of MESA one year operation, it was my impression that a principal problem seems to be the marked lack of in-depth mining experience possessed by key administrators in charge of this enforcement program. With so many lives at stake, do you plan to review your departmental structure with a view to perhaps obtaining the services of more dedicated and experienced administrators and enforcement personnel?

Answer. I do intend to review the structure of the Mining Enforcement and Safety Administration. You may differ with administrative practices, but enforcement standards for personnel clearly call for experience and for the training and retraining of inspectors and supervisors.

Question. Should you undertake such a review—and I would hope that you will—might I receive a written report of your findings, actions taken and proposals for the future that would make MESA the effective agency for safety that it ought to be?

Answer. I will furnish you with a copy of anything written as a result of my review of the Mining Enforcement and Safety Administration.

SENATOR METCALF'S QUESTIONS AND ANSWERS SUBMITTED BY MR. CARLSON

Question. We have been very interested in the North Great Plains Resources Program which deals with the potential impact of Federal Coal Leasing. What role do you expect to play in coal leasing decisions?

On May 16, I wrote to Secretary Morton about the May 10 meeting of the Program Review Board. Since 11 weeks have passed without a reply, would you expedite a reply to my questions?

Answer. A check indicates that Acting Secretary of the Interior John C. Whitaker replied to your questions in his letter to you of June 19, 1974. A copy of Acting Secretary Whitaker's letter is attached hereto.

I will play a major role in deciding changes in coal leasing policies.

Enclosure.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., June 19, 1974.

HON. LEE METCALF,
U.S. Senate,
Washington, D.C.

DEAR SENATOR METCALF: Thank you for your letter of May 16, 1974, regarding the future of the Northern Great Plains Resource Program. I was pleased to note that your suggestions that the Program Review Board be expanded to include the Governor of each Northern Great Plains State and a representative from the Federal Energy Administration were implemented at the May 10 meeting of the Program Review Board.

The Department is in agreement with you that the needs of the Northern Great Plains States will be best served by expanding the participation of other interested Federal, State, and private groups. As a result of a suggestion made by the Department at the May 10 meeting, the Program Review Board appointed a special committee headed by the Program Manager in Denver to study and report to the Board on the alternative ways this participation could be implemented.

This special committee will also recommend to the Program Review Board a budgetary framework for the future of the Program. When this framework is approved by the Program Review Board, I will inform you of the FY 1975 and FY 1976 funding estimates. Below is an estimate of funds and manpower expended by the participating Federal agencies during FY 1974.

Agency	Manpower (man-years)	Funds
Department of the Interior.....	21	\$1,071,915
Department of Agriculture.....	21	751,700
Environmental Protection Agency.....	14	1,000,000
Total.....	59	2,823,615

This estimate includes costs associated with participation in the Northern Great Plains Program, including Agency participation on the study work groups and funding of special studies.

Both Assistant Secretary Hughes and I thank you for your kind words about him.

I will keep you informed about the progress of the planning for continuation of the Program.

Sincerely,

JOHN C. WHITAKER,
Acting Secretary of the Interior.

Question. I am very concerned about the possibility of serious shortages of minerals in the future. Also, the U.S. is already heavily dependent on imports of minerals. You will supervise the activities of the Bureau of Mines which should play a major role in developing information on mineral supplies and assisting in research and development of new technology for mineral recovery and recycling.

What are your views about this work?

Will you give the Committee by the end of this year, your recommendations for new or revised legislation needed to assure that the Bureau of Mines plays a leading role?

Answer. The Congress has given the Bureau of Mines a legislative mandate to develop information on mineral supplies and to develop new technologies for mineral recovery and recycling. I intend to see to it that this mandate is carried out.

I share the Senator's concern about serious shortages of minerals in our future. I will outline plans that will lead to the increased capacity of the Department of the Interior to do this work. We will place greater emphasis on improving data collection capabilities in the areas of inventories, identification of alternate recoverable resources and plans to make reserves speedily available in case of emergency.

I intend to expand our data collection and analysis of domestic and international sources of critical minerals and materials including appraisal of existing and potential ore deposits, processing facilities, transportation systems, labor supplies and a variety of geologic, economic and institutional data on operating mines which produce key minerals. This program should greatly improve our ability to forecast availabilities of minerals, and will give this nation the data it needs to make decisions concerning both the domestic and the world mineral markets.

I feel that it is vital that the Congress be kept informed with up to date information along this line. The Annual Report of the Secretary of the Interior under the Mining and Minerals Policy Act of 1970 furnishes this information. I believe that we can improve on the timeliness of this information however, and I intend that the 4th Annual Report will correct that situation. I do not mean that legislative proposals will be withheld pending publication of the Annual Report. As legislative needs are identified, they will be recommended to the Congress.

Question. Do you think that the Geological Survey is adequately funded and staffed to carry out its very significant responsibilities for supervision of development of Federal mineral revenues? I am particularly concerned about the greatly expanded development activities being discussed. Can the Geological Survey assure that environmental protection and mineral conservation regulations will be enforced?

Answer. The Congress, which placed these additional burdens upon the Geological Survey, has recognized that additional programs require additional funds and additional personnel. For example, the Geological Survey's funding and staffing for the supervision of offshore operations has been increasing steadily in recent years, and plans call for continued strengthening of its capability to meet the needs of the expanding leasing program. A management review analyzing needs with respect to the supervision of onshore operations, is in progress. The FY 1975 budget provides for an immediate expansion in the Geological Survey's capability in this area. Further expansion may be recommended as a result of the study now in progress for it is the Department's intention that the Geological Survey do the job the Congress has given it.

Question. What do you regard as your most important objectives as Assistant Secretary?

Answer. First of all, my duties and responsibilities are set out by the Congress and by the Secretary of the Interior. I do not intend to fail either the Congress or the Secretary in their expectations of me.

As to my personal objectives, I feel that the most important part of my work will be to provide direction to the wise management of this nation's natural resources. My objective will be to ensure that this nation knows what its resources are, and that this nation have the benefit of the intelligent use of those resources.

When I say the intelligent use of those resources, I am emphasizing the fact that the only purpose for conservation or management is man himself. I feel that the health and safety of the men who provide these natural resources and the men who deliver those resources to the consuming public is one of my most important concerns.

When I say the intelligent use of those resources, I am emphasizing my belief that we can use the mineral resources of our nation without destroying the environment in which we live. I do not feel that the environment must be sacrificed to provide minerals; nor do I feel that the principles of wise use will allow us to lock up and forget any minerals which are vital to our national security or prosperity.

EXECUTIVE SESSION

THURSDAY, AUGUST 8, 1974

The Committee on Interior and Insular Affairs in open executive session on August 8, 1974, unanimously ordered reported to the Senate the nomination of Mr. Jack W. Carlson, of Maryland, to be an Assistant Secretary of the Interior.

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EXECUTIVE SESSION

THURSDAY, AUGUST 2, 1974

The Committee on Interior and Insular Affairs in open executive session on August 2, 1974, unanimously ordered reported to the Senate the nomination of Mr. Jack W. Carlson, of Maryland, to be an Assistant Secretary of the Interior.

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